Placement Document
Not for circulation
Private and confidential
Serial No.______

CENTRAL BANK OF INDIA

Constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 on July 19, 1969

Central Bank of India was originally incorporated on December 21, 1911 under the provisions of the Indian Companies Act, 1882 as, "The Central Bank of India Limited" with its head office at Mumbai. For details of change of name, see "General Information" on page 219.

Head Office: Chandermukhi, Nariman Point, Mumbai 400 021, Maharashtra, India
Tel No.: +91 (22) 6638 7818 **E-mail:** investors@centralbank.co.in **Website:** www.centralbankofindia.co.in

Issue of up to 16,57,99,736 equity shares of face value of ₹10 each (the "**Equity Shares**") at a price of ₹15.38 per Equity Share, including a premium of ₹ 5.38 per Equity Share (the "**Issue Price**"), aggregating up to ₹254.99 Crore (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 24.

THE 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 (ACQUISITION AND TRANSFER OF UNDERTAKINGS) ACT, 1970 READ WITH THE BANKING REGULATION ACT, 1949 AND THE NATIONALISED BANKS (MANAGEMENT AND MISCELLANEOUS PROVISIONS) SCHEME, 1970 AND CENTRAL BANK OF INDIA (SHARES AND MEETINGS) REGULATIONS, 1998, AS AMENDED.

The Equity Shares of the Bank are listed on BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**" together with BSE, the **("Stock Exchanges")**. The closing price of the outstanding Equity Shares on BSE and NSE on September 21, 2020 was ₹15.05 and ₹15.00 per Equity Share, respectively. Applications shall be made for obtaining the listing and trading approvals for the Equity Shares offered through the Preliminary Placement Document and the Placement Document on the Stock Exchanges. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of the business of the Bank or the Equity Shares. In-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") for listing of Equity Shares to be issued pursuant to the Issue have been received on September 21, 2020 from both BSE and NSE.

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

THIS ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE ONLY TO ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS ("ELIGIBLE QIBs") AS DEFINED UNDER THE SEBI ICDR REGULATIONS IN RELIANCE UPON CHAPTER VI OF THE ICDR REGULATIONS.

THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO ELIGIBLE QIBs. THIS PLACEMENT DOCUMENT WILL 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.

Invitations for subscription, offers and allotment of the Equity Shares shall only be made pursuant to the Preliminary Placement Document, this Placement Document, the Application Form (as defined hereinafter) and the Confirmation of Allocation Note (as defined hereinafter). For further details, see "*Issue Procedure*" on page 171. 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(as defined hereinafter) and persons retained by Eligible QIBs to advise them with respect to their subscription of the Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

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

INVESTMENTS IN EQUITY SHARES INVOLVE A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THIS ISSUE UNLESS THEY ARE PREPARED TO THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO READ THE SECTION "RISK FACTORS" ON PAGE 52 CAREFULLY BEFORE MAKING AN INVESTMENT DECISION IN THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES TO IT OF AN INVESTMENT IN THE EQUITY SHARES PROPOSED TO BE ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT. BIDDERS OF THE EQUITY SHARES OFFERED SHOULD CONDUCT THEIR OWN DUE DILIGENCE.

The information on our Bank's website, i.e. www.centralbankofindia.co.in or any website directly or indirectly linked to our Bank's website or the website of the Book Running Lead Manager or its affiliates do not constitute or form part of this Placement Document and prospective investors in the Issue should not rely on such information contained in, or available through, such websites.

YOU ARE NOT AUTHORISED TO AND MAY NOT (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

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 may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "*offshore transactions*" (as defined in Regulation S under the U.S. Securities Act ("*Regulation S*")) in accordance with Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further details, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 185 and 186, respectively.

This Placement Document is dated September 25, 2020.

BOOK RUNNING LEAD MANAGER

ITI CAPITAL LIMITED

Contents

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 its best knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Bank and the Equity Shares that is material in the context of the Issue. The statements contained in this Placement Document relating to our Bank and the Equity Shares are, in all material respects, true, accurate and not misleading. The opinions and intentions expressed in this Placement Document with regard to our Bank and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Bank. There are no other facts in relation to our Bank and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Bank has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Further, all reasonable enquiries have been made by us 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. Distribution of this Placement Document to any person other than the investor specified by the Book Running Lead Manager or its representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of our Bank, is prohibited. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The Book Running Lead Manager has not separately verified the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Manager, nor any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Manager or its shareholders, employees, counsels, officers, directors, representatives, agents or affiliates, as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the Equity Shares or their distribution. Each person receiving this Placement Document acknowledges that such person has not relied either on the Book Running Lead Manager or on its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of our Bank and the merits and risks involved in investing in the Equity Shares. Prospective investors should not construe the contents of this Placement Document as legal, tax, accounting or investment advice.

No person is authorized to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Bank or by or on behalf of the Book Running Lead Manager. 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 the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including SEBI. 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 may be a criminal offence in certain jurisdictions.

The subscribers of the Equity Shares offered in the Issue will be deemed to have made the representations, warranties, acknowledgments and agreements set forth in "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 3, 185 and 186, respectively.

The distribution of this Placement Document and the issuance of Equity Shares pursuant to this 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 any one in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Bank and the Book Running Lead Manager which would permit an issue of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any other Issue-related materials in connection with the 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 Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or the 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 applicable 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 Regulation S) in reliance on Regulation S.

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

In making an investment decision, prospective investors must rely on their own examination of our Bank, and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning this Issue. In addition, neither our Bank nor any of the Book Running Lead Manager are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under applicable legal, investment or similar laws or regulations. Prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Bank.

Each subscriber to the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Bank under Indian law, including Chapter VI of the SEBI ICDR Regulations, and that it is not prohibited by SEBI or any other statutory authority from buying, selling or dealing in the securities including the Equity Shares. Each subscriber to the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Bank and review information relating to our Bank and the Equity Shares.

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

This Placement Document contains a summary of some terms of certain documents which are qualified in their entirety by the terms and conditions of those documents.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information on investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 185 and 186, respectively.

REPRESENTATIONS BY INVESTORS

All references herein to "you" or "your" is to the prospective investors/ Bidders in the Issue. By bidding for and/ or subscribing to any of the Equity Shares in this Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Bank and the Book Running Lead Manager, as follows:

a. You are a QIB, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations except public sector undertakings, having a valid and existing registration under applicable laws and regulations of India (as applicable) and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations / making necessary filings, including with the RBI, if any;

b. If you are not a resident of India, but a QIB, you are an Eligible FPI as defined in this Placement Document and the Placement Document and have a valid and existing certificate of registration with SEBI under the applicable laws in India; or a multilateral or bilateral development financial institution; or an FVCI and are eligible to invest in India under applicable law, including the FEMA Non-Debt Rules (hereinafter defined), and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities;

c. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;

d. If you are Allotted (as defined hereinafter) Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment (as defined hereinafter), sell the Equity Shares so acquired except on the floor of the Stock Exchanges;

e. You are aware that this Placement Document has not been reviewed or affirmed by SEBI, RBI or the Stock Exchanges or any other regulatory or listing authority and is intended for use only by Eligible QIBs. The Preliminary Placement Document and this Placement Document have been filed with the Stock Exchanges for record purposes only and the Preliminary Placement Document and this Placement Document will be displayed on the websites of our Bank and the Stock Exchanges;

f. You are entitled and have necessary capacity to subscribe for, and acquire 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 authorities to enable you to commit to participation in this Issue and to perform your obligations in relation thereto (including, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document) and will honour such obligations;

g. Neither the Bank nor the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates is making any recommendation to you or, advising you regarding the suitability of any transactions it may enter into in connection with this Issue; and that neither the Book Running Lead Manager nor its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have any duty or responsibilities to you for providing the protection afforded to their clients or customers for providing advice in relation to this Issue and are not in any way acting in any fiduciary capacity;

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

i. 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 on a discretionary basis at the discretion of the Bank and the Book Running Lead Manager;

j. you understand that the Equity Shares issued pursuant to the Issue will, be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

k. all statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our products), 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 present and future business strategies and environment in which we will operate in the future. You should not place reliance on forward looking statements, which speak only as at the date of this Placement Document. Neither our Bank nor the Book Running Lead Manager or any of their shareholders, directors, officers, employees, counsel's representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Placement Document;

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

m. In making your investment decision: (i) you have relied on your own examination of the Bank and the terms of this Issue, including the merits and risks involved; (ii) you have made your own assessment of the Bank, the Equity Shares and the terms of this Issue based solely on the information contained in this Placement Document and no other disclosure or representation by us or any other party; (iii) you have consulted your own independent advisors (including tax advisors) or otherwise have satisfied yourself concerning, without limitation, the effects of local laws and taxation matters; (iv) you have relied solely on the information contained in this Placement Document and no other disclosure or representation by us or the Book Running Lead Manager 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 us and the Equity Shares; and (vi) relied upon your investigation and resources in deciding to invest in this 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;

n. You are a sophisticated investor and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares and 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 us, the Book Running Lead Manager or its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered including losses arising out of non-performance by the Bank of any of its respective obligations or any breach of any representations and warranties by the 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; and (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.

o. Neither the Book Running Lead Manager nor any of its shareholders, investors, officers, employees, counsel, agents, representatives or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of subscription, ownership or disposal of the Equity Shares (including, but not limited, to this Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Manager or any of its shareholders, investors, officers, employees, counsel, agents, representatives or affiliates when evaluating the tax consequences of the Equity Shares (including, but not limited to, this Issue and the use of the proceeds from the Equity Shares). You waive and agree not to assert any claim against us, the Book Running Lead Manager or any of its shareholders, investors, officers, employees, counsel, agents, representatives or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

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

q. You are not a promoter of our Bank (as defined under the SEBI ICDR Regulations) or any of its affiliates and are not a person related to the promoter, either directly or indirectly and your Bid does not directly or indirectly represent the 'promoter', or 'promoter group', (as defined under the SEBI ICDR Regulations) of the Bank;

r. You have no rights under a shareholders' agreement or voting agreement or similar agreement, no veto rights or right to appoint any nominee director on the Board of Directors of the Bank other than such rights acquired, if any, in the capacity of a lender not holding any Equity Shares of the Bank, the acquisition of which shall not deem you to be a Promoter, a person related to the promoter;

s. You have no right to withdraw your Bid or revise your Bid downwards after the Issue Closing Date;

t. You are eligible to Bid and hold the Equity Shares so Allotted together with any Equity Shares held by you prior to this Issue. You further confirm that your aggregate holding upon this Issue of the Equity Shares shall not exceed the level permissible as per any applicable regulations including but not limited to the Banking Regulation Act, 1949, as amended Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended;

u. The Bid submitted by you would not eventually result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**Takeover Regulations**") and you shall be solely responsible for compliance with all other applicable provisions of the Takeover Regulations;

v. Your aggregate holding, together with other Eligible QIBs participating in this 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 this Issue. For the purposes of this representation:

    i. 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 an Eligible QIB, its subsidiary or holding company and any other Eligible QIB; and

    ii. "Control" shall have the same meaning as is assigned to it under Regulation 2(i)(e) of the Takeover Regulations;

w. 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;

x. You are aware that the pre-Issue and post-Issue shareholding pattern of our Bank, as required by the SEBI Listing Regulations, will be filed by our Bank with the Stock Exchanges, and if you are Allotted more than 5% of the Equity Shares in this Issue, we 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 disclosure being made by us;

y. You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1) of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and an approval has been received from each of the Stock Exchanges, and (ii) the application for the listing and trading approval will be made only after Allotment. There can be no assurance that the approvals for listing and trading in the Equity Shares will be obtained in time or at all. Neither we, the Book Running Lead Manager nor any of its shareholders, investors, officers, employees, counsel, agents, representatives or affiliates shall not be responsible for any delay or non-receipt of such approvals for listing and trading or any loss arising from such delay or non-receipt;

z. You are aware and understand that the Book Running Lead Manager has entered into a placement agreement with our Bank (the "**Placement Agreement**") whereby the Book Running Lead Manager has, subject to the satisfaction of certain conditions set out therein, undertaken, severally and not jointly, on reasonable effort basis to procure subscription for the Issue on the terms and conditions set forth herein;

aa. The contents of this Placement Document are our exclusive responsibility and neither the Book Running Lead Manager nor any person acting on their behalf, nor any of their shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates has, or shall have, any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of us and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting a participation in this Issue, you agree and confirm that you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of either of the Book Running Lead Manager or us or any other person. Neither we or our respective directors, officers, employees, counsel, advisors, representatives, agents or affiliates nor the Book Running Lead Manager or their directors, officers, employees, counsel, advisors, representatives, agents or any other person will be liable for your decision to participate in this Issue based on any other information, representation, warranty or statement that you may have obtained or received;

bb. 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 this Issue and that you have neither received nor relied on any other information given or representations, warranties or statements made by Book Running Lead Manager or our Bank or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates and neither the Book Running Lead Manager nor our Bank or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

cc. You understand that neither the Book Running Lead Manager nor its affiliates have any obligation to subscribe or acquire all or any part of the Equity Shares subscribed by you in this Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with this Issue, including non-performance by us of any of our obligations or any breach of any representations or warranties by us, whether to you or otherwise;

dd. You agree to indemnify and hold us and the Book Running Lead Manager and their employees, officers, directors, associates, representatives, controlling persons and affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any actual or alleged breach of the representations, warranties, undertakings, acknowledgements 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 by, or on behalf of, the managed accounts;

ee. 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 and listing and trading of the Equity Shares on the Stock Exchanges;

ff. You are a sophisticated investor who is seeking to subscribe 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 subscription 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 investment matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;

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

Placement Document;

hh. You have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and agreements set forth in this section and in "*Selling Restrictions*" and "*Transfer Restrictions*" on page 185 and page 186, respectively; and

ii. The Book Running Lead Manager and its affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements which are given to them on their own behalf and on behalf of us and are irrevocable.

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 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. 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 issued or 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, including any information regarding any risk factors relating thereto.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to be 10% or above of our post-Issue Equity Share capital. 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 an FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

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

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of 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 this Placement Document;

2. warrant that the Equity Shares issued 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 management or any scheme or business activity of our Bank.

It should not for any reason be deemed or construed to mean that this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires 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 INFORMATION AND OTHER CONVENTIONS

Certain Conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the Eligible QIBs and references to the 'Bank', 'Central Bank of India' and 'Issuer', 'we', 'us' or 'our' are to our Bank together with our Subsidiaries, Joint Ventures and Associate, on a consolidated basis.

In this Placement Document, references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All 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.

References to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable. All the numbers in this Placement Document have been presented in crore or whole numbers, unless stated otherwise.

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

Non-GAAP Financial Measures

We have included certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance (together, "Non-GAAP Financial Measures" and each, a "Non-GAAP Financial Measure") in this Placement Document, for example, in "*Selected Statistical Information*" on page 32. These Non-GAAP Financial Measures are not required by or presented in accordance with Indian GAAP. 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 securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such Non-GAAP Financial Measures and other statistical and operational information when reporting their financial results. However, note that these non-GAAP financial measures and other statistical 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 financial services companies.

Where Non-GAAP Financial Measures are referred to as being "under Indian GAAP", this means the numbers have been derived using underlying Indian GAAP numbers.

Financial and Other Information

Unless stated otherwise, the Bank's financial information included in this Placement Document is has been presented on consolidated basis. 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 a particular 'Fiscal Year' or 'fiscal' or "financial year" or 'FY' are to the 12 months period ended on March 31 of that year.

Our Bank publishes its financial statements in Indian Rupees. We have prepared our audited standalone and consolidated financial statements in accordance with Indian GAAP, the Banking Regulation Act read with applicable guidelines issued by the RBI. In this Placement Document we have included: (i) the audited standalone and consolidated financial statements for Fiscal 2018, Fiscal 2019 and Fiscal 2020; (ii) the unaudited standalone limited reviewed financials for the quarter ended June 30, 2020 together with limited review report; and (iii) the unaudited consolidated limited reviewed financials for the quarter ended June 30, 2020 together with limited review report. Unless the context otherwise requires or except as specifically indicated, all financial information in this Placement Document has been derived from the financial statements / results of each of the respective Fiscals/ periods.

Indian GAAP differ in certain significant respects from International Financial Reporting Standards (the "IFRS") and U.S. GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS 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 or IFRS. See "*Risk Factors – Significant differences exist between Indian GAAP and other accounting principles with which investors may be more familiar*." on page 52.

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 require the 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. 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. 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 latest by November 30, 2016 to the Principal Chief General Manager, Department of Banking Regulation, Central Office, Reserve Bank of India, Mumbai. Further, RBI issued a circular dated February 11, 2016, through which it has indicated that scheduled commercial banks should comply with Ind-AS for preparation of financial statements for accounting period beginning April 1, 2018 onwards with comparatives for the periods ending March 31, 2018. However, RBI *vide* notification dated March 22, 2019, decided to defer the implementation of Ind-AS on scheduled commercial banks (excluding regional rural banks) till further notice.

In this Placement Document, certain monetary thresholds have been subjected to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

INDUSTRY AND MARKET DATA

Market and Industry data used in this Placement Document has been obtained or derived from publicly available information as well as various industry publications and sources.

Information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to the business of our Bank contained in this Placement Document consists of estimates 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.

Our Bank has not commissioned any report for purposes of this Placement Document. Industry and market data included in this Placement Document has been obtained or derived from government bodies, professional organizations and analysts, data from other external sources including reports that have been prepared by RBI and the Government of India. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made on the basis of such information.

Although our Bank believes that the industry and market data used in this Placement Document is reliable, it has not been independently verified by our Bank or the Book Running Lead Manager or any of their affiliates or advisors. Our Bank and the Book Running Lead Manager do not make any representation regarding the accuracy or completeness of such data. 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. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 52. Accordingly, investment decisions should not be based on such information. Accordingly, investment decisions should not be based on such information.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Bank are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Bank's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to the Bank's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts.

These forward-looking statements and any other projections contained in this Placement Document (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that 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.

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:

- Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations
- Volatility in interest rates and other market conditions;
- Our ability to maintain or reduce the level of our non – performing assets and the levels of stressed assets;
- Our ability to sustain the growth of our retail banking business;
- Performance of the agricultural and MSME sectors in India;
- Rate of growth of our deposits, advances and investments;
- The ability of the borrowers of our structured loans to perform as expected;
- Our ability to promptly identify and respond to changing customer preferences or evolving trends;
- Competition in the Indian and global banking industry; and
- Our ability to prevent certain failures, including internal or external fraud, operational errors, system malfunctions, or cyber security incidents.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Business*" on pages 52, 86, 113 and 127, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Bank. Although our Bank believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither our Bank nor the Book Running Lead Manager undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Bank's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Bank could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Bank are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Bank is a body corporate incorporated under the laws of India. The Board of Directors of our Bank comprises of nine Directors. All our Directors and Key Managerial Personnel are citizens of India. All 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 in India, or to enforce against them judgments obtained in courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under section 13 and section 44A of the Code of Civil Procedure, 1908, as amended (the "**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except:

a. where the judgment has not been pronounced by a court of competent jurisdiction;

b. where the judgment has not been given on the merits of the case;

c. where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable;

d. where the proceedings in which the judgment was obtained were opposed to natural justice;

e. where the judgment has been obtained by fraud; or

f. where the judgment sustains a claim founded on a breach of any law then 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, 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 is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and the U.S. Dollar will affect the U.S. Dollar equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into U.S. Dollars of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$), for or as of the end of the periods indicated. The exchange rates are based on the reference rates released by RBI and Financial Benchmarks India Private Limited ("**FBIL**"), which are available on the website of RBI and FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all. As of September 24, 2020, the exchange rate ("**RBI reference rate**") was ₹73.92 to US$ 1.00.

(₹ per US$)

	Period end(1)	Average(2)	High(3)	Low(4)
Fiscal year ended				
2020	75.39	70.88	76.15	68.37
2019	69.17	69.89	74.39	64.93
2018	65.04	64.45	65.76	63.35
Month ended:				
August 31, 2020	73.60	74.67	75.09	73.35
July 31, 2020	74.77	74.99	75.58	74.68
June 30, 2020	75.53	74.73	76.21	75.33
May 29, 2020*	75.64	75.66	75.93	75.39
April 30, 2020	75.12	76.24	76.81	75.12
March 31, 2020	75.39	74.35	76.15	72.24

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

**FBIL reference rate for May 29, 2020 has been used since May 30, 2020 and 31, 2020 was a Saturday and Sunday, respectively.*

Note:

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.*
5. *High, low and average are based on the RBI/FBIL reference rates and rounded off to two decimal places.*

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 capitalised 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 capitalised 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 the section "*Statement of Possible Tax Benefits*", "*Industry Overview*", "*Financial Information*" and "*Legal Proceedings*" on pages 195, 113, 218 and 207, respectively, shall have the meaning given to such terms in such sections.

Bank Related Terms

Term	Description
"Associate"	The associate of the Bank, namely, Central Madhya Pradesh Gramin Bank, Uttar Bihar Gramin Bank, Uttarbanga Kshetriya Gramin Bank and Indo – Zambia Bank Limited.
"Audit Committee"	Audit committee of our Bank, constituted in accordance with the applicable provisions of the Banking Regulation Act, 1949 and the SEBI Listing Regulations
"Audited Consolidated Financial Statements"	The audited consolidated financial statements comprise of balance sheets as of and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018, and consolidated statement of profit and loss and consolidated cash flow statements for each of the years ended March 31, 2020, March 31, 2019 and March 31, 2018, read along with the notes thereto of the Bank prepared in accordance with applicable laws together with the report issued thereon by our erstwhile statutory auditors and Auditors, for the respective financial years.
"Audited Standalone Financial Statements"	The audited standalone financial statements comprise of balance sheets as of and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018, and standalone statement of profit and loss and standalone cash flow statements for each of the years ended March 31, 2020, March 31, 2019, and March 31, 2018, read along with the notes thereto of the Bank prepared in accordance with applicable laws together with the report issued thereon by our erstwhile statutory auditors and Auditors, for the respective financial years.
"Auditor to the Issue"	M/s. Borkar & Muzumdar, Chartered Accountant and M/s. Mukund M. Chitale & Co., Chartered Accountant, M/s. AAJV and Associates, Chartered Accountant and M/s. S Jaykishan, Chartered Accountant.
"Auditors" or "Statutory Auditors"	The statutory auditors of the Bank, namely, M/s. Borkar & Muzumdar, Chartered Accountant, M/s. Mukund M. Chitale & Co., Chartered Accountant, M/s. AAJV and Associates, Chartered Accountant and M/s. S Jaykishan, Chartered Accountant
"Bank", "Issuer" or "Central Bank"	Central Bank of India, a bank nationalised under the Banking Companies Act and having its head office at Chandermukhi, Nariman Point, Mumbai 400 021, Maharashtra, India
"Board of Directors"/ "Board"	The board of directors of the Bank
"Capital Raising Committee"	Capital Raising Committee of our Bank
"Director(s)"	The directors on the Board of the Bank
"Equity Shares"	Equity shares of the Bank having face value of ₹10 each
"Executive Director"	Executive director(s) of our Bank, unless otherwise specified
"Financial Statements"	Collectively, the Audited Consolidated Financial Statements and the Audited Standalone Financial Statements

Term	Description
"Key Managerial Personnel"	Key management/ managerial personnel of our Bank as disclosed in "*Board of Directors and Senior Management*" on page 157
"Head Office"	Chandermukhi, Nariman Point, Mumbai 400 021, Maharashtra, India
"Promoter"	The promoter of the Bank namely, the President of India acting through the Ministry of Finance, Government of India
"Shareholders"	Persons holding Equity Shares of our Bank, unless otherwise specified in the context thereof
"Subsidiaries"	The subsidiaries of the Bank, namely, Cent Bank Home Finance Limited and Cent Bank Financial & Custodial Services Limited.
"Unaudited Interim Consolidated Financial Information"	Unaudited interim consolidated financial information for the three months ended June 30, 2020 (together with the corresponding unaudited interim consolidated financial information for the three months ended June 30, 2019) subjected to a limited review
"Unaudited Interim Standalone Financial Information"	Unaudited interim standalone financial information for the three months ended June 30, 2020 (together with the corresponding unaudited interim standalone financial information for the three months ended June 30, 2019) subjected to a limited review

Issue Related Terms

Term	Description
"Allocated"/ "Allocation"	The allocation of Equity Shares, in consultation with the Book Running Lead Manager, following the determination of the Issue Price to Successful Bidders on the basis of Application Forms submitted by them in compliance with Chapter VI of the SEBI ICDR Regulations.
"Allottee(s)"	Bidders who are Allotted Equity Shares of our Bank pursuant to this Issue.
"Allotment"/ "Allotted"	The issue and allotment of Equity Shares pursuant to this Issue
"Application Form"	The form, including any revisions thereof, as set forth in this Placement Document which will be submitted by the Eligible QIBs for registering a Bid in this Issue.
"Bid(s)"	An indication of interest by an Eligible QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue.
"Bid Amount"	The price per Equity Share indicated in the Bid multiplied by the number of Equity Shares Bid for by Bidders and paid by the Bidders in the Issue.
"Bidder(s)"	An Eligible QIB who has made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
"Bidding Period"/ "Issue Period"	The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates, during which Eligible QIBs can submit their Bids including any revision and/or modification thereof.
"BRLM / Book Running Lead Manager"	ITI Capital Limited
"CAN"/ "Confirmation of Allocation Note"	Note or advice or intimation to Successful Bidders confirming the Allocation of Equity Shares after determination of the Issue Price.
"Closing Date"	The date on which the Allotment of the Equity Shares offered pursuant to this Issue shall be made, i.e. on or about September 28, 2020.
"Designated Date"	The date of credit of Equity Shares pursuant to the Issue to the Allottee's demat account, as applicable to the relevant Allottee
"Eligible FPIs"	FPIs that are eligible to participate in this Issue other than individuals, corporate bodies and family offices (who are not eligible to participate in the Issue)
"Eligible QIBs"	QIBs which are eligible to participate in the Issue and are not excluded pursuant to the SEBI ICDR Regulations
"Escrow Account"	The account opened with the Escrow Agent, pursuant to the Escrow Agreement, into which the application monies payable by Bidders towards subscription of the Equity Shares pursuant to the Issue shall be deposited
"Escrow Agreement"	The agreement dated September 19, 2020 entered into amongst our Bank, the Escrow Agent and the Book Running Lead Manager.
"Escrow Bank"/ "Escrow	Central Bank of India

Term	Description
Agent”	
“Floor Price”	The price of ₹16.18 per Equity Share, which has been calculated in accordance with Regulation 176 of Chapter VI of the SEBI ICDR Regulations. Our Bank has offered a discount of 4.94% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations.
“Issue”	The offer, issue and Allotment of 16,57,99,736 Equity Shares to Eligible QIBs pursuant to Chapter VI of the SEBI ICDR Regulations
“Issue Closing Date”	September 25, 2020, which is the last date up to which the Application Forms were accepted by our Bank (or the Book Running Lead Manager, on behalf of our Bank)
“Issue Opening Date”	September 22, 2020, which is the date on which the acceptance of the Application Forms and Bid Amount commenced by our Bank (or the Book Running Lead Manager, on behalf of our Bank)
“Issue Price”	A price per Equity Share of 15.38 (including a premium of ₹5.38 per Equity Share)
“Issue Size”	The Issue of 1,65,799,736 Equity Shares, aggregating to ₹254.99 crore.
“Mutual Fund”	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
“Mutual Fund Portion”	10% of the Equity Shares proposed to be Allotted in this Issue, which is available for Allocation to Mutual Funds
“Net Proceeds”	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
“Placement Agreement”	The agreement dated September 19, 2020 entered into between our Bank and the Book Running Lead Manager
“Placement Document”	The placement document dated September 25, 2020, issued in accordance with Chapter VI of the SEBI ICDR Regulations.
“Preliminary Placement Document”	This preliminary placement document-cum-Application Form dated September 22, 2020, issued in accordance with Chapter VI of the SEBI ICDR Regulations, pursuant to which a QIB shall submit a Bid in the Issue
“QIBs”/ “Qualified Institutional Buyers”	A qualified institutional buyer as defined in Regulation 2(1) (ss) of the SEBI ICDR Regulations
“QIP”	Qualified institutions placement, being a private placement to Eligible QIBs 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”	September 22, 2020, which is the date of the meeting wherein the Board of Directors, or a duly authorised committee, decides to open the Issue
“Systemically Important NBFC/SI-NBFC”	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
“Successful Bidders”	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount and who will be Allocated Equity Shares in the Issue
“Working Day”	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Conventional and General Terms/Abbreviations

Term	Description
“ARCs”	Asset Reconstruction Company
“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
“Banking Regulation Act”	Banking Regulation Act, 1949

Term	Description
"BSE"	BSE Limited
"CAGR/ Compounded annual growth rate"	Compounded annual growth rate (as a %): (End Year/Base Year) ^ (1/No. of years in between) -1 [^ denotes 'raised to']
"Category I Foreign Portfolio Investors" / "Category I FPI"	An FPI registered as a category I foreign portfolio investor under the SEBI FPI Regulations
"CBI"	Central Bureau of Investigation
"CDSL"	Central Depository Services (India) Limited
"CEO"	Chief executive officer
"Civil Procedure Code"	The Code of Civil Procedure, 1908
"CRPC"	The Code of Criminal Procedure, 1973
"CSR"	Corporate social responsibility
"Depositories Act"	The Depositories Act, 1996
"Depository"	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations
"DP"/ "Depository Participant"	A depository participant as defined under the Depositories Act
"DIN"	Director Identification Number
"EGM"	Extraordinary general meeting
"EPS"	Earnings per share, i.e., profit after tax for a financial year divided by the weighted average number of equity shares during the financial year
"ESOP"	Employee stock option plan
"FDI"	Foreign Direct Investment
"FEMA"	Foreign Exchange Management Act, 1999, and the regulations framed thereunder
"FEM Non-Debt Rules"	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
"Financial Year" / "Fiscal Year"/ "Fiscal"/ "FY"	A period of 12 months ending March 31, unless otherwise stated
"FPI"/ "Foreign Portfolio Investor(s)"	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
"FMR"	Fraud monitoring return
"FVCI"	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
"GAAR"	General Anti-Avoidance Rules
"GDP"	Gross domestic product
"GIR Number"	General Index Register Number
"GoI"/ "Government"	Government of India
"ICAI"	The Institute of Chartered Accountants of India
"Income Tax Act"/ "IT Act"	The Income Tax Act, 1961
"Indian GAAP"	Generally accepted accounting principles in India, as applicable to banks
"Insider Trading Regulations"	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
"Interest Coverage Ratio"	Profit after tax plus depreciation and amortisation expense and finance cost divided by finance cost(s)
"IRDAI"	Insurance Regulatory and Development Authority of India
"MCA"	Ministry of Corporate Affairs
"MUDRA"	Micro Units Development and Refinance Agency Limited
"NA"	Not applicable
"Non-Resident Indian(s)"/ "NRI"	Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2016
"NCLT"	National Company Law Tribunal
"NCR"	National Capital Region
"NHB"	National Housing Bank, established under Section 3 of the National Housing Bank Act, 1987
"NSDL"	National Securities Depository Limited

Term	Description
“NSE”	National Stock Exchange of India Limited
“p.a.”	Per annum
“PAS Rules”	Companies (Prospectus and Allotment of Securities) Rules, 2014
“PAN”	Permanent account number
“PML Act”	Prevention of Money Laundering Act, 2002
“Return on Equity”	Net profit divided by average shareholders’ equity
“Regulation S”	Regulation S under the U.S. Securities Act
“Rs”/ “Rupees”/“Indian Rupees”	The legal currency of India
“SARFAESI Act”	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
“SCB”	Scheduled Commercial Banks
“SCRA”	Securities Contracts (Regulation) Act, 1956
“SCR(SECC) Rules”	Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2012
“SCRR”	Securities Contracts (Regulation) Rules, 1957
“SEBI”	Securities and Exchange Board of India
“SEBI Act”	The Securities and Exchange Board of India Act, 1992
“SEBI AIF Regulations”	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
“SEBI FPI Regulations”	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
“SEBI ICDR Regulations”	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
“SEBI Listing Regulations”	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
“Stock Exchanges”	BSE and NSE
“STT”	Securities Transaction Tax
“Supreme Court”	Supreme Court of India
“Takeover Regulations”	The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
“Total Capitalisation”	Total Capitalisation is the sum of total Indebtedness and total Shareholder's fund
“U.S. GAAP”	Generally accepted accounting principles in the United States of America
“U.S.$” / “USD” / “U.S. dollar”	United States Dollar, the legal currency of the United States of America
“U.S. Securities Act”	United States Securities Act of 1933
“USA”/ “U.S.”/ “United States”	The United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“VCF”	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

Industry Related Terms

Term	Description
ATMs	Automated Teller Machines
BSI	Banking Stability Indicator
CPI	Consumer Price Index
CRR	Cash Reserve Ratio
CRAR	Capital to risk weighted asset ratio
DCBS	Department of Cooperative Bank Supervision
FCs	Financial Conglomerates
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNPA	Gross Non-Performing Asset
GST	Goods and Service Tax
GVA	Gross Value Added
HFC	Housing Finance Companies

Term	Description
LABs	Local Area Banks
LAF	Liquidity Adjustment Facility
LCR	Liquidity Cover Ratio
MIF	Micro Finance Institutions
MSME	Micro, Small and Medium Enterprises
MTM	Market to Market
MSF	Marginal Standing Facility
NABARD	National Bank for Agriculture and Rural Development
NBFC	Non Banking Financial Companies
NHB	National Housing Bank
NDTL	Net Demand and Time Liabilities
NPA	Non-Performing Asset
NNPA	Net Non-Performing Asset
NSO	National Statistical Office
MPC	Monetary Policy Committee
OMO	Open Market Operation
PCR	Provision Coverage Ratio
PMI	Purchasing managers' Index
PSBs	Public Sector Banks
PSLCs	Priority Sector Lending Certificates
PVBs	Private Sector Banks
RRBs	Regional Rural Banks
SCBs	Scheduled Commercial Banks
SIDBI	Small Industries Development Bank of India
SFBs	Small Finance Banks
SMA	Special Mention Account
SPARC	Supervisory Programme for Assessment of Risk
UAN	Udyog Aadhaar Number
UCBs	Urban Cooperative Banks
WLA	White Label ATMs
WOS	Wholly Owned Subsidiary

SUMMARY OF BUSINESS

Overview

We are a scheduled public sector commercial bank in India, catering to the overall banking needs across customer segment. Having been in operation for more than 100 years, we offer a broad variety of wholesale and retail banking products and services customized to cater the needs of our retail and corporate customers, services to large and mid-corporates, small and medium enterprises, micro small and medium enterprises ("**MSME**") and agricultural sectors. We also offer third party insurance and mutual fund plans on an agency basis to our customers and provide services like lockers, remittance, bank guarantee credit, collection of taxes as well as other banking products and services to generate non-interest income. As on June 30, 2020, we have a wide presence through a network of 4,649 branches, with 10 zonal offices, 90 regional offices, 2 sponsored RRBs, 1 extension counters, 3,629 ATMs, and 10 satellite offices with customer accounts of around 7.21 crore banking customers. As of June 30, 2020, our branch network is present in 28 States and 8 Union Territories in India and is spread over 888 branches in metropolitan cities, 819 branches in urban areas, 1,336 branches in semi-urban areas and 1,606 branches in rural areas, constituting 19%, 18%, 29% and 35% of the total branch network respectively, which we believe provides us a potentially large business opportunity from unbanked segments in rural India.

Established on December 21, 1911, by Sir Sorabji Pochkhanawala with Sir Pherozesha Mehta as the first Chairman, our Bank was the first commercial bank which was wholly owned and managed by Indians. We are one of the 13 banks, which were nationalised in 1969 and became a public sector bank. The range of products offered by us includes fund-based products, non-fund based products, fee and commission-based products and services, deposits and foreign exchange and derivative products. According to RBI's report on trend and progress of banking in India 2018-19, we are the eighth largest bank in India based on the number of branches. Our total business as of June 30, 2020 and March 31, 2020 stood at ₹4,97,747.83 crore and ₹4,86,007.00 crore, respectively, as against ₹4,67,584.35 crore as on March 31, 2019. Our total deposits as on June 30, 2020 and March 31, 2020 stood at ₹3,21,251.75 crore and ₹3,13,763.25 crore, respectively, as against ₹2,99,855.44 crore as on March 31, 2019. Our total loans and advances stood at ₹1,76,496.08 crore as on June 30, 2020 and ₹1,72,243.75 crore as on March 31, 2020 as against ₹1,67,728.91 crore as on March 31, 2019.

Our capital adequacy ratio as of March 31, 2018, March 31, 2019 and March 31, 2020, in accordance with BASEL III norms, was at 9.04%, 9.61% and 11.72%, respectively. Our Capital to Risk Weighted Assets Ratio ("**CRAR**") as on March 31, 2020 was 11.72% (in accordance with applicable Basel III norms). Further, our CRAR as on June 30, 2020 was 11.50% (comprising 9.22% Tier I and 2.28% Tier II capital). As of March 31, 2020, gross NPAs were ₹32,589 crore, or 18.92% of our gross advances, and net NPAs were ₹11,534.46 crore, or 7.63% of our net advances. As of June 30, 2020, our gross NPAs represented 18.10% of our gross advances and net NPAs represented 6.76% of our net advances. Our provision coverage ratio was 77.29% and 79.12% as of March 31, 2020 and June 30, 2020, respectively.

Our business is principally divided into: (a) retail banking; (b) agricultural banking; (c) corporate/ wholesale banking; (d) treasury, funds and investments; (e) MSME banking and (f) Other banking services.

Retail Banking

Our retail banking business offers a wide range of financial products and services to retail customers. Retail banking products principally comprise of retail banking accounts (e.g., savings accounts and time deposits) and retail loans (e.g., home loans and loans against property, and vehicles loans, education loan, personal loan) with an exposure up to ₹5 crore to an individual, HUF, partnership firm, trust, private and public limited companies, Co-operative societies etc. or to a small business. Small business is one where average of last three years' annual turnover (actual for existing and projected for new entities) is less than ₹50 crore. We are modernizing various customer touch points by implementing advanced digital banking platforms. We offer our customers a suite of technological products, including international debit and credit cards, mobile banking, internet banking and utility bill payment services such as mobile phone bills, electricity bills, and credit card bills. Our total revenue from our retail banking business stood at ₹7,733.92 crore as on March 31, 2020 and ₹1,700.02 crore as on June 30, 2020.

Agricultural Banking

Our agricultural banking business offers direct financing to farmers for production and investment, as well as indirect financing for infrastructure development and credit to suppliers of agricultural inputs through agencies. In consonance with national policies and priorities, we have given considerable thrust to lending to the priority sector, including the agriculture sector. We offer various products in the rural and semi-urban areas which would also help our Bank to meet its financial inclusion targets mandated by RBI. We offer a wide variety of products under various schemes in agricultural financial services such as Cent Agri Land Purchase Scheme, Cent Kisan Tatkal Scheme, Cent Solar Light Scheme, Cent Kisan Vehicle, Cent Dairy Scheme etc., to individual farmers or joint borrowers, small and marginal farmer and such to persons engaged in agricultural or allied activities. This schemes, *inter alia*, provides advances for agriculture allied activities, agriculture infrastructure, agriculture vehicles, establishment of dairy units. Our agricultural advances stood at ₹34,419.40 crore as on March 31, 2020 and ₹33,886.09 crore as on June 30, 2020.

Corporate/ Wholesale Banking

Our corporate/wholesale banking business caters to corporate customers, including large, mid-sized and small businesses and government entities. Our range of corporate / wholesale banking products and services includes (a) liability products, including current accounts, and term deposits distributed by our Bank; (b) loan products, including working capital, term loans and foreign currency loans; (c) financial market products, including foreign exchange and hedging and structured products; (d) trade products, including letter of credit, stand-by letter of credit and guarantee, export financing and remittances; (e) cash management products, including account services, receivable and payable, liquidity management; and (f) debt capital market products, including syndicated loans, bonds and negotiable certificate of deposit, securitisation, and structured products. We also act as an agent for various state governments and the Government of India on numerous matters including the collection of taxes and the payment of pensions. As of June 30, 2020, we have 6 MCBs (Mid Corporate Branch) and 7 CFBs (Corporate Finance Branch) that cater to the credit requirements of mid as well as large corporate clients. These MCBs and CFBs route the loan proposals of more than ₹25 crores, directly to the Central Office for processing. These branches play a key role in developing our corporate and wholesale lending business. Our total advances towards corporate/wholesale banking stood at ₹62,469.01 crore as on March 31, 2020 and ₹67,009.12 crore as on June 30, 2020.

Treasury, Funds and Investments

Treasury operations consist of dealing in securities and money market operations. Our treasury operations primarily include of statutory reserves management, liquidity management, investment and trading activities, money market and foreign exchange activities. Our treasury department invests in sovereign and corporate debt instruments and undertakes trading in equity, fixed income securities and foreign exchange. The net investment portfolio of our Bank increased to ₹1,42,517.54 crore (including Non-SLR, Non-Transferable Govt of India Recapitalisation Bond ₹14,780.00 crore) as on March 31, 2020 as against ₹1,25,298.07 crore as on March 31, 2019. Further, the net investment portfolio of our Bank as on June 30, 2020 stood ₹1,45,151.63 crore.

Other Banking Services

In addition to our primary banking operations, we also provide certain services on behalf of the GoI and various State governments. The Bank has a dedicated fee income vertical and offers various other products and services to increase fee income viz. insurance products, trade finance, lockers, mutual funds, credit cards and cash management services and depository services. We distribute third party life and non-life insurance policies and mutual funds on an agency basis. In addition, we have agency function for collection of Central Government Revenue *viz.* direct and indirect taxes through physical mode by authorized branches and through e-mode by all branches of our Bank. We also act for various state governments and the Government of India on numerous matters including the collection of state revenue and taxes, mobilization of government deposits under Pradhan Mantri Jan Dhan Yojna, and payment of school teacher's salary and pension of Central Government, State Government and different autonomous organizations. Further, we have been assigned the convenor of State Level Bankers' Committee ("**SLBC**") in the state of Madhya Pradesh. We have sponsored three Regional Rural Banks covering 48 districts in 3 states.

SUMMARY OF THE ISSUE

The following is the general summary of the terms of the Issue. The summary should be read in conjunction with, and is qualified in its entirety by, more detailed terms appearing elsewhere in this Placement Document, including under the sections titled "*Risk Factors*", "*Use of Proceeds*", "*Placement and Lock-up*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 52, 81, 183, 171 and 191, respectively.

Issuer	Central Bank of India
Issue Size	16,57,99,736 Equity Shares aggregating to ₹ 254.66 crore A minimum of 10% of the Issue Size, i.e. at least 1,65,79,974 Equity Shares, was made available for Allocation to Mutual Funds only, and the balance 14,92,19,762 Equity Shares were made 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	₹15.38 per Equity Share (including a premium of ₹5.38 per Equity Share)
Floor Price	₹16.18 per Equity Share. Our Bank offered a discount of 4.94% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations.
Eligible Investors	QIBs, to whom the Preliminary Placement Document and the Application Form were delivered and who were eligible to make a Bid and participate in the Issue. See "*Issue Procedure*", "*Selling Restriction*" and "*Transfer Restrictions*" on pages 171, 185 and 186, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form were delivered was determined by the Book Running Lead Manager in consultation with our Bank.
Dividend	See "*Description of the Equity Shares*" and "*Dividend Policy*" on pages 191 and 85, respectively
Indian Taxation	See "*Statement of Possible Tax Benefits*" on page 195.
Date of Board Resolution authorizing the Issue	June 29, 2020
Date of passing of resolution by Shareholders authorizing the Issue	August 7, 2020
Equity Shares issued and outstanding immediately prior to the Issue	5,70,97,62,724 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	5,87,55,62,460 Equity Shares
Issue Procedure	The Issue is being made only to Eligible QIBs in reliance on Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 171.
Listing	Our Bank has obtained in-principle approvals dated September 21, 2020 from BSE and NSE in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue. Our Bank will make applications to each of the Stock Exchanges after Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final listing and trading approval for the Equity Shares.
Trading	The trading of the Equity Shares would be in dematerialised form and only in the cash segment of each of the Stock Exchanges. Our Bank shall apply for the final trading approvals from the Stock Exchanges after crediting of the Equity Shares Allotted pursuant to this Issue into the

	beneficiary accounts of the respective Allottees.
Lock-up	See "*Placement and Lock-up*" on page 183 for a description of restrictions on our Bank in relation to Equity Shares.
Transferability Restriction	The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For details in relation to other transfer restrictions, see "*Selling Restriction*" and "*Transfer Restrictions*" on pages 185 and 186, respectively
Use of Proceeds	The gross proceeds from the Issue will be ₹254.99 crore. The Net Proceeds of the Issue, after deduction of fees, commissions and expenses in relation to the Issue, are expected to total approximately ₹252.99 crore. For further details see "*Use of Proceeds*" on page 81.
Risk Factors	See "*Risk Factors*" on page 52 for a discussion of risks that you should consider before participating in the Issue.
Closing Date	The Allotment is expected to be made on or about September 28, 2020.
Ranking	The Equity Shares being issued pursuant to the Issue shall rank *pari passu* in all respects with the existing Equity Shares including the rights in respect of dividends after the Closing Date. The holders of such Equity Shares as on the record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Bank after the Closing Date, in compliance with the SEBI Listing Regulations and other applicable laws. See "*Description of the Equity Shares*" on page 191.
Voting Rights of Share Holders	See "*Description of the Equity Shares- Voting Rights*" on page 191.
Security Codes for the Equity Shares	**ISIN:** INE483A01010 **BSE Code:** 532885 **NSE Code:** CENTRALBK

SELECTED FINANCIAL INFORMATION

The following summary financial information and other data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements, including the notes thereto and the reports thereon, which appear in "Financial Statements". The summary financial information set forth below is derived from the Financial Statements for Fiscal 2018, Fiscal 2019 and Fiscal 2020, prepared in accordance with the Indian GAAP, and the interim financial results for the quarter ended June 30, 2020, prepared in accordance with the Indian GAAP, based on the listing requirement of the exchanges where the Equity Shares of the Bank have been listed.

Solely for the convenience of the reader, the selected data set out below is presented in a format different from our consolidated and standalone financial statements. Neither the information set forth below nor the format in which it is presented should be viewed as comparable to information presented in accordance with Ind-AS, IFRS or other accounting principles. For the purposes of a comparative analysis in the discussion below, previous years' figures have been reclassified wherever necessary.

SUMMARY STATEMENT OF STANDALONE ASSETS AND LIABILITIES

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
CAPITAL AND LIABILITIES			
Capital	5,709.76	4,047.20	2,618.16
Reserves and Surplus	15,719.71	14,887.65	15,367.38
Share application Money pending allotment	-	212.54	-
Deposits	3,13,763.16	2,99,855.44	2,94,838.86
Borrowings	5,787.19	5,239.07	5,706.12
Other Liabilities and Provisions	15,456.02	6,475.77	7,694.77
TOTAL	**3,56,435.85**	**3,30,717.66**	**3,26,225.27**
ASSETS			
Cash and Balances with Reserve Bank of India	30,021.75	20,779.08	35,999.91
Balances with Banks and Money at Call and Short Notice	6,017.29	10,420.84	3,228.53
Investments	1,42,517.53	1,25,298.07	1,02,631.61
Advances	1,51,100.87	1,46,525.36	1,56,542.17
Fixed Assets	4,336.18	4,310.24	4,343.38
Other Assets	22,442.21	23,384.06	23,479.67
TOTAL	**3,56,435.85**	**3,30,717.66**	**3,26,225.27**
Contingent Liabilities	56,184.69	86,668.20	1,19,397.86
Bills for Collection	14,276.74	16,247.39	14,486.07

SUMMARY STATEMENT OF STANDALONE PROFITS & LOSSES

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
INCOME			
Interest Earned	23,562.46	22,638.57	24,035.52
Other Income	3,636.82	2,412.94	2,622.35
TOTAL	**27,199.28**	**25,051.50**	**26,657.87**
EXPENDITURE			
Interest Expended	15,933.61	15,866.39	17,518.51
Operating Expenses	6,921.52	6,058.62	6,406.37
Provisions and Contingencies	5,465.49	8,767.97	7,837.89
TOTAL	**28,320.63**	**30,692.99**	**3,1762.76**
PROFIT/(LOSS) FOR THE YEAR BEFORE PRIOR PERIOD ITEM			
Profit/(loss) For The Year Before Prior Period Item	(1,121.35)	(5,641.48)	(5,104.90)
Less: Prior period Item	-	-	-

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Net Profit /(Loss) for the year after Prior period item	(1,121.35)	(5,641.48)	(5,104.90)
Profit / (loss) brought forward	(16,251.01)	(10,553.16)	(5,356.39)
TOTAL	**(17,372.36)**	**(16,194.64)**	**(10,461.29)**
APPROPRIATIONS			
Transfer to:			
Statutory Reserve	-	-	-
Investment Reserve	157.02	56.38	91.87
Special Reserve u/s 36(1)(viii)	-	-	-
Staff Welfare Fund	-	-	-
Revenue Reserve	-	-	-
Fund in lieu of Insurance	-	-	-
Proposed Dividend - Preference Capital	-	-	-
Proposed Dividend - Equity Capital	-	-	-
Dividend Tax	-	-	-
Balance Carried Over to Balance Sheet	(17,529.39)	(16,251.01)	(10,553.16)
TOTAL	**(17,372.36)**	**(16,194.64)**	**(10,461.29)**
EPS (Basic & Diluted) (nominal value ₹ 10/- per share)	(2.40)	(20.19)	(26.34)

SUMMARY OF STANDALONE CASH FLOWS

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before taxes	(909.49)	(8,170.22)	(7,895.97)
Adjustments for:			
Depreciation on fixed assets	285.28	277.72	260.31
Depreciation on investments (including on matured debentures)	1,065.54	983.88	794.17
Bad Debts written off/Provision in respect of non performing assets	4,070.58	10,626.30	9,564.62
Provision for Standard Assets	172.35	(114.93)	6.31
Provision for Other items (Net)	(54.83)	(198.54)	263.86
(Profit) / Loss on sale of fixed assets (Net)	22.41	4.43	4.50
Dividend Received from Subsidiaries	(17.64)	(5.22)	(10.10)
Sub-total	**4,634.20**	**3,403.42**	**2,987.70**
Adjustments for:			
Increase / (Decrease) in Deposits	13,907.72	5,016.58	(1,832.33)
Increase / (Decrease) in Borrowings	548.14	(467.06)	(3,576.33)
Increase / (Decrease) in Other Liabilities and Provisions	8,788.80	(1,103.64)	(1,835.07)
(Increase) / Decrease in Advances	(8,646.10)	(609.48)	(26,708.03)
(Increase) / Decrease in Investments	(18,285.01)	(23,650.34)	(11,330.90)
(Increase) / Decrease in Other Assets	928.02	2,635.47	(1,807.22)
Direct Taxes paid (Net of Refund etc)	(143.20)	187.43	(293.85)
Sub-total	**(2,901.63)**	**(17,991.04)**	**(47,383.73)**
Net Cash Flow From Operating Activities (A)	**1,732.57**	**(14,587.62)**	**(44,396.03)**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Sale / Disposal of Fixed Assets	7.18	3.48	4.12
Purchase of Fixed Assets	(321.51)	(254.12)	(314.25)
Dividend Received from Associates/Subsidiaries	17.64	5.22	10.10

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Net Cash Flow From Investing Activities (B)	**(296.69)**	**(245.42)**	**(300.03)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Share Capital (Including Share Premium)	3,403.22	6,592.00	5,158.00
Share Application Money	-	212.54	-
Dividend – Equity Shares Including Interim Dividend	-	-	-
Dividend Tax	-	-	-
Net Cash Flow From Financing Activities (C)	**3,403.22**	**6,804.54**	**5,158.00**
D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) OR (F-E)	**4,839.10**	**(8,028.50)**	**(39,538.06)**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR			
Cash and Bank Balance with RBI	20,779.09	35,999.91	75,086.76
Balance with Banks and Money at Call and Short Notice	10,420.85	3,228.53	3,679.74
Net cash and cash equivalents at the beginning of the year (E)	**31,199.94**	**39,228.44**	**78,766.50**
F. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
Cash and Bank Balance with RBI	30,021.75	20,779.09	35,999.91
Balance with Banks and Money at Call and Short Notice	6,017.29	10,420.85	3,228.53
Net cash and cash equivalents at the beginning of the year (F)	**36,039.04**	**31,199.94**	**39,228.44**

SUMMARY STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
CAPITAL AND LIABILITIES			
Capital	5,709.76	4,047.20	2,618.16
Reserves and Surplus	15,826.73	15,136.29	15,592.30
Minorities Interest	45.31	43.46	39.81
Share application Money pending allotment	-	212.54	-
Deposits	3,14,201.14	3,00,311.39	2,95,354.49
Borrowings	6,706.03	5,639.67	6,025.68
Other Liabilities and Provisions	15,478.45	6,494.10	7,718.86
TOTAL	**3,57,337.44**	**3,31,884.64**	**3,27,349.30**
ASSETS			
Cash and Balances with Reserve Bank of India	30,021.92	20,779.45	36,000.12
Balances with Banks and Money at Call and Short Notice	6,044.55	10,518.14	3,262.29
Investments	1,42,525.66	1,25,452.74	1,02,769.46
Loans & Advances	1,51,952.37	1,47,425.48	1,57,479.53
Fixed Assets	4,336.81	4,310.91	4,343.96
Other Assets	22,447.21	23,389.03	23,485.04
Goodwill on Consolidation	8.88	8.89	8.89
TOTAL	**3,57,337.44**	**3,31,884.64**	**3,27,349.30**
Contingent Liabilities	56,187.03	86,673.04	1,19,402.66
Bills for Collection	14,276.74	16,247.39	14,486.07

SUMMARY STATEMENT OF CONSOLIDATED PROFITS & LOSSES

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
INCOME			
Interest Earned	23,675.59	22,748.62	24,163.12
Other Income	3,622.39	2,416.33	2,620.41
TOTAL	**27,297.98**	**25,164.95**	**26,783.52**
EXPENDITURE			
Interest Expended	16,004.56	15,934.66	17,603.32
Operating Expenses	6,938.99	6,080.16	6,425.47
Provisions and Contingencies	5,481.74	8,777.85	78,50.10
TOTAL	**28,425.29**	**30,792.67**	**31,878.79**
PROFIT/(LOSS) FOR THE YEAR BEFORE PRIOR PERIOD ITEM			
Consolidated Net Profit/(loss) for the year of the parent & subsidiaries before Minority Interest & Prior Period Item	(1,127.31)	(5,627.72)	(5,095.27)
Less: Prior period Item	-	-	(0.30)
Less: Minority Interest	(3.64)	(5.79)	(5.99)
Consolidated Net Profit /(Loss) for the year after deducting Minority Interest & Prior Period Item	(1,130.95)	(5,633.51)	(5,101.56)
Add: Share of earnings/(loss) in Associates	(124.77)	16.58	(38.04)
Consolidated Profit/(Loss) for the year attributable to the Group	(1,255.72)	(5,616.92)	(5,139.60)
Add: Brought forward consolidated Profit/(Loss) attributable to the Group	(16,010.11)	(10,328.79)	(5,088.52)
Profit Available for Appropriation	(17,265.83)	(15,945.71)	(10,228.12)
APPROPRIATIONS			
Transfer to:			
Statutory Reserve	**-**	**-**	**-**
Investment Reserve	157.02	56.37	91.87
Revenue Reserve	1.33	1.59	2.43
Tax on Dividend	0.41	1.07	0.66
Special Reserve u/s 36(1)(viii)	4.09	5.36	5.71
Balance Carried Over to Balance Sheet	(17,428.69)	(16,010.11)	(10,328.79)
TOTAL	**(17,265.83)**	**(15,945.71)**	**(10,228.11)**
Earnings Per Share (In ₹)- Basic (Nominal value ₹ 10 per share)	(2.69)	(20.10)	(26.52)
Earnings Per Share (In ₹)- Diluted (Nominal value ₹ 10 per share)	(2.69)	(20.10)	(26.52)

SUMMARY OF CONSOLIDATED CASH FLOWS

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before taxes	(1,034.43)	(8,131.13)	(7,913.90)
Adjustments for:			
Depreciation on fixed assets	285.48	277.93	260.50
Depreciation on investments (including on matured debentures)	1,065.54	983.88	794.17
Bad Debts written off/Provision in respect of non-performing assets	4,079.06	10,628.26	9,566.65
Provision for Standard Assets	174.10	(115.75)	5.51
Provision for Other items (Net)	(54.61)	(198.54)	263.96

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
(Profit) / Loss on sale of fixed assets (Net)	22.41	4.43	4.49
Sub-total	**4,537.56**	**3,449.08**	**2,981.38**
Adjustments for:			
Increase / (Decrease) in Deposits	13,889.76	4,956.90	(1,954.74)
Increase / (Decrease) in Borrowings	436.37	(386.02)	(3,597.62)
Increase / (Decrease) in Other Liabilities and Provisions	8,789.87	(1,103.14)	(1,826.94)
(Increase) / Decrease in Advances	(8,605.96)	(574.21)	(26,582.21)
(Increase) / Decrease in Investments	(18,138.47)	(23,667.15)	(11,287.07)
(Increase) / Decrease in Other Assets	927.96	2,635.91	(1,808.19)
Direct Taxes paid (Net of Refund etc)	(149.18)	178.64	(301.02)
Sub-total	**(2,849.67)**	**(17,959.07)**	**(47,357.80)**
Net Cash Flow From Operating Activities (A)	**1,687.89**	**(14,509.98)**	**(44,376.42)**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Sale / Disposal of Fixed Assets	7.18	3.48	4.13
Purchase of Fixed Assets	(321.96)	(254.42)	(314.36)
Net Cash Flow From Investing Activities (B)	**(314.78)**	**(250.94)**	**(310.23)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Share Capital (Including Share Premium)	3,403.22	6,592.00	5,158.00
Share Application Money	-	212.54	-
Dividend – Equity Shares Including Interim Dividend	(7.00)	(7.00)	(3.25)
Dividend Tax	(0.44)	(1.43)	(0.66)
Net Cash Flow From Financing Activities (C)	**3,395.78**	**6,796.11**	**5,154.09**
D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) OR (F-E)	**4,768.89**	**(7,964.81)**	**(39,532.56)**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR			
Cash and Bank Balance with RBI	20,779.45	36,000.12	75,087.18
Balance with Banks and Money at Call and Short Notice	10,518.14	3,262.29	3,707.79
Net cash and cash equivalents at the beginning of the year (E)	**31,297.59**	**39,262.41**	**78,794.97**
F. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
Cash and Bank Balance with RBI	30,021.92	20,779.45	36,000.12
Balance with Banks and Money at Call and Short Notice	6,044.56	10,518.14	3,262.29
Net cash and cash equivalents at the beginning of the year (F)	**36,066.48**	**31,297.59**	**39,262.41**

SUMMARY OF STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2020

(₹ in crore)

Particulars	Standalone	Consolidated
Income		
Interest earned	6,016.35	6,041.42
Other income	710.33	710.44
Total	**6,726.68**	**6,751.86**
Expenditure		

Particulars	Standalone	Consolidated
Interest expended	3,871.01	3,885.93
Operating expenses	1,564.70	1,568.44
Total Expenditure	**5,435.71**	**5,454.37**
Operating Profit	1,290.97	1,297.49
Provisions & Contingencies (Net)	974.64	977.42
Profit/Loss from ordinary activities	**316.33**	**320.07**
Tax Expenses	180.90	182.65
Share in profit of Associates	-	10.40
Share in minority assets	-	0.61
Net Profit / (Loss)for the period	**135.43**	**147.21**

SELECTED STATISTICAL INFORMATION

The selected statistical information set forth below is derived from (i) the Audited Standalone Financial Statements and (ii) Unaudited Interim Standalone Financial Information. The following selected statistical information and other data should be read together with our financial statements for Fiscal 2018, 2019 and 2020, including the notes thereto and the reports thereon, which appear in "Financial Statements" and unaudited financial information included herein for the three months ended June 30, 2019 and 2020 in this Placement Document.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Placement Document. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. However, note that these non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other banks in India or elsewhere.

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

Average Balance Sheet and Net Interest Margin

The following table sets forth the average balances for interest-earning assets and interest-bearing liabilities together with the related interest revenue and expense amounts, resulting in the presentation of the average yields and costs for each period. The quarterly average balances are calculated as the simple average of opening balances at the start of the year/period and quarterly closing balance of the year/period. The average yield on average interest-earning assets is the ratio of interest revenue to average interest-earning assets. The average cost on average interest-bearing liabilities is the ratio of interest expense to average interest-bearing liabilities. The average balances of loans include NPAs and are net of allowance for credit losses. We have not recalculated tax exempt income on a tax-equivalent basis. As the yield and cost in the table below has been computed on the basis of quarterly average balances, these will not match with the ratios contained in the "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Selected Financial and Operating Data*" and "*Description of the Bank*" sections, which have been calculated on the basis of daily average balances, except as otherwise stated.

(₹ in crore, except the percentages)

Particulars	**Year ended March 31, 2018**			**Year ended March 31, 2019**			**Year ended March 31, 2020**		
	Quarterly Average balance	**Interest income/ expense**	**Average yield/ cost (%)**	**Quarterly Average balance**	**Interest income/ expense**	**Average yield/ cost (%)**	**Quarterly Average balance**	**Interest income/ expense**	**Average yield/ cost (%)**
	(A)	**(B)**	**C=(B/A) (%)**	**(A)**	**(B)**	**C=(B/A) (%)**	**(A)**	**(B)**	**C=(B/A)(%)**
Interest-earning assets:									
Advances	1,71,747.64	14,478.75	8.43	1,77,881.19	12,949.75	7.28	1,66,133.65	12,505.46	7.53
Investments	1,01,359.41	7,137.36	7.04	1,18,204.77	8,454.24	7.15	1,37,519.64	9,915.64	7.21
Others	33,306.3	2,419.41*	7.26	3,108.60	1,234.58*	39.71	1,194.99	1,141.37*	95.51
Total interest-earning assets	**3,06,413.35**	**24,035.52**	**7.84**	**2,99,194.56**	**22,638.57**	**7.57**	**3,04,848.28**	**23,562.47**	**7.73**
Non-interest-earning assets:									
Fixed assets	4,280.51	NA	NA	4,297.47	NA	NA	4,272.01	NA	NA
Other assets	35,462.11	NA	NA	65,704.10	NA	NA	76,808.12	NA	NA
Total assets	**3,46,155.97**			**3,69,196.13**			**3,85,928.41**		
Interest-bearing liabilities:									
Deposits	2,92,432.82	16,222.69	5.55	2,93,443.98	15,276.32	5.21	3,01,553.64	15,401.85	5.11

Particulars	Year ended March 31, 2018			Year ended March 31, 2019			Year ended March 31, 2020		
	Quarterly Average balance	Interest income/ expense	Average yield/ cost (%)	Quarterly Average balance	Interest income/ expense	Average yield/ cost (%)	Quarterly Average balance	Interest income/ expense	Average yield/ cost (%)
	(A)	(B)	C=(B/A) (%)	(A)	(B)	C=(B/A) (%)	(A)	(B)	C=(B/A)(%)
Saving deposits	1,01,847.43	3,895.00	3.82	1,14,348.58	4,075.00	3.56	1,23,067.23	4,333.68	3.52
Demand deposits	12,277.19	0	0.00	13,065.63	0	0.00	13,250.59	0	0.00
Term deposits	1,78,308.20	12,327.69	6.91	1,66,030.77	11,201.32	6.75	1,65,235.82	11,068.17	6.70
Borrowings	9,081.51	1,295.82	14.27	6,849.62	590.07	8.61	6,001.56	531.78	8.86
Total interest-bearing liabilities	**3,01,514.33**	**17,518.51**	**5.81**	**3,00,293.60**	**15,866.39**	**5.28**	**3,07,555.20**	**15,933.62**	**5.18**
Non-interest-bearing liabilities:									
Capital and reserves	18,845.64	NA	NA	20,165.83	NA	NA	21,399.45	NA	NA
Other liabilities	25,796.00	NA	NA	48,736.70	NA	NA	56,973.76	NA	NA
Total non-interest-bearing liabilities:	44,641.64			68,902.53			78,373.21		
Total liabilities	**3,46,155.97**			**3,69,196.13**			**3,85,928.41**		

**Also includes other interest income*

(₹ in crore, except the percentages)

Particulars	Three months ended June 30, 2019			Three Months ended June 30, 2020		
	Quarterly Average balance	Interest income/ expense	Average yield/ cost (%)	Quarterly Average balance	Interest income/ expense	Average yield/ cost (%)
Interest-earning assets:						
Advances	1,67,252.06	3,069.21	1.84	1,71,221.08	3,123.33	1.82
Investments	1,36,256.75	2,422.02	1.78	1,37,762.10	2,541.65	1.84
Others	2,380.41	223.20*	9.38	1,805.83	351.37*	19.46
Total interest-earning assets	**3,05,889.22**	**5,714.43**	**1.87**	**3,10,789.01**	**6,016.35**	**1.94**
Non-interest-earning assets:						
Fixed assets	4,300.64	NA	NA	4,397.93	NA	NA
Other assets	94,955.89	NA	NA	67,406.51	NA	NA
Total assets	**4,05,145.75**			**3,82,593.45**		
Interest-bearing liabilities:						
Deposits	2,95,242.20	3,783.36	1.28	3,17,302.88	3,728.53	1.18
Saving deposits	1,19,756.59	1,065.92	0.89	1,34,067.99	1,038.05	0.77
Demand deposits	13,225.59	0.00	0.00	14,248.79	0.00	0.00
Term deposits	1,62,260.02	2,717.44	1.67	1,68,986.10	2,690.48	1.59
Borrowings	6,126.73	141.10	2.30	6,107.47	142.48	2.33
Total interest-bearing liabilities	**3,01,368.93**	**3,924.46**	**1.30**	**3,23,410.35**	**3,871.01**	**1.20**
Non-interest-bearing liabilities:						
Capital and reserves	23,719.79	NA	NA	22,578.39	NA	NA
Other liabilities	80,057.03	NA	NA	36,604.71	NA	NA
Total non-interest-bearing liabilities:	1,03,776.82			59,183.10		
Total liabilities	**4,05,145.75**			**3,82,593.45**		

**Also includes other interest income*

Analysis of changes in interest revenue and interest expense by volume and rate

The following table sets forth, for the periods indicated, the allocation of the changes in the Bank's interest revenue and interest expense between average volume and changes in average rates.

(₹ in crore)

Particulars	Fiscal 2019 vs. Fiscal 2018			Fiscal 2020 vs. Fiscal 2019		
	Increase (Decrease) Due to			Increase (Decrease) Due to		
	Net change in interest	Change in average volume	Change in average rate	Net change in interest	Change in average volume	Change in average rate
Interest income						
Advances	-1,529.00	6,133.55	-1.15	-444.29	-11,747.54	0.25
Investments	1,316.88	16,845.36	0.11	1,461.40	19,314.87	0.06
Others	-1,184.83	-30,197.70	32.45	-93.21	-1,913.61	55.80
Total interest earning assets	-1,396.95	-7,218.79	-0.28	-923.90	5,653.72	0.16
Interest expenses	-	-	-	-	-	-
Saving deposits	180.00	12,501.15	-0.26	258.68	8,718.65	-0.04
Demand deposits	0.00	787.44	0.00	0.00	185.96	0.00
Term deposits	-1,126.37	-12,277.43	-0.17	-133.15	-794.95	0.05
Borrowings	-705.75	-2,231.89	-5.65	-58.29	-848.06	0.25
Total interest bearing liabilities	-1,652.12	-1,220.73	-0.53	67.23	7,261.60	-0.10
Net interest income	255.17	-	-	856.67	-	-

(₹ in crore)

Particulars	Three months ended June 2020 vs. Three months ended June 2019		
	Increase (Decrease) Due to		
	Net change in interest	Change in average volume	Change in average rate
Interest income			
Advances	54.12	3,969.02	-0.01
Investments	119.63	1,505.35	0.07
Others	128.17	-574.58	10.08
Total interest earning assets	301.92	4,899.79	0.07
Interest expenses			
Saving deposits	-27.87	14,311.40	-0.12
Demand deposits	0	1,023.20	0.00
Term deposits	-26.96	6,726.08	-0.08
Borrowings	1.38	-19.26	0.03
Total interest bearing liabilities	-53.45	22,041.42	-0.11
Net interest income	355.37	-	-

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.

(₹ in crore, except the percentages)

Particulars	Year ended March 31		
	2018	2019	2020
Interest earned (A)	24,035.52	22,638.57	23,562.47
Interest expended (B)	17,518.51	15,866.39	15,933.62
Average quarterly interest-earning assets (C)	3,06,413.35	2,99,194.56	3,04,848.28
Average quarterly interest-bearing liabilities (D)	3,01,514.33	3,00,293.60	3,07,555.20
Average quarterly total assets (E)	3,46,155.97	3,69,196.13	3,85,928.41
Average quarterly interest-earning assets as a % of average total assets F=(C/E)	88.52	81.04	78.99
Average quarterly interest-bearing liabilities as a % of average total assets G=(D/E)	87.10	81.34	79.69
Average quarterly interest-earning assets as a % of average interest-bearing liabilities H=(C/D)	101.62	99.63	99.12
Average yield (annualized) (%) I=(A/C)	7.84	7.57	7.73
Average cost of funds (annualized) (%) J = (B/D)	5.81	5.28	5.18
Average spread (annualized) (%) (I-J)	2.03	2.28	2.55
Net Interest Margin (NII / Average Interest Earning Assets)	2.13	2.26	2.50

(₹ in crore, except the percentages)

Particulars	Three months ended June 30	
	2019	2020
Interest earned (A)	5,714.43	6,016.35
Interest expended (B)	3,924.46	3,871.01
Average quarterly interest-earning assets (C)	3,05,889.22	3,10,789.01
Average quarterly interest-bearing liabilities (D)	3,01,368.93	3,23,410.35
Average quarterly total assets (E)	4,05,145.75	3,82,593.45
Average quarterly interest-earning assets as a % of average quarterly total assets F=(C/E)	75.50	81.23
Average quarterly interest-bearing liabilities as a % of average quarterly total assets G=(D/E)	74.39	84.53
Average quarterly interest-earning assets as a % of average quarterly interest-bearing liabilities H=(C/D)	101.50	96.10
Average yield (annualized) (%) I=(A/C)	1.87	1.94
Average cost of funds (annualized) (%) J = (B/D)	1.30	1.20
Average spread (annualized) (%) (I-J)	0.57	0.74
Net Interest Margin (NII / Average Interest Earning Assets)	0.59	0.69

Return on Equity and Assets

The following table sets forth selected financial ratios for the periods indicated.

(₹ in crore, except the percentages)

Particulars	Year ended March 31		
	2018	2019	2020
Return on equity and assets			
Net profit	-5,104.90	-5,641.48	-1,121.35
Average total assets	3,46,155.97	3,69,196.13	3,85,928.41
Average shareholders' equity	1,901.01	2,825.58	4,665.09
Net profit as a percentage of average total assets	-1.47%	-1.53%	-0.29%
Net profit as a percentage of average shareholders' equity	-268.54%	-199.66%	-24.04%
Average shareholders' equity as a percentage of average total assets	0.56%	0.77%	1.21%
Dividend payout ratio (Excluding Corporate Dividend Tax) (%)	0.00	0.00	0.00

(₹ in crore, except the percentages)

Particulars	Three months ended June 30	
	2019	2020
Return on equity and assets		
Net profit	118.33	135.43
Average total assets	4,05,145.75	3,82,593.45
Average shareholders' equity	4,086.56	5,709.76
Net profit as a percentage of average total assets	0.03%	0.04%
Net profit as a percentage of average shareholders' equity	2.90%	2.37%
Average shareholders' equity as a percentage of average total assets	1.01%	1.49%
Dividend payout ratio (Excluding Corporate Dividend Tax) (%)	0.00	0.00

Investment Portfolio

As of March 31, 2018, 2019 and 2020, our Net Investments comprised 31.46%, 37.89% and 39.98% of our total assets, respectively.

As of June 30, 2019 and June 30, 2020, our Net Investments comprised 38.92% and 39.91% of our total assets, respectively. We carry out our investment activities according to our Investment Policy. The investment policy sets 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 ratings. We attempt to achieve optimal risk-adjusted returns on our funds.

The following tables set forth, as of the dates indicated, information related to our total net investment portfolio.

(₹ in crore, except the percentages)

Particulars	As at March 31			As at June 30
	2018	2019	2020	2020
Government securities	81,317.13	96,206.03	1,09,493.36	1,08,497.05
Shares	1,261.17	834.21	543.81	693.23
Bonds and debentures	14,220.51	21,469.43	27,661.24	31,556.51
Commercial paper	2,757.51	4,987.57	3,340.75	3,102.03
Investment in subsidiaries/ joint ventures / Associates	304.00	304.00	217.76	217.76
Others	2,723.80	1,449.34	1,213.12	1,037.56
Net Investments in India	1,02,584.12	1,25,250.58	1,42,470.05	1,45,104.14

Particulars	As at March 31			As at June 30
	2018	2019	2020	2020
Investments outside India	47.49	47.49	47.49	47.49
Total Investment	1,02,631.61	1,25,298.07	1,42,517.54	1,45,151.63

The following table sets forth figures relating to income earned from the following activities for the periods indicated.

(₹ in crore, except the percentages)

Particulars	For the year ended March 31			For the three months ended June 30
	2018	2019	2020	2020
Debt Securities	95,537.65	1,17,675.46	1,37,799.58	1,41,298.27
Interest earned on debt securities (including T-Bills)	6,995.80	7,964.25	9,525.56	2,470.58
Interest earned from investments in commercial paper / certificate of deposit	114.81	442.14	284.03	61.76
Dividends from investments in units of mutual funds & Venture Capital Funds	0.00	0.00	0.00	0.00
Dividends from investments in shares	20.76	5.29	8.37	4.25
Net gain from sale of Government securities	350.86	-8.81	1,078.15	321.03
Net gain from sale of debt securities	96.28	-4.91	47.31	8.26
Net gain from sale of equities	39.41	135,09	18.65	0.00
Net gain from sale of commercial paper / certificates of deposit	0.00	0.00	0.31	0.00
Net gain from sale of units of mutual funds & Venture Capital Funds	90.10	93.14	70.53	7.18

The following tables set forth, as of the dates indicated, information related to our gross investments classified under the held to maturity (HTM), available for sale (AFS) and held for trading (HFT) categories:

Available for Sale Investments

The following table sets forth information relating to the Bank's AFS investments as at the specified dates.

(₹ in crore)

Particulars	As at March 31, 2018				As at March 31, 2019			
	Book Value	Market Value	Unrealised Gain	Unrealised Loss	Book Value	Market Value	Unrealised Gain	Unrealised Loss
Government securities	23,561.92	22,883.94	0.00	677.98	40,016.00	40,256.11	240.11	0.00
Shares	2,694.29	1,646.59	0.00	1,047.70	2,748.33	849.09	0.00	1,899.24
Debentures and Bonds	3,459.63	2,999.05	0.00	460.58	3,830.57	3,260.06	0.00	570.51
Commercial Paper	2,772.38	2,757.52	0.00	14.86	5,050.76	4,987.56	0.00	63.20
Investment in subsidiaries/ joint ventures / Associates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	3,186.37	2,724.76	0.00	461.61	2,781.45	1,418.44	0.00	1,363.01
Total	**35,674.60**	**33,011.86**	**0.00**	**2,662.73**	**54,427.11**	**50,771.26**	**240.11**	**3,895.96**

(₹ in crore)

Particulars	As at March 31, 2020				As at June 30, 2020			
	Book Value	Market Value	Unrealised Gain	Unrealised Loss	Book Value	Market Value	Unrealised Gain	Unrealised Loss
Government securities	49,813.18	50,180.08	366.90	0.00	46,158.65	47,391.77	1,233.12	0.00
Shares	2,892.85	654.52	0.00	2,238.33	3,080.90	826.30	0.00	2,254.60
Debentures and Bonds	7,088.73	6,443.75	0.00	644.98	7,942.34	7,378.92	563.42	0.00
Commercial Paper	3,601.30	3,340.75	0.00	260.55	3,362.58	3,102.03	0.00	260.55
Investment in subsidiaries/ joint ventures / Associates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	2,768.60	1,194.31	0.00	1,574.29	2,749.96	1,019.28	0.00	1,730.68
Total	**66,164.66**	**61,813.41**	**0.00**	**4,351.25**	**63,294.43**	**59,718.30**	**0.00**	**3,576.13**

Held to Maturity Investments

The following table sets forth information relating to the Bank's HTM investments as at the specified dates.

(₹ in crore)

Particulars	As at March 31, 2018				As at March 31, 2019			
	Book Value	Market Value	Unrealised Gain	Unrealised Loss	Book Value	Market Value	Unrealised Gain	Unrealised Loss
Government securities	58,001.78	57,845.76	0.00	156.02	56,164.87	56,042.37	0.00	122.50
Shares	7.54	7.54	0.00	0.00	7.54	7.54	0.00	0.00
Debentures and Bonds	11,155.25	10,970.46	0.00	184.79	18,015.05	18,579.84	564.79	0.00
Commercial Paper	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investment in Subsidiaries/ Joint Venture / Associates	351.49	351.49	0.00	0.00	351.49	351.49	0.00	0.00

Particulars	As at March 31, 2018				As at March 31, 2019			
	Book Value	Market Value	Unrealised Gain	Unrealised Loss	Book Value	Market Value	Unrealised Gain	Unrealised Loss
Others	39.72	50.44	10.72	0.00	30.91	40.39	9.48	0.00
Total	**69,555.78**	**69,225.69**	**10.72**	**340.81**	**74,569.86**	**75,021.62**	**574.27**	**122.50**

(₹ in crore)

Particulars	As at March 31, 2020				As at June 30, 2020			
	Book Value	Market Value	Unrealised Gain	Unrealised Loss	Book Value	Market Value	Unrealised Gain	Unrealised Loss
Government securities	59,582.18	62,663.85	3,081.67	0	61,006.14	65,327.21	4,321.07	0
Shares	7.54	7.54	0	0	7.54	7.54	0	0
Commercial Paper	0	0	0	0	0	0	0	0
Investment in Subsidiaries/ Joint Venture / Associates	262.25	265.25	0	0	265.25	265.25	0	0
Debentures and Bonds	21,217.49	21,439.92	222.43	0	24,357.82	24,872.91	515.09	0
Others	18.81	21.37	2.56	0	18.28	19.15	0.87	0
Total	**81,091.27**	**84,397.94**	**3,304.10**	**0**	**85.655.03**	**90,492.06**	**4,837.03**	**0**

Held for Trading Investments

The following table sets forth information relating to the Bank's HFT investments as at the specified dates.

(₹ in crore)

Particulars	As at March 31, 2018				As at March 31, 2019			
	Book Value	Market Value	Unrealised Gain	Unrealised Loss	Book Value	Market Value	Unrealised Gain	Unrealised Loss
Government securities	49.55	49.55	0.00	0.00	25.16	25.17	0.01	0.00
Shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Commercial Paper	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investment in Subsidiaries/ Joint Venture / Associates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debentures and Bonds	14.77	14.75	0.00	0.00	197.19	205.12	7.93	0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**64.32**	**64.30**	**0.00**	**0.00**	**222.35**	**230.29**	**7.94**	**0.00**

(₹ in crore)

Particulars	As at March 31, 2020				As at June 30, 2020			
	Book Value	Market Value	Unrealised Gain	Unrealised Loss	Book Value	Market Value	Unrealised Gain	Unrealised Loss
Government securities	97.99	98.33	0.34	0.00	1,333.31	1,332.26	0.00	1.05
Shares	3.94	3.23	0.00	0.71	0.00	0.00	0.00	0.00
Commercial Paper	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investment in Subsidiaries/ Joint Venture / Associates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debentures and Bonds	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	0.00	0.00	0.00	0.00
Total	**101.93**	**101.56**	**0.34**	**0.71**	**1,333.31**	**1,332.26**	**0.00**	**1.05**

Residual Maturity Profile

The following table sets forth the maturity profile of the gross book value of Government securities in India at the specified dates.

(₹ in crore, except the percentages)

Maturity Buckets	As at March 31						As at June 30	
	2018		2019		2020		2020	
	Gross Book Value	% to total	Gross Book Value	% to total	Gross Book Value	% to total	Gross Book Value	% to total
1 year	2,397.80	2.94	15,688.74	16.31	22,665.61	20.70	16,754.77	15.44
1-3 years	3,712.13	4.55	5,650.39	5.87	10,037.91	9.17	10,784.70	9.94
3-5 years	8,408.97	10.30	9,809.46	10.20	8,561.65	7.82	9,425.81	8.68
5 years	67,094.35	82.21	65,057.44	67.62	68,228.19	62.31	71,532.81	65.94
Total	**81,613.25**	**100.00**	**96,206.03**	**100.00**	**1,09,493.36**	**100.00**	**1,08,498.09**	**100.00**

The following table sets forth breakdowns of the Bank's gross book value of its corporate bond portfolio in India by maturity profile and ratings distribution.

(₹ in crore, except the percentages)

Maturity Buckets	As at March 31						As at June 30	
	2018		2019		2020		2020	
	Gross Book Value	% to total	Gross Book Value	% to total	Gross Book Value	% to total	Gross Book Value	% to total
1 year	129.94	6.56	455.43	24.38	265.70	8.15	355.83	5.43
1-3 years	749.59	37.85	594.43	31.82	1,357.56	41.61	4,098.57	62.50
3-5 years	124.48	6.28	50.00	2.68	305.10	9.35	550.15	8.39
5 years	976.68	49.31	768.30	41.12	1,333.98	40.89	1,553.16	23.68
Total	**1,980.69**	**100.00**	**1,868.17**	**100.00**	**3,262.34**	**100.00**	**6,557.71**	**100.00**

The following table sets forth an analysis of the residual maturity profile of the Bank's investments in Government and debt securities classified as AFS securities and their weighted average market yields as at the specified dates.

(₹ in crore, except the percentages)

Particulars	As at March 31, 2020							
	Up to One Year		One to Five Years		Five to Ten Years		More than Ten Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
Government securities	22,575.23	6.34	15,763.03	5.85	9,198.92	6.65	2,276.00	6.66
Shares	1,821.13	-	8.13	-	1,032.38	-	31.21	-
Debentures and Bonds	369.79	6.19	2,403.64	7.14	2,491.64	7.40	1,104.57	9.39
Commercial Paper	3,601.30	-	-	-	-	-	-	-
Investment in subsidiaries/ joint ventures / Associates	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total	**28,367.45**	**-**	**18,174.80**	**-**	**15,491.54**	**-**	**3,411.78**	**-**

(₹ in crore, except the percentages)

Particulars	As at June 30, 2020							
	Up to One Year		One to Five Years		Five to Ten Years		More than Ten Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
Government securities	16,238.13	5.72	16,880.24	4.65	10,017.86	6.23	3,022.43	6.17
Shares	1,825.07	-	8.13	-	1,216.49	-	31.21	-
Debentures and Bonds	460.36	4.82	2,997.49	5.92	3,066.64	6.78	529.57	14.64
Commercial Paper	3,362.58	-	-	-	-	-	-	-
Investment in subsidiaries/ joint ventures / Associates	-	-	-	-	-	-	-	-
Others	-	-	-	-	2,749.96	-	-	-
Total	**21,886.14**	**-**	**19,885.86**	**-**	**17,050.95**	**-**	**3,583.21**	**-**

The following table sets forth an analysis of the residual maturity profile of the Bank's investments in Government and debt securities classified as HTM securities and their weighted average market yields as at the specified dates.

(₹ in crore, except the percentages)

Particulars	As at March 31, 2020							
	Up to One Year		One to Five Years		Five to Ten Years		More than Ten Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
Government securities	90.38	5.44	2,836.53	6.46	35,190.01	6.89	21,465.26	6.77
Shares	-	-	-	-	-	-	7.54	-
Debentures and Bonds	160.00	4.96	1,106.21	6.13	6,466.13	6.01	13,485.15	6.30
Commercial Paper	-	-	-	-	-	-	-	-
Investment in subsidiaries/ joint ventures / Associates	-	-	-	-	-	-	-	-
Others	-	-	-	-	18.81	-	-	-
Total	**250.38**	**-**	**3,942.74**	**-**	**41,674.94**	**-**	**35,223.20**	**-**

(₹ in crore, except the percentages)

Particulars	As at June 30, 2020							
	Up to One Year		One to Five Years		Five to Ten Years		More than Ten Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
Government securities	18.31	3.73	3,330.28	5.43	39,419.74	6.30	18,237.81	6.50
Shares	-	-	-	-	-	-	7.54	-
Debentures and Bonds	208.53	4.17	4,563.06	5.64	6,101.13	6.22	13,485.11	6.63
Commercial Paper	-	-	-	-	-	-	-	-
Investment in subsidiaries/ joint ventures / Associates	-	-	-	-	-	-	265.25	-
Others	-	-	-	-	18.28	-	-	-
Total	**226.84**	**-**	**7,893.34**	**-**	**45,539.15**	**-**	**31,995.71**	**-**

The following tables set forth an analysis of the residual maturity profile of the Bank's investments in Government and debt securities classified as HFT securities and their weighted average market yields as at the specified dates.

(₹ in crore, except the percentages)

Particulars	As at March 31, 2020							
	Up to One Year		One to Five Years		Five to Ten Years		More than Ten Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
Government securities	97.99	6.54	-	-	-	-	-	-
Shares	3.94	-	-	-	-	-	-	-
Debentures and Bonds	-	-	-	-	-	-	-	-
Commercial Paper	-	-	-	-	-	-	-	-
Investment in subsidiaries/ joint ventures / Associates	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total	**101.93**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(₹ in crore, except the percentages)

Particulars	As at June 30, 2020							
	Up to One Year		One to Five Years		Five to Ten Years		More than Ten Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
Government securities	1,333.31	6.34	-	-	-	-	-	-
Shares	-	-	-	-	-	-	-	-
Debentures and Bonds	-	-	-	-	-	-	-	-
Commercial Paper	-	-	-	-	-	-	-	-
Investment in subsidiaries/ joint ventures / Associates	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total	**1,333.31**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Deposits

(₹ in crore, except the percentages)

Particulars	As at March 31,			As at June 30	
	2018	2019	2020	2019	2020
Period end balance	2,94,838.86	2,99,855.44	3,13,763.16	2,97,781.00	3,21,251.76
Average balance during the period	2,92,432.82	2,93,443.98	3,01,553.64	2,95,242.20	3,17,302.87
Interest expense during the year	16,222.69	15,276.32	15,401.85	3,783.36	3,728.53
Average interest rate during	5.55%	5.21%	5.11%	1.28%	1.18%

Particulars	As at March 31,			As at June 30	
	2018	2019	2020	2019	2020
the period (%)					
Average interest rate at period end (%)	5.50%	5.09%	4.91%	1.27%	1.16%

Demand deposits do not bear interest and are therefore carried at zero cost. The following table sets forth, as at the dates indicated our outstanding deposits and the percentage composition by each category of deposits.

(₹ in crore)

	As of March 31, 2018		As of March 31, 2019		As of March 31, 2020	
	Amount	% of total	Amount	% of total	Amount	% of total
Demand deposit	14,686.49	4.98	16,416.55	5.47	15,414.53	4.91
Saving deposits	1,10,509.29	37.48	1,22,138.87	40.73	1,30,199.99	41.50
Term deposits	1,69,643.08	57.54	1,61,300.02	53.79	1,68,148.64	53.59
Total	**2,94,838.86**	**100.00**	**2,99,855.44**	**100.00**	**3,13,763.15**	**100.00**

(₹ in crore)

	As of June 30, 2019		As of June 30, 2020	
	Amount	% of total	Amount	% of total
Demand deposit	13,620.40	4.57	16,504.92	5.14
Saving deposits	1,21,723.20	40.88	1,35,670.84	42.23
Term deposits	1,62,437.41	54.55	1,69,075.99	52.63
Total	**2,97,781.01**	**100.00**	**3,21,251.75**	**100.00**

Borrowings

The following table sets forth, for the periods indicated, information related to the Bank's borrowings, which are comprised primarily of money-market borrowings, refinances and subordinated debt.

(₹ in crore, except the percentages)

Particulars	As at March 31,			As at June 30	
	2018	2019	2020	2019	2020
Period end balance	5,706.11	5,239.06	5,787.20	4,704.64	6,774.04
Average balance during the period	9,081.51	6,849.62	6,001.56	6,126.73	6,107.47
Interest expense during the year	1,295.82	590.07	531.78	141.10	142.48
Average interest rate during the period (%)	14.27%	8.61%	8.86%	2.30%	2.33%
Average interest rate at period end (%)	22.71%	11.26%	9.19%	3.00%	2.10%

Asset Liability Gap and Interest Sensitivity Data

The following tables set forth the Bank's asset-liability gap position for the specified periods.

(₹ in crore, except the percentages)

Particulars	As at March 31, 2020								Total
	1-30 Days	31 Days 2 months	2-3 months	3-6 months	6-12 months	1-3 Years	3-5 Years	Over 5 Years	
Cash and Balance with RBI	12,793.26	512.39	497.57	742.50	1,283.21	7,829.62	3,162.11	3,201.09	30,021.75
Balance with Banks	702.53	-	385.00	950.00	-	30.00	-	-	2,067.53
Investments	61,026.12	2,094.76	4,764.68	10,073.90	4,807.76	11,605.91	10,918.50	37,225.91	1,42,517.54
Advances	9,672.08	1,296.64	1,768.94	3,985.05	7,558.26	76,422.47	15,273.31	35,124.12	1,51,100.87
Fixed assets	-	-	-	-	-	-	-	4,336.18	4,336.18
Other assets	12,760.71	7.20	4,028.25	12,897.82	25,939.04	8,774.20	921.46	9,772.95	75,101.63
Total assets	96,954.	3,910.99	11,444.4	28,649.2	39,588.2	1,04,66	30,275.	89,660.	4,05,145

Particulars	As at March 31, 2020								Total
	1-30 Days	31 Days 2 months	2-3 months	3-6 months	6-12 months	1-3 Years	3-5 Years	Over 5 Years	
	71		4	7	7	2.20	38	26	.51
Capital	-	-	-	-	-	-	-	5,709.76	5,709.76
Reserves	-	-	-	-	-	-	-	16,841.06	16,841.06
Deposits	12,771.06	9,259.20	8,858.47	13,409.22	23,319.99	1,39,864.18	56,105.16	50,175.97	3,13,763.25
Borrowings	34.50	-	32.88	-	65.34	1,707.23	1,007.83	2,939.43	5,787.21
Other liabilities	13,600.57	42.97	4,791.37	13,913.82	21,781.00	879.03	149.37	4,216.77	59,374.90
Total Liabilities	26,406.13	9,302.17	13,682.72	27,323.04	45,166.33	1,42,450.45	57,262.36	79,882.99	4,01,476.18
Liquidity gap	70,548.57	(5,391.18)	(2,238.28)	1,326.23	(5,578.06)	(37,788.25)	(26,986.98)	9,777.27	3,669.33
Cumulative gap	70,548.57	65,157.39	62,919.11	64,245.34	58,667.29	20,879.04	(6,107.94)	3,669.33	3,669.33
Cumulative liabilities	26,406.13	35,708.31	49,391.03	76,714.07	1,21,880.39	2,64,330.84	3,21,593.19	4,01,476.18	4,01,476.18
Cumulative liquidity gap as a % of cumulative liabilities	267.17%	182.47%	127.39%	83.75%	48.14%	7.90%	-1.90%	0.91%	-

(₹ in crore, except the percentages)

Particulars	As at June 30, 2020								Total
	1-30 Days	31 Days 2 months	2-3 months	3-6 months	6-12 months	1-3 Years	3-5 Years	Over 5 Years	
Cash and Balance with RBI	17,383.36	271.13	257.65	381.36	689.16	4,243.14	1,768.36	1,996.09	26,990.26
Balance with Banks	923.94	100.00	-	-	-	30.00	-	-	1,053.94
Investments	59,738.25	2,734.41	1,532.44	5,894.49	3,451.43	15,648.81	12,222.25	43,929.55	1,45,151.63
Advances	5,256.01	5,397.91	1,862.41	4,355.15	9,880.30	78,339.52	14,661.71	35,165.72	1,54,918.72
Fixed assets	-	-	-	-	-	-	-	4,278.49	4,278.49
Other assets	7,915.10	3,304.38	3,556.28	8,043.12	20,232.68	9,881.68	1,179.05	14,005.37	68,117.65
Total assets	91,216.66	11,807.83	7,208.78	18,674.11	34,253.57	1,08,143.15	29,831.37	99,375.22	4,00,510.68
Capital	-	-	-	-	-	-	-	5,709.76	5,709.76
Reserves	-	-	-	-	-	-	-	15,719.71	15,719.71
Deposits	12,101.67	9,216.55	8,680.44	13,107.85	23,778.46	1,44,045.88	58,437.70	51,883.28	3,21,251.84
Borrowings	36.00	-	-	33.00	35.22	2,724.11	1,006.61	2,939.10	6,774.04
Other liabilities	7,349.23	3,212.87	4,174.86	8,480.00	16,538.82	620.31	389.74	11,099.06	51,864.89
Total Liabilities	19,486.90	12,429.42	12,855.30	21,620.86	40,352.50	1,47,390.30	59,834.05	87,350.91	4,01,320.24
Liquidity gap	71,729.76	(621.59)	(5,646.52)	(2,946.75)	(6,098.93)	(39,247.16)	(30,002.67)	12,024.31	(809.56)
Cumulative gap	71,729.76	71,108.17	65,461.64	62,514.90	56,415.96	17,168.81	(12,833.87)	(809.56)	(809.56)
Cumulative liabilities	19,486.90	31,916.32	44,771.62	66,392.48	1,06,744.98	2,54,135.28	3,13,969.33	4,01,320.24	4,01,320.24
Cumulative liquidity gap as a % of cumulative liabilities	368.09%	222.80%	146.22%	94.16%	52.85%	6.76%	(4.09%)	(0.20)	-

Loan Portfolio and Credit Substitutes

As at March 31, 2020 and June 30, 2020, the Bank's gross loan portfolio was ₹1,76,496.48 crore and ₹17,22,443.75 crore, respectively. As at those same dates, Bank's gross credit substitutes outstanding was nil.

As at March 31, 2020 and June 30, 2020, almost all of the Bank's gross loans and credit substitutes were to borrowers in India and approximately 100% and 100%, respectively, are denominated in Rupees.

The following table sets forth the Bank's gross advances plus credit substitutes portfolio for the specified periods

(₹ in crore)

Particulars	As at March			As at June 30
	2018	2019	2020	2020
Corporate loans	64,560.10	52,371.05	62,469.01	67,009.12
Of which				
– Domestic corporate loans	64,560.10	52,371.05	62,469.01	67,009.12
– Foreign corporate loans	0.00	0.00	0.00	0.00
SME loans	34,025.15	31,037.10	29,249.80	30,208.74
Of which				
– Domestic SME loans	34,025.15	31,037.10	29,249.68	30,208.74
– Foreign SME loans	0.00	0.00	0.00	0.00
Retail loans	48,123.02	48,666.11	46,106.03	45,392.05
Of which				
– Domestic retail loans	48,123.02	48,666.11	46,106.03	45,392.15
– Foreign retail loans	0.00	0.00	0.00	0.00
Agriculture loans	30,776.12	35,655.42	34,419.03	33,886.07
Of which				
– Domestic retail loans	30,776.12	35,655.42	34,419.03	33,886.07
– Foreign retail loans	0.00	0.00	0.00	0.00
Total gross loans	1,77,484.39	1,67,729.68	1,72,243.75	1,76,496.08
Of which				
– Domestic loans	1,77,484.39	1,67,729.68	1,72,243.75	1,76,496.08
– Foreign loans	0.00	0.00	0.00	0.00
Credit substitutes	0.00	0.00	0.00	0.00
Gross loans plus credit substitutes	1,77,484.39	1,67,729.68	1,72,243.75	1,76,496.08

Concentration of Loans and Credit Substitutes

The following table sets forth the Bank's gross fund-based loans outstanding and credit substitutes categorized by borrower industry or economic activity as at the specified dates.

(₹ in crore, except the percentages)

Particulars	As at March 31					
	2018	% of Total	2019	% of Total	2020	% of Total
Retail Loans	49,648.00	27.97%	50,737.00	30.25%	40,614.00	23.57%
Telecommunication services	2,746.97	1.55%	1,109.58	0.66%	962.94	0.56%
Chemical and chemical products	1,525.62	0.86%	1,306.53	0.78%	1,326.94	0.77%
Drugs and pharmaceuticals	768.41	0.43%	691.65	0.41%	188.33	0.11%
Agriculture	34,975.00	19.71%	36,251.00	21.61%	34,419.40	19.98%
Textiles	6,729.50	3.79%	4,434.09	2.64%	5,345.10	3.10%
Real estate	3,072.36	1.73%	3,580.46	2.13%	2,325.60	1.35%
Transportation and Logistics	7,594.97	4.28%	7,075.89	4.22%	7,174.29	4.17%
Cement	1,248.48	0.70%	1,492.66	0.89%	1,473.72	0.86%
Trading	8,964.00	5.05%	9,423.00	5.62%	9,869.77	5.73%
Engineering	6,637.20	3.74%	6,351.81	3.79%	5,339.27	3.10%
Food Processing	3,240.83	1.83%	2,921.34	1.74%	3,707.56	2.15%
Power	18,222.58	10.27%	10,139.97	6.05%	8,544.26	4.96%
Petrochemicals and Petroleum Products	369.81	0.21%	64.18	0.04%	67.82	0.04%
Financial Intermediaries – Housing Fin. Companies.	3,809.00	2.15%	4,708.00	2.81%	7,923.53	4.60%
Entertainment and Media	221.28	0.12%	215.28	0.13%	191.58	0.11%
Metal and metal products	8,991.48	5.07%	6,084.11	3.63%	5,614.60	3.26%
Infrastructure	4,216.08	2.38%	5,404.37	3.22%	20,350.03	11.81%
Paper and paper products	313.57	0.18%	321.08	0.19%	559.60	0.32%
Financial intermediaries	4,867.72	2.74%	5,805.67	3.46%	11,039.93	6.41%
Gems and Jewellery	1,668.75	0.94%	2,578.65	1.54%	1,525.16	0.89%
Sugar	2,432.13	1.37%	1,567.52	0.93%	882.42	0.51%
IT and ITES	109.00	0.06%	254.00	0.15%	944.77	0.54%
Auto Ancillaries	729.31	0.41%	1,024.44	0.61%	806.23	0.47%
Others	4,381.99	2.47%	4,186.63	2.50%	6,101.16	3.54%
Gross loans and credit substitutes	1,77,484.04	100.00%	1,67,728.91	100.00%	1,72,243.75	100.00%

\\(₹ in crore, except the percentages)

Particulars	As at June 30	
	2020	% of Total
Retail Loans	45,392.00	25.72%
Telecommunication services	827.74	0.47%
Chemical and chemical products	1,086.35	0.62%

Particulars	As at June 30	
	2020	% of Total
Drugs and pharmaceuticals	194.88	0.11%
Agriculture	34,118.22	19.33%
Textiles	5,245.32	2.97%
Real estate	2,339.25	1.33%
Transportation and Logistics	7,052.06	4.00%
Cement	1,450.40	0.82%
Trading	11,164.85	6.33%
Engineering	5,364.90	3.04%
Food Processing	2,834.45	1.61%
Power	8,305.79	4.71%
Petrochemicals and Petroleum Products	2,190.51	1.24%
Financial Intermediaries – Housing Finance Companies	8,602.52	4.87%
Entertainment and Media	198.00	0.11%
Metal and metal products	5,321.36	3.02%
Infrastructure	5,447.19	3.09%
Paper and paper products	468.23	0.27%
Financial intermediaries	10,945.84	6.20%
Gems and Jewellery	1,480.48	0.84%
Sugar	876.56	0.50%
IT and ITES	1,057.91	0.60%
Auto Ancillaries	896.88	0.51%
Others	13,634.39	7.73%
Gross loans and credit substitutes	1,76,496.08	100.00%

As at March 31, 2020, aggregate credit exposure (including derivative exposure) to the Bank's 20 largest borrowers (fund and non-fund based) amounted to ₹ 37,659.22 crore, representing 268.58% of the Bank's total capital (comprising Tier I capital and Tier II capital). The Bank's single largest borrower (fund and non-fund based) as at March 31, 2020 had a loan balance of ₹ 2,734.14 crore, representing 19.50% of the Bank's total capital (comprising Tier I capital and Tier II capital).

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 gross credit by region as of the dates indicated.

(₹ in crore, except the percentages)

State and Union Territories	As at March 31					
	2018	% of Total	2019	% of Total	2020	% of Total
Andaman And Nicobar	2.29	0.00%	2.14	0.00%	2.80	0.00%
Andhra Pradesh	4,001.16	2.25%	3,961.85	2.36%	3,862.69	2.24%
Arunachal Pradesh	42.91	0.02%	51.87	0.03%	56.78	0.03%
Assam	1,797.02	1.01%	1,740.09	1.04%	1,848.40	1.07%
Bihar	6,220.02	3.50%	6,000.99	3.58%	6,683.18	3.88%
Chandigarh	845.40	0.48%	1,200.14	0.72%	1,765.78	1.03%
Chattisgarh	3,927.22	2.21%	3,691.37	2.20%	3,657.95	2.12%
Dadra And Nagar Haveli	52.32	0.03%	51.21	0.03%	29.59	0.02%
Daman And Diu	12.85	0.01%	12.31	0.01%	10.16	0.01%
Delhi	17,048.17	9.61%	14,445.82	8.61%	15,358.32	8.92%
Goa	494.80	0.28%	477.88	0.28%	549.92	0.32%
Gujrat	12,497.93	7.04%	12,070.80	7.20%	11,707.40	6.80%
Haryana	4,422.14	2.49%	4,253.96	2.54%	4,453.58	2.59%
Himachal Pradesh	920.73	0.52%	877.90	0.52%	892.79	0.52%
Jammu And Kashmir	181.52	0.10%	173.61	0.10%	182.98	0.11%
Jharkhand	889.84	0.50%	906.50	0.54%	1,085.36	0.63%
Karnataka	4,778.41	2.69%	4,592.14	2.74%	4,598.99	2.67%
Kerala	3,738.20	2.11%	4,227.00	2.52%	5,661.79	3.29%
Madhya Pradesh	12,918.09	7.28%	12,911.51	7.70%	13,178.16	7.65%
Maharashtra	54,411.81	30.66%	49,036.21	29.24%	49,693.41	28.85%
Manipur	87.56	0.05%	84.43	0.05%	88.81	0.05%
Meghalaya	66.46	0.04%	61.52	0.04%	65.98	0.04%

State and Union Territories	As at March 31					
	2018	% of Total	2019	% of Total	2020	% of Total
Mizoram	20.82	0.01%	24.11	0.01%	23.45	0.01%
Nagaland	49.33	0.03%	50.48	0.03%	61.35	0.04%
Orissa	1,945.66	1.10%	1,450.81	0.86%	2,245.34	1.30%
Pondicherry	72.23	0.04%	70.17	0.04%	83.19	0.05%
Punjab	3,669.71	2.07%	3,390.21	2.02%	2,640.17	1.53%
Rajasthan	4,683.52	2.64%	5,148.94	3.07%	5,725.17	3.32%
Sikkim	266.32	0.15%	358.90	0.21%	489.36	0.28%
Tamil Nadu	11,364.90	6.40%	10,937.29	6.52%	11,372.49	6.60%
Telangana	8,499.95	4.79%	7,785.91	4.64%	6,908.65	4.01%
Tripura	43.51	0.02%	42.06	0.03%	41.99	0.02%
Uttar Pradesh	9,583.90	5.40%	9,844.95	5.87%	9,880.43	5.74%
Uttaranchal	766.88	0.43%	625.50	0.37%	711.23	0.41%
West Bengal	7,160.47	4.03%	7,168.35	4.27%	6,625.60	3.85%
Total	**1,77,484.04**	**100.00%**	**1,67,728.91**	**100.00%**	**1,72,243.75**	**100.00%**

(₹ in crore, except the percentages)

State and Union Territories	As at June 30	
	2020	% of Total
Andaman And Nicobar	2.82	0.00%
Andhra Pradesh	3,833.70	2.17%
Arunachal Pradesh	56.63	0.03%
Assam	1,837.54	1.04%
Bihar	6,822.26	3.87%
Chandigarh	1,741.72	0.99%
Chattisgarh	3,764.11	2.13%
Dadra And Nagar Haveli	35.55	0.02%
Daman And Diu	10.00	0.01%
Delhi	15,996.57	9.06%
Goa	552.35	0.31%
Gujrat	11,628.65	6.59%
Haryana	4,751.06	2.69%
Himachal Pradesh	868.66	0.49%
Jammu And Kashmir	182.20	0.10%
Jharkhand	1,108.93	0.63%
Karnataka	4,638.72	2.63%
Kerala	5,7351.51	3.25%
Madhya Pradesh	13,310.55	7.54%
Maharashtra	51,250.32	29.04%
Manipur	91.27	0.05%
Meghalaya	61.03	0.03%
Mizoram	23.82	0.01%
Nagaland	65.51	0.04%
Orissa	2,334.17	1.32%
Pondicherry	84.51	0.05%
Punjab	2,614.02	1.48%
Rajasthan	6,661.34	3.77%
Sikkim	501.49	0.28%
Tamil Nadu	11,590.58	6.57%
Telangana	6,991.50	3.96%
Tripura	39.31	0.02%
Uttar Pradesh	9,866.18	5.59%
Uttaranchal	717.73	0.41%
West Bengal	6,729.87	3.81%
Total	**1,76,496.08**	**100.00%**

Classification of Assets

As a scheduled commercial bank operating in India, we recognize NPAs in accordance with RBI's 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 non-performing and the estimated realization of amounts due in relation to such asset. Further, the NPA classification is at the borrower level, rather than at the facility level and, accordingly, if one of the advances granted to a borrower becomes non-performing, such borrower is classified as non-performing and all advances due from it are so classified.

A non-performing asset is a loan or an advance where: (i) interest and/or installment 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 installment of principal or interest thereon remains overdue for two crop seasons for short duration crops; (v) the installment of principal or interest thereon remains overdue for one crop season for long duration crops; (vi) the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of guidelines on a securitization dated February 1, 2006; or (vii) in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment. According to guidelines specified by RBI in July 2013, an account should be classified as an NPA on the basis of the record of recovery and not merely on deficiencies which are temporary in nature, such as non-renewal of limits on the due date or non-submission of stock statements.

Further, RBI requires the banks to classify an account as a non-performing asset only if the interest due and charged during any quarter is not serviced fully within 90 days from the end of the quarter.

Substandard assets

With effect from March 31, 2005, and in accordance with RBI guidelines, a substandard asset is an asset that has remained non-performing for a period less than or equal to 12 months.

Doubtful Assets

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:

- assets which have remained in the doubtful category for a period of up to one year;
- assets which have remained in the doubtful category for a period of more than one year but less than three years; and
- assets which have remained in the doubtful category for a period of more than three years.

Loss Assets

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.

Break Up of Gross Advances

The table below sets forth the Bank's gross advances, standard assets and NPA position as of the dates specified.

(₹ in crore, except the percentages)

	As of March 31, 2018		As of March 31, 2019		As of March 31, 2020	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**
Standard Assets	1,39,353.34	78.52	1,35,372.87	80.71	1,39,654.67	81.08
NPA Of which-						
Sub Standard	11,456.98	6.46	5,923.15	3.53	5,294.14	3.07
Doubtful	25,065.50	14.12	23,800.93	14.19	24,545.42	14.25
Loss	1,608.23	0.91	2,631.96	1.57	2,749.52	1.60
Total Gross NPA	38,130.71	21.48	32,356.04	19.29	32,589.08	18.92
Gross Advances	1,77,484.05	100.00	1,67,728.91	100.00	1,72,243.75	100.00
Net NPA to Net Advances (%)	17,377.87	11.10	11,333.24	7.73	11,534.46	7.63

(₹ in crore, except the percentages)

	As of June 30, 2019		As of June 30, 2020	
	Amount	**% of total**	**Amount**	**% of total**
Standard Assets	1,32,194.15	80.07	1,44,549.91	81.90
NPA Of which-				
Sub Standard	5,929.88	3.59	3,183.79	1.81
Doubtful	24,537.76	14.86	25,069.11	14.20
Loss	2,440.80	1.48	3,693.27	2.09
Total Gross NPA	32,908.44	19.93	31,946.17	18.10
Gross Advances	1,65,102.59	100.00	1,76,496.08	100.00
Net NPA to Net Advances (%)	11,440.59	7.98	10,469.44	6.76

Analysis of Non Performing Advances

Our gross NPA ratio decreased from 21.48% as of March 31, 2018 to 19.29% as of March 31, 2019 due to the Asset Quality Review conducted by the RBI and further decreased to 18.92% as of March 31, 2020, respectively, while our net NPA ratio decreased from 11.10% as of March 31, 2018 to 7.73% as of March 31, 2019 and to 7.63% as of March 31, 2020.

Our gross NPA ratio decreased from 19.93% as of June 30, 2019 to 18.10% as of June 30, 2020, and our net NPA ratio decreased from 7.98% to 6.76% as of June 30, 2019 and June 30, 2020, respectively. For further information, see "*Risk Factors*" on page 52.

Recognition of Non-Performing Assets

The Bank's policy for making provisions for NPAs is in accordance with RBI policy on provisioning as described below:

a. Substandard assets – 15.00% of the amount outstanding without making any allowance for ECGC guarantee cover and securities available and in respect of "unsecured exposures" identified as "substandard", an additional provision of 10.00% of the amount outstanding (i.e. a total of 25.00% of the outstanding balance);

b. Doubtful assets**:**

- Doubtful "up to one year" – 100.00% of the unsecured portion and 25.00% of the secured portion;
- Doubtful "one to three years" – 100.00% of the unsecured portion and 40.00% of the secured portion;
- Doubtful "more than three years" – 100.00% of the unsecured portion and 100.00% of the secured portion; and

c. Loss assets – 100.00% to be provided for or written off.

The above-mentioned provisions are the minimum provisions that have to be provided for NPAs in accordance with the RBI policy.

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. In the case of NPAs where recoveries are effected as a result of a settlement or otherwise, the Bank's policy is first to appropriate the same against principal amount due from the borrower as application of interest would have ceased in such accounts. In NPA accounts where transactions have virtually ceased, recoveries will be appropriated towards the principal amount. Only in cases where the nature of continuing transactions allows the Bank to conclude that recovery of the principal is not in jeopardy are recoveries appropriated against interest.

Non-Performing Assets

The following table sets forth information about the Bank's NPA portfolio as at the specified dates.

(₹ in crore, except the percentages)

Particulars	As at March 31			As at June 30
	2018	2019	2020	2020
Non – Performing Assets				
Non – Retail advances (A)	36,990.10	30,632.48	30,579.31	29,987.00
Retail advances (B)	1,140.60	1,723.56	2,009.77	1,959.00
Investments (C)	-	-	-	-
Gross NPAs (D=A+B+C)	38,130.70	32,356.04	32,589.08	31,946.00
Provisions on NPA account (E)	19,879.85	20,221.25	20,281.33	20,709.09
Interest capitalization – restructured NPA accounts (F)	872.98	801.55	773.29	767.65
Net NPAs (NPA net of provisions) (G=D-E-F)	17,377.87	11,333.24	11,534.46	10,469.26
Gross customer assets (H)	1,77,484.04	1,67,728.91	1,72,243.75	1,76,496.08
Net customer assets (I)	1,56,542.18	1,46,525.40	1,51,100.88	1,54,918.72
Gross new additions to non-performing assets (slippages) (J)	17,071.24	10,328.64	8,150.61	33.21
Net new additions to non-performing assets (slippages) (K)	6,246.83	7,087.01	3,579.11	28.23
Gross NPA ratio (Gross NPAs/ gross customer assets) (%) (L=D/H)	21.48	19.29	18.92	18.10
Net NPA ratio (Net NPAs/ net customer assets) (%) (M=G/I)	11.10	7.73	7.63	6.76
Total provisions (N=E+F)	20,752.83	21,022.8	21,054.62	21,476.29
Total provisions as a percentage of Gross NPAs (O=N/D)	54.43	64.97	64.61	67.23
Provisioning coverage ratio pursuant to applicable RBI guidelines (including prudential write-offs)	63.31	76.6	77.29	79.12

Analysis of Non-Performing Loans by Industry Sector

The following table sets forth the Bank's non-performing loans, by borrowers' industry or economic activity and as a percentage of the Bank's loans in the respective industry or economic activities sector for the specified periods. These figures do not include credit substitutes.

(₹ in crore, except the percentages)

Name of the Industry	As at March 31, 2018			As a t March 31, 2019		
	Gross Loans	NPA in industry	NPA % of Gross Loans	Gross Loans	NPA in industry	NPA % of Gross Loans
Agriculture	30,776.12	2,515.62	8.17	35,655.42	3,446.76	9.67
Retail	48,123.02	2,135.00	4.44	41,042.00	2,038.00	4.97
Manufacturing & services (MSME, Large Ind/Sev)	98,584.90	33,480.08	33.96	91,031.49	26,871.80	29.52
Total	**1,77,484.04**	**38,130.70**	**21.48**	**1,67,728.91**	**32,356.04**	**19.29**

(₹ in crore, except the percentages)

Name of the Industry	As at March 31, 2020			As at June 30, 2020		
	Gross Loans	NPA in industry	NPA % of Gross Loans	Gross Loans	NPA in industry	NPA % of Gross Loans
Agriculture	34,419.40	5,054.21	14.68	33,886.09	4,954.22	14.62
Retail	46,106.03	2,009.77	4.66	45,392.05	1,958.62	4.31
Manufacturing & services (MSME, Large Ind/Sev)	91,718.32	25,525.10	27.83	97,217.96	25,033.33	25.75
Total	**1,72,243.75**	**32,589.08**	**18.92**	**1,76,496.08**	**31,946.17**	**18.10**

Top 10 Non-Performing Corporate Loans

As at March 31, 2020 the top ten non-performing corporate loans represented 48.47% of the Bank's gross nonperforming corporate loans, 23.22% of the Bank's net non-performing corporate loans and 15.74% of the Bank's gross corporate loan portfolio.

As at June 30, 2020 the top ten non-performing corporate loans represented 49.82% of the Bank's gross nonperforming non-retail loans, 20.80% of the Bank's net non-performing non-retail loans and 14.67% of the Bank's gross non-retail loan portfolio.

The following tables set forth information regarding the Bank's ten largest non-performing corporate loans as well as the value of the collateral securing the loan (the collateral valuations are based on the audited financial statements of the borrower or independently arrived at by outside agencies) for the specified periods. However, the net realizable value of such collateral may be substantially less, if anything.

(₹ in crore)

As at March 31, 2020							
Sr. No.	**Borrower Industry**	**Type of Banking Arrangement**	**Gross Principal Outstanding**	**Provision**	**Principal Outstanding Net of Provisions for Credit Losses**	**Security**	**Currently servicing all Interest Payment**
1.	Videocon Industries Limited	Consortium	2,734.14	2,506.34	227.80	635.98	-
2.	Vovl Limited	Consortium	1,439.67	1,439.67	0.00	0.00	-
3.	Dewan Housing Finance Corporation Limited	Consortium	1,034.17	155.13	879.05	1,034.17	-
4.	Rolta India Limited	Consortium	855.41	565.86	289.54	482.75	-
5.	EPC Constructions India Limited Erstwhile E Essar Projects	Consortium	747.01	747.01	0.00	122.17	-
6.	Winsome Diamonds and Jewellery Limited	Consortium	694.96	690.28 (+FITL 4.68)	-	41.07	-
7.	Lanco Infratech Limited	Consortium	632.93	593.34 (+FITL 39.59)	-	31.23	-
8.	Coastal Energen Private Limited	Consortium	595.21	595.21	-	389.07	-
9.	Vadraj Cement Limited	Consortium	580.79	580.79	-	413.43	-
10.	Shri Lakshmi Cotsyn Limited	Consortium	519.45	447.26 (+FITL 72.91)	-	93.92	-
Total			**9,833.74**	**8,437.33**	**1,396.39**	**3,243.79**	**-**

(₹ *in crore*)

As at June 30, 2020							
Sr. No.	**Borrower Industry**	**Type of Banking Arrangement**	**Gross Principal Outstanding**	**Provision**	**Principal Outstanding Net of Provisions for Credit Losses**	**Security**	**Currently servicing all Interest Payment**
1.	Videocon Industries Limited	Consortium	2,734.14	2,515.96	218.18	620.04	-
2.	Vovl Limited	Consortium	1,439.67	1,439.67	0.00	0.00	-
3.	Dewan Housing Finance Corporation Limited	Consortium	1,034.18	1,034.18	0.00	1,209.96	-
4.	Rolta India Limited	Consortium	855.41	565.86	289.55	482.74	-
5.	EPC Constructions India Limited Erstwhile E Essar Projects	Consortium	747.01	747.01	-	122.17	-
6.	Winsome Diamonds and Jewellery Limited	Consortium	694.96	690.28 (+FITL 4.68)	-	0.00	-
7.	Lanco Infratech Limited	Consortium	632.93	593.34 (+FITL 39.59)	-	5.96	-
8.	Coastal Energen Private Limited	Consortium	594.32	594.32	0.00	499.77	-
9.	Vadraj Cement Limited	Consortium	580.79	580.79	0.00	410.14	-
10.	Shri Lakshmi Cotsyn Limited	Consortium	519.43	447.26 (+FITL 72.19)	-	93.92	-
Total			**9,832.84**	**9,325.11**	**507.73**	**3,444.70**	**-**

Provisions for NPAs

The following table sets forth movements in the Bank's provisions against NPAs for the specified periods.

(₹ *in crore*)

Particulars	**For the year ended March 31**			**For the three months ended June 30**
	2018	**2019**	**2020**	**2020**
Specific provisions at the beginning of the year/ period:				
Total specific provisions at the beginning of the year/ period (A)	11,862.53	19,601.31	19,933.58	19,872.08
Additions during the period (B)	10,824.41	12,471.57	4,571.50	1,156.00
Reductions during the period on account of recovery and write-offs (C)	3,085.63	12,139.30	4,633.00	730.08
Specific provisions for NPAs at the end of the year/ period (D=A+B-C)	19,601.31	19,933.58	19,872.08	20,298.00
Countercyclical Provisioning Buffer (E)	47.34	47.34	47.34	47.34
FITL/Prov. (Borrowal Fraud)(F)	872.98	801.55	773.29	767.65
Credit Balance(G)	130.64	139.77	261.35	262.74
Specific provisions at the end of the year/ period (H=D+E+F+G)	**20,652.27**	**20,922.24**	**20,954.06**	**21,375.73**
Floating provisions:				
Floating provisions at the beginning of the year/ period (I)	100.56	100.56	100.56	100.56
Additions during the year/ period (J)	0.00	0.00	0.00	0.00
Utilizations during the year/ period (K)	0.00	0.00	0.00	0.00
Floating provisions at the end of the year/ period (L=I+J-K)	100.56	100.56	100.56	100.56
Total specific + floating provisions at the end of the year/ period (M=H+L)	**20,752.83**	**21,022.80**	**21,054.62**	**21,476.29**

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.

(₹ in crores)

Particulars	As at March 31,		
	2018	2019	2020
(i) Net profit	-5,104.90	-5,641.48	-1,121.35
(ii) Depreciation on the Bank's property	260.31	277.72	285.28
(iii) Interest expended	17,518.51	15,866.39	15,933.63
(iv) Total (i) + (ii) + (iii)	12,673.92	10,502.63	15,097.56
Interest coverage ratio [(iv) / (iii)]	72.34	66.20	94.75

Capital Adequacy

The following table sets forth, for the periods indicated, the Bank's capital adequacy ratios computed as per applicable RBI guidelines

(₹ in crores, except percentages)

Particulars	As at March 31,			As at June 30	
	2018	2019	2020	2019	2020
Common Equity Tier -1 (CET-1)	12,498.84	11,098.62	14,021.21	11265.74	14,401.60
Additional tier I capital	0.00	0.00	0.00	0.00	0.00
Tier I capital	12,498.84	11,098.62	14,021.21	11,265.74	14,401.60
Tier II capital	3,609.77	3,136.75	3,593.94	2,971.38	3,562.63
Total capital	16,108.61	14,235.37	17,615.15	14,237.12	17,964.23
Risk weighted assets	1,78,234.60	1,48,097.82	1,50,352.04	1,48,643.05	1,56,205.00
CET I ratio (%)	7.01%	7.49%	9.33%	7.58%	9.22%
Tier I capital ratio	7.01%	7.49%	9.33%	7.58%	9.22%
Tier II capital ratio	2.03%	2.12%	2.39%	2.00%	2.28%
Total capital adequacy ratio	9.04%	9.61%	11.72%	9.58%	11.50%

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 "Regulation and Policies".

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:

(₹ in crores, except percentages)

Particulars	As at March 31,			As at June 30	
	2018	2019	2020	2019	2020
Credit risk RWA	1,42,594.94	1,20,616.67	1,20,907.27	1,21,015.36	1,22,956.62
Market risk RWA	21,492.28	15,953.11	18,511.95	16,694.81	21,203.34
Operational risk RWA	14,147.38	11,528.04	10,932.82	10,932.88	12,045.04
Total risk weighted assets	1,78,234.60	1,48,097.82	1,50,352.04	1,48,643.05	1,56,205.00

RISK FACTORS

Any investment in equity shares involves a high degree of risk. Prospective investors should carefully consider these risks relating to our Bank's business, together with all other information contained in this Placement Document before making a decision to invest in this Issue. These risks and uncertainties are not the only risks faced by our Bank; additional risks and uncertainties that are not presently known to our Bank, or that it may currently believe to be immaterial, may also have an adverse effect on its business, results of operations, financial condition, cash flows or prospects or cause the market price of the Equity Shares to fall significantly. In making an investment decision, each investor must rely on its own examination of our Bank and terms of the offering of the Equity Shares. If any of the risks contemplated actually materialises, our Bank's business, results of operation, financial condition, cash flow or prospects may be adversely affected, the price of the Equity Shares could consequently decline and you may lose all or part of your investment in this Issue. Unless otherwise stated in the relevant risk factors set forth below, our Bank is not in a position to specify or quantify the financial or other risks mentioned herein. To obtain a complete understanding of our Bank's business, you should read this section in connection together with the sections titled "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 127 and 86, respectively.

This Placement Document also contains certain forward looking statements that also involve risks and uncertainties. Actual risks could differ materially from those anticipated in these forward looking statements as a result of certain factors, including considerations described below and in the section titled "Forward Looking Statements" on page 13. Investors should pay particular attention to the fact that our Bank is an Indian Public Sector Bank and is subject to a legal and regulatory regime that may be different from that applicable in other countries. Investors should consult their own tax, financial and legal advisors about the particular consequences of an investment in the Issue.

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 indicated, the financial information included in this section is derived from our Audited Consolidated Financial Statements and Unaudited Interim Consolidated Financial Information.

Risks Relating to our Business

1. ***Inability to effectively manage our asset portfolio or an increase in level our NPAs or provisioning requirements required under applicable RBI regulations could adversely affect our business, financial condition and results of operations.***

As of March 31, 2018, March 31, 2019, March 31, 2020 and June 30, 2020, our gross NPAs were ₹38,131.71 crore, ₹32,356.04 crore, ₹32,589.08 crore and ₹31,946.17 crore, representing 21.48%, 19.29%, 18.92% and 18.10% of our gross advances, respectively. As of March 31, 2018, March 31, 2019, March 31, 2020 and June 30, 2020, the NPAs net of provisions were ₹17,377.87 crore, ₹11,333.24 crore, ₹11,534.46 crore and ₹10,469.44 crore, representing 11.10%, 7.73%, 7.63% and 6.76% of our net advances, respectively. The level of NPAs has been increased in recent past and may continue to increase in the future. This increase in our NPAs can be attributed to several factors, including macroeconomic conditions, increased competition, high levels of debt involved in financing of projects, inadequate money supply and significant borrowings by companies in India at relatively high interest rates. If there is any deterioration in the quality of our security or further ageing of the assets after being classified as non-performing, an increase in provisions will be required.

While we had already made provisions with respect to 77.29% of our gross NPAs as of March 31, 2020 and 79.12% of our gross NPAs, as of June 30, 2020, we may need to make further provisions if recoveries with respect to such NPAs do not materialize in time or at all, or if NPA classification or provision requirements change. Our provision coverage ratio for Fiscal 2018, 2019 and 2020, was 63.31%, 76.60% and 77.29%, respectively. The surplus from provisioning under the provision coverage ratio as against the provisioning required under the prudential provisioning norms is required to be segregated into an account termed counter cyclical provisioning buffer. Any significant increase in provisions would materially and adversely impact our Bank's financial performance.

Any increase in NPAs will reduce the net asset base and increase provisioning requirements as per the directed lending norms of the RBI, thereby adversely affecting our financial condition and results of operations. Stress in certain sectors of the economy, which could impact our commercial, corporate and institutional banking customers and result in higher levels of NPAs and restructured assets in the future. In addition, we are required by applicable

RBI regulations to extend 40% of our adjusted net bank credit or credit equivalent amount of off-balance sheet exposure, whichever is higher, to certain "priority sectors," including the agriculture sector, and economic difficulties may affect borrowers in such priority sectors more severely. Such economic downturns experienced in priority sectors would likely have a material and direct adverse effect on our NPA levels.

RBI has, by way of 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 revitalizing distressed assets, corporate debt restructuring scheme, flexible structuring of existing long term project loans, strategic debt restructuring ("**SDR**"), change in ownership outside SDR, and scheme for sustainable structuring of stressed assets have been withdrawn. In addition, the guidelines /framework for joint lenders' forum have also been discontinued. Pursuant to the Revised Framework, in case of a restructuring, the accounts classified as 'standard' shall be immediately downgraded to 'sub-standard' as NPAs at the outset. The NPAs, upon restructuring, would continue to have the same asset classification as prior to restructuring. Such accounts may be upgraded only when all the outstanding loan and facilities in the account demonstrate 'satisfactory performance', where payments in respect of the borrower entity are not in default at any point in time, during the 'specified period' as defined in the Revised Framework. For large accounts where the aggregate exposure of the lenders is more than ₹1 billion, any upgrade shall be subject to an additional requirement of an "investment grade" credit rating of the borrower's credit facilities. Further, if the satisfactory performance is not demonstrated during the monitoring period, any upgrade of the account shall be subject to implementation of a fresh restructuring/change in ownership under the Revised Framework and the bank shall make an additional provisioning, along with other provisioning, in terms of the Revised Framework. See "*Key Regulation and Policies in India*" on page 149.

If we are not able to adequately control or reduce the level of non-performing assets and in event of any future increases in provisions mandated by the RBI or other regulatory changes could lead to an adverse impact on our business, future financial performance and the trading price of the Equity Shares.

2. Recent outbreak of the novel coronavirus could have a significant effect on our results of operations and could negatively impact our business, revenues, financial condition and result of operations

An outbreak of a novel strain of coronavirus disease 19 ("**COVID-19**"), was recognised as a pandemic by the World Health Organization ("**WHO**"), on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India have taken preventive or protective actions, such as imposing country-wide lockdowns, restrictions on travel and business operations and advising or requiring individuals to limit their time outside of their homes. Temporary closures of businesses had been ordered and numerous other businesses have temporarily closed voluntarily. The Government of India initiated a nation-wide lockdown from March 25, 2020 for three weeks which was extended to May 31, 2020. Further, individuals' ability to travel has been curtailed through mandated travel restrictions and may be further limited. Since May 2020 some of these measures have been lifted and partial travel has been permitted. Our Bank is also unaware of when the nation-wide lockdown in India may be lifted.

The economic disruption caused by the pandemic and related lockdowns could impact our business in a number of ways, including by increasing our number of non-performing loans due to the reduction in cash flows of businesses, income levels and the value of savings of households, as well as increased levels of unemployment. The Reserve Bank of India has permitted banks to provide a moratorium or deferment on payment for all term loans (including credit card dues) and working capital facilities, and our Bank has granted moratoria on some of its loans and working capital facilities. Initially, this moratorium was permitted for three months on payments of instalments or interest due between March 1, 2020 to May 31, 2020, which was subsequently extended by another three months to August 31, 2020. At April 30, 2020, the loans under the moratorium constituted about 47.12% of total loans of the Bank. As of August 31, 2020, the loans to customers where moratorium had been effected for June repayments was about 34.93% of total loans at June 30, 2020. The were no loans that were overdue by more than 90 days at March 31, 2020 and where borrowers had taken moratorium, were not classified as non-performing at March 31, 2020 in accordance with the Reserve Bank of India guidelines. Further, on August 6, 2020, the Reserve Bank of India has permitted lenders to implement a resolution plan, along with asset classification benefits, for eligible corporate and individual borrower segments. Lenders have to ensure that the resolution facility is provided only to borrowers impacted by COVID-19. The resolution facility is applicable for accounts classified as standard and not in default for more than 30 days at March 1, 2020. The resolution plan would have to be finalized by December 31, 2020, and implemented within 180 days from the date of invocation. Restructuring of loans has also been allowed for micro, small and medium enterprises. However, the moratorium period ended on August 31, 2020 and the Bank has made COVID-19 related provisions of ₹161.75 crore during the three months ended June 30, 2020, towards standard assets. There can be no assurance of the adequacy of these provisions, or the level of additional provisions that will be required.

Given that the COVID-19 and its impact remain a rapidly dynamic situation, the actual impact on our Bank's loans and advances will depend on future developments, including, among other things, any new information concerning the severity of the COVID -19 and any action to contain its spread or mitigate its impact. While, our Bank continues to monitor the developments of the COVID-19 situation closely, assess and respond proactively to minimize any adverse impacts on the financial position and operating results of our Bank, it is possible that the Bank's business, financial condition and results of operations could be adversely affected due to the COVID-19 pandemic. If the COVID-19 situation persists or worsens, it may adversely impact our business and the financial condition.

3. ***Significant fraud, system failure or calamities are difficult to detect and deter and could harm our brand and our reputation, or lead to regulatory sanctions or litigation against us.***

Our business is highly dependent on our ability to efficiently and reliably process a high volume of transactions across numerous locations and delivery channels. We are therefore dependent on our technology infrastructure for processing such data. Ensuring the security and continuity of our operating systems is of paramount importance. Our systemic and operational controls may not be adequate to prevent adverse impact from frauds, errors, hacking and system failures. A significant system breakdown or failure caused due to intentional or unintentional acts could have an adverse impact on our revenue- generating activities and lead to financial loss. There have been instances of system failures in the past where our branches have been unable to access core banking application and internet banking owing to network issues for significant periods. While we believe we have developed systems and controls in accordance with our business continuity policy including a geographically remote disaster recovery sites at Hyderabad and Bandra Kurla Complex, Mumbai to support critical applications, there can be no assurance that such disaster recovery sites will operate as intended or in a timely manner. In such circumstances, there may be significant disruption to our operations, which could materially and adversely affect our business, financial performance and reputation. Our Bank reports on an individual basis all frauds to RBI. While we have implemented, and continue to implement, measures aimed at detecting and preventing fraud and other misconduct, we may not be able to detect or prevent such fraud or misconduct in a timely fashion, which may harm our reputation and adversely affect our business, results of operations and financial condition.

We have a high concentration of loans to certain customers and sectors and if such sectors experience any sustained difficulties, the quality of our portfolio could be adversely affected and may impact our business and results of operations.

As of March 31, 2018, 2019 and 2020 our total credit exposure (fund and non-fund based) was ₹2,27,831.34 crore, ₹2,42,289.33 crore and ₹2,36,554.33 crore, respectively. Our 10 largest borrowers together accounted for 12.63%, 7.34% and 7.86% of our total credit exposure as of those dates, respectively, and our 10 largest borrower groups together accounted for 18.03%, 11.63% and 10.32% of our total credit exposure as of those dates, respectively. As of March 31, 2018, 2019 and 2020, the largest individual borrower accounted for 37.71%, 19.21% and 15.52%, respectively, of our total capital funds. As of March 31, 2018, 2019 and 2020, the largest borrower group accounted for 37.71%, 32.11% and 25.39%, respectively, of our total capital funds.

As of June 30, 2020, our total credit exposure was ₹2,43,469.94 crore of which the 10 largest borrowers together accounted for 8.34% and the 10 largest borrower groups accounted for 12.10%. The largest individual borrower and largest borrower group accounted for 12.50% and 24.76%, respectively of our total capital as of June 30, 2020, respectively. Credit losses on these large single borrower and group exposures and any significant difficulty in a particular sector or industry exposes us to increased credit risk and may lead to an increase in the level of our NPAs, which could in turn adversely affect our financial performance and the trading price of the Equity Shares.

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

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

As on March 31, 2020, and June 30, 2020, 74.30% and 72.20%, of our total gross investments were in Government securities for SLR. As on March 31, 2020, 44.90% and 0.07% of our gross investments were held in the “Available for Sale” and the “Held for Trading” categories, respectively. As on June 30, 2020, 42.12%, and 0.89%, of our gross investments were held in the “Available for Sale” and the “Held for Trading” categories, respectively. For securities in the “Available for Sale” and “Held for Trading” categories which are subject to market risk, we are required to mark to market at regular intervals and net depreciation is recognized and provided for, while net appreciation is ignored. In respect of securities under the “Held to Maturity” category, we are not required to mark the same to market but are required to amortize the difference between acquisition cost and face value of the security over the residual maturity period of the security wherever the acquisition cost is greater than the face value. Further, any change in the RBI norms in relation to limits and other conditions for such categories of investments could adversely affect our business and financial results.

Our investment portfolio as on March 31, 2020, and June 30, 2020, included security receipts of ₹2,692.00 crore and ₹ 2,668.00 crore issued by ARCs, respectively. As per the RBI guidelines on declaration of net asset value of security receipts issued by a securitisation company, these receipts have to be valued on NAV basis. Values of these receipts are dependent on the value of underlying securities, recoverability, disposability, and market factors. Where there is a decline in value, we will have to make provision for the same and our profitability will be affected to that extent.

5. ***Our unsecured loan portfolio is not supported by any collateral to ensure repayment of the loan, and any such non-payment these loans increase our provision for credit losses, which would decrease our earnings and adversely affect our financial condition.***

Our loan products include unsecured personal loans and credit cards to the retail customer segment, including salaried individuals and self-employed professionals, as well as unsecured loans to small businesses, public sector undertakings individual business proprietors as well as certain corporate groups. In Fiscal 2018, 2019 and 2020, our unsecured advances outstanding were ₹9,665.20 crore, ₹8,654.96 crore and ₹4,838.94 crore, respectively, which represented 6.14%, 5.87% and 3.18% of our net advances in those periods, respectively. Our unsecured loans are subject to greater credit risk than our secured loan portfolio because they may not be supported by realizable collateral. Although we typically obtain direct debit instructions or post-dated cheques 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 expansion in our unsecured loan portfolio could require us to increase our provision for credit losses, which would decrease our earnings and adversely affect our financial condition.

6. ***Our inability to maintain or grow our CASA ratio in accordance with our strategy could have an adverse effect on our business, results of operations and financial condition.***

Our aggregate CASA deposits increased at a CAGR of 4.37% from ₹1,25,196.00 crore as of March 31, 2018 to ₹1,45,279.00 crore as of March 31, 2020, and were at ₹1,50,501.00 crore as of June 30, 2020. As of March 31, 2020 and June 30, 2020, the share of CASA deposits was at 46.83% and 47.30%, respectively of the Bank’s total deposits. 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 by expanding our client base through new-to-bank acquisitions and growing CASA book through deeper engagement with existing relationships. Over the last three Fiscals and for the three month period ended June 30, 2020, we have attempted to increase our CASA ratio through various initiatives, which include conducting CASA mobilisation campaigns, increasing our focus on cross-sale of fee based products to improve customer retention, increasing our non-resident savings base through a combination of acquisition and growth of non-resident savings portfolio on a relationship managed basis, and rationalizing of service charges for CASA products and services. The branch structure is also being revamped to focus more on CASA acquisition, retention, and growth. However, attracting customer deposits in the Indian market is competitive. Recently, apart from public and private sector banks, we have also started facing competition from small finance banks and payment banks. 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. We have taken advantage of the recent liberalization of interest rates by the RBI by offering attractive interest rates on our savings products.

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

7. Any adverse decisions in any of the legal and regulatory proceedings in which we are involved could adversely affect our reputation and financial condition.

There are outstanding legal proceedings involving our Bank which are primarily incidental to our business and operations pending at different levels of adjudication before various courts, tribunals, quasi-judicial authorities and appellate tribunals. Any adverse decision in any of these cases may adversely affect our reputation and financial condition. No assurance can be given as to whether these proceedings will be settled in our favour or against us. If any new developments arise, for example, rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. If a claim is determined against us and we are required to pay all or a portion of the disputed amount, it could have an adverse effect on our results of operations and cash flows. Further, we may incur significant expenses and management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. For further details of these legal proceedings, please refer to chapter titled "*Legal Proceedings*" on page 207.

8. Our results of operations depend to a significant extent on net interest income and any changes in the interest rate could adversely affect our net interest margin, the value of our fixed income portfolio, our treasury income and our financial performance.

Our results of operations depend to a significant extent on our net interest income and could be adversely impacted by a rise in generally prevailing interest rates on deposits. Interest rates are highly sensitive to many external factors beyond our control, including growth rates in the economy, inflation, money supply, RBI's monetary policies, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. Net interest margin (based on fortnightly averages) marginally increased from 2.47% in Fiscal 2018 to 2.80% in Fiscal 2020 and was 3.08% in the three months ended June 30, 2020, while our net interest income, as a percentage of total income, was 24.44%, 27.03% and 28.04% in Fiscal 2018, 2019 and 2020, respectively and 31.90% in the three months ended June 30, 2020. In the event of increase in interest rates, our net interest margin could be adversely affected because the interest paid by us on our deposits could increase at a higher rate than the interest received by us on our advances and other investments. In addition, an increase in interest expense relative to interest income may lead to a reduction in our interest income, which could materially and adversely affect our results of operations. Any inability of the Bank to retain customers as a result of rising interest rates may adversely impact the Bank's earnings in future periods. Similarly, in the event of falling interest rates, the Bank may face more challenges in retaining its customers if it is unable to offer competitive rates as compared with other banks in the market.

The interest that we earn on the amounts maintained in fixed income government securities could also have a negative impact on our treasury income because interest earned on this portion of our assets is at rates that are generally far less favorable than those received on our other interest-earning assets. We are also exposed to interest rate risk through our treasury operations. For fiscals 2018, 2019 and 2020 and the three months ended June 30, 2020, the Bank recorded income from Treasury operations ((profit/ loss) on sale of investments (net) and profit on exchange/derivative transactions (net)) of ₹717.58 crore, ₹355.63 crore, ₹1,445.32 crore and ₹371.79 crore, respectively. If the yield on our interest-earning assets does not increase at the same time or to the same extent as our cost of funds, or if our cost of funds does not decline at the same time or to the same extent as the decrease in the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted. Any systemic decline in low-cost funding available to banks in the form of current and savings account deposits would adversely impact our net interest margin.

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

As on March 31, 2020, and June 30, 2020, 95.43% and 94.85% of our advances were secured by collateral or marketable securities. Majority of our loans are secured by collateral, which consists of charge on inventory, receivables and other current assets, and in some cases, charges on fixed assets, such as property, movable assets (such as vehicles) and financial assets (such as marketable securities). Our loans to corporate customers also include working capital credit facilities that are typically secured by a first charge on inventory, receivables and other current assets. In some cases, we may have taken further security of a first or second charge on fixed assets and a pledge of financial assets including marketable securities, corporate guarantees and personal guarantees. The value of the collateral may significantly fluctuate or decline due to factors beyond our control, including those affecting the Indian and global economy in general. In the event our borrowers default on the repayment of loans, we may not be able to realize the full value of the collateral due to various reasons, including a possible decline in the realizable value of the collateral, defective title or pledge of spurious items as security, prolonged legal proceedings, and fraudulent actions by borrowers, or we may not be able to foreclose on the collateral at all. Further, certain kinds of loans that are advanced by us are not secured by any assets.

In terms of the Banking Regulation Act, a banking company is not permitted to hold any immovable property (except as is required for its own use), for any period exceeding seven years, or as may be extended by RBI for a period not exceeding five years, on a case to case basis. Such restriction may force us to dispose off the collateral upon foreclosure without realizing the full value of such collateral. A decline in the value of the security could impair our ability to realize the secured assets upon foreclosure, which may require us to increase our provision for loan losses. In the event of default with respect to any of these loans, the amounts we receive upon sale of the secured assets may be insufficient to recover the outstanding principal and interest on the loan. If we are required to re-value the assets securing a loan to satisfy the debt during a period of reduced asset values or to increase our allowance for loan losses, our profitability could be adversely affected, which could have a material adverse effect on our business, financial condition, results of operations, and prospects. Our inability to realize the full value of assets securing our loans on a timely basis or at all, and any compulsion to restructure our loans, could materially and adversely affect our asset quality, business, results of operations, and financial condition.

10. Our Bank had incurred a loss in the past. In the event our net loss continues to increase, it may adversely affect our business and financial condition.

We have made net loss (on standalone basis) of ₹ 5,104.90 crore, ₹ 5,641.48 crore and ₹ 1,121.35 crores for the fiscal year ended March 31, 2018, March 31, 2019 and March 31, 2020, respectively. Due to sharp increase of NPA level on the back of Asset Quality Review conducted by RBI, slippages of some bigger corporate accounts and high value of frauds reported during the financial year 2018 and 2019. Our Bank reported net loss of ₹ 1,121.35 crore in the fiscal year 2020 as compared to a loss of ₹ 5,641.48 crore in fiscal year 2019. However, the operating profit of our Bank marginally increased to ₹4,344.00 crore for fiscal year 2020 from ₹3,127.00 crore for fiscal years 2019. Further, our bank has incurred a net profit of ₹ 135.43 crore for the period of three months ended on June 30, 2020 compared to net profit of ₹118.33 crore for the period of three months ended on June 30, 2019. In the event of further increase of NPA level, our interest earnings and net profits will be impacted and subsequently, our financial condition would be adversely affected.

11. The Bank may not be able to effectively manage the growth of its retail asset portfolio and maintain the quality of its retail loan portfolio.

The Bank's net retail asset portfolio has experienced significant growth in recent years. Total net retail advances of our Bank was ₹48,123.02 crore as at March 31, 2018, ₹41,042.00 crore as at March 31, 2019, ₹46,106.03 crore as at March 31, 2020 and ₹45,392.05 crore as at June 30, 2020. In addition, the Bank's current growth strategy contemplates further growth in its retail asset portfolio. The Bank's failure to effectively manage the recent or future growth of its retail portfolio and maintain the quality of its retail loan portfolio could adversely affect the Bank's financial condition and results of operation.

Competition in the retail segment is intense and the Bank's ability to effectively compete in this segment will depend, in part, on its ability to offer a diverse product mix and expand its distribution capabilities. Further, the economy in India is largely cash based, making it difficult for the Bank to monitor the credit of its retail customers, who frequently do not maintain formal financial records. Retail loans may carry a higher risk for delinquency if there is an increase in unemployment, prolonged recessionary conditions or a sharp rise in interest rates. As a result, the Bank is exposed to higher credit risk in the retail segments as compared to banks in more developed markets. If the Bank's screening process proves to be inadequate, it may experience an increase in impaired loans and it may be required to increase its provision for defaulted loans. If the Bank is unable to maintain the quality of its retail loan portfolio as the Bank grows its retail business, its NPAs may increase, which could materially and adversely affect the Bank's financial performance and the trading price of the Equity Shares.

12. We are subject to capital adequacy requirements as stipulated by the RBI and inability to maintain adequate capital due to lack of access to capital markets, or otherwise may impact our ability to grow and support our business.

We are subject to regulations relating to capital adequacy of banks, which determines the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio, or capital-to-risk weighted asset ratio. The RBI requires banks in India to maintain a minimum CRAR of 10.875% (including capital conservation buffer) as of date and as of September 30, 2020 we will be required to maintain a minimum CRAR of 11.50%. In addition, RBI issued the RBI Basel III Capital Regulations on May 2, 2012 pursuant to our Bank for International Settlement's Basel III international regulatory framework and was implemented on April 1, 2013. The RBI Basel III Capital Regulations require, among other things, higher levels of Tier I capital and common equity, capital conservation buffers, maintenance of a minimum prescribed leverage ratio on a quarterly basis, higher deductions from common equity and Tier I capital for investments in subsidiaries and changes in the structure of non-equity instruments eligible for inclusion in Tier I capital. The RBI Basel III Capital Regulations also set out elements of regulatory capital and the scope of the capital adequacy framework, including disclosure requirements of components of capital and risk coverage. The transitional arrangements for the implementation of Basel III capital regulations in India began on April 1, 2013 and the guidelines are required to be fully implemented by March 31, 2020. In accordance with the Basel III capital regulations, we are required to maintain a minimum CET-I capital ratio of 7.375% (including capital conservation buffer of 1.875%), a minimum Tier I CRAR of 8.875% (including capital conservation buffer of 1.875%) of its risk weighted assets. For a description of RBI's capital adequacy guidelines, see "*Key Regulation and Policies in India*" on page 149. 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 March 31, 2020, our Tier I and total capital adequacy ratios were 9.33% and 11.72%, respectively. We are exposed to the risk of the RBI increasing the applicable risk weight for different asset classes from time to time. In Fiscal 2019 and 2020, we also raised Tier II capital through bond issuances of ₹500.00 crore and ₹1,000.00 crore. We had a capital injection by the Government of India in Fiscals 2018, 2019 and 2020 through a preferential allotment of Equity Shares of ₹4,835.00 crore, ₹6,592.00 crore (including share premium) and ₹3,353.00 crore, respectively.

Although we have implemented and follow a policy of maintaining a minimum capital adequacy ratio as stipulated in the 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 incurrence of substantial compliance and monitoring costs and any breach of applicable laws and regulations will adversely affect our reputation or our business operations and financial conditions. In addition, Government of India has announced recapitalization plan for public sector banks. However, there can be no assurance that GoI will provide additional capital to the Bank. Moreover, if the Basel Committee on Banking Supervision (the "**Basel Committee**") releases additional or more stringent guidance on capital adequacy norms which are given the effect of law in India in the future, we may be required to raise or maintain additional capital in a manner which could materially adversely affect our business, financial condition and results of operations.

13. We are required to maintain cash reserve ratios ("CRRs") and statutory liquidity ratios ("SLRs"). 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 3.00%. 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.

Currently, the RBI requires banks to maintain a SLR of 18.00%. For the fiscal year 2020, majority of Government securities held by us comprised fixed income bonds. In an environment of rising interest rates, the value of Government securities and other fixed income securities may depreciate. Our large portfolio of Government securities may limit our ability to deploy funds into higher yielding investments. Further, a decline in the valuation of our trading book as a result of rising interest rates may adversely affect our financial condition and results of operations. As a result of the statutory requirements imposed on us, we may be more structurally exposed to interest rate risk as compared to banks in other countries. Further, the RBI may increase the CRR and SLR requirements to significantly higher proportions as a monetary policy measure. Any 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 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.

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

As of March 31, 2020 and June 30, 2020, government securities represented 74.30% and 72.20% of our Bank's gross investment portfolio, respectively, and comprised 34.56% and 33.48% of our Bank's demand and term liabilities, respectively. We earn interest on such government securities at rates which are less favourable than those which it typically receives in respect of its 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.

Although many of these government securities are short-term in nature, the market value of our holdings could decrease if interest rates increase. In such cases, we may have to choose between liquidating our investments and incurring losses, or holding the securities and potentially being required to recognize an accounting loss upon marking to market the value of such investments, and either outcome may adversely impact our financial condition.

15. Our funding is primarily short-term and medium-term customer deposits and if depositors do not roll over deposited funds upon maturity our business could be adversely affected.

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. As a result, we may be required to seek funding from more expensive sources to finance our operations, which would result in a decline in our net profits and may have a material adverse effect on our business, financial condition, results of operations and prospects.

The maturity profile of our assets and liabilities shows a negative liquidity gap in the period exceeding six months as of March 31, 2020. The negative gap occurs primarily due to our deposits and other liabilities, which are of shorter average maturity than our loans and investments. Most of our incremental funding requirements are met through short-term/ medium- term funding sources, primarily in the form of deposits. However, a large portion of our assets have medium or long-term maturities, creating potential funding mismatches. As of March 31, 2018, 2019 and 2020, 22.53%, 21.11% and 21.55% of our total deposits, respectively, had maturities of up to one year. If a substantial number of our depositors do not roll-over deposited funds upon maturity, our liquidity position could be adversely affected. The failure to obtain roll-over of customer deposits upon maturity or to replace them with fresh deposits could have a material adverse effect on our business, future financial performance and the trading price of the Equity Shares.

Our cost of funds is sensitive to interest rate fluctuations, which exposes us to the risk of reduction in spreads (which is the difference between the returns that we earn on our advances and investments and the amounts that we must pay to fund them) on account of changing interest rates. We also face pre-payment risk on our loans, which may result in losing future interest and reduced cash flow if we are unable to re-invest the proceeds at similar interest rates. For certain products, we may not be able to collect prepayment charges. We are also not permitted by the extant regulatory guidelines to charge foreclosure charges or prepayment penalties on all floating-rate term loans to individual borrowers. The pricing on our issuances of debt will also 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.

16. We lend to borrowers that are engaged in varied sectors. Deterioration in the performance of any of the industry sectors where we have significant exposure may adversely impact our business.

Our total exposure to corporate borrowers is dispersed across various industry sectors, the most significant of which are infrastructure, textile, engineering, basic metal and metal products which represented which represented 11.75% (i.e. ₹39,748.00 crore), 3.20% (i.e. ₹10,822.00 crores), 2.72% (i.e. ₹9,204.00 crores) and 2.19% (i.e. ₹7,414.00 crores), respectively, of our outstanding fund and non-fund based exposures as of March 31, 2020. Furthermore, the top five sectors accounted for 23.43% of our outstanding fund based loans as of March 31, 2020.

For further information, see "*Selected Statistical Information*". Further, it has been our policy to diversify the exposure over different industry sectors. We have fixed exposure norms (sectoral cap) for major industry sectors. For example, our internal policies set out limit of our credit exposure to any particular industry depending upon the nature of that industry.

We are exposed to risk of significant deterioration in the performance of a particular industry which may be driven by events not within our control. Any significant difficulty in a particular sector or industry, driven by events not within our control, such as regulatory action or policy announcements by government authorities or natural disasters, would adversely impact the ability of borrowers in that industry to service their debt obligations to us. As a result, we could experience increased delinquency risk, which may materially and adversely impact our business, prospects, financial condition and results of operations, and the market price of our Equity Shares.

17. Our loan portfolio contains significant advances to the agricultural sector and any change in lending rates applicable to this sector may adversely affect our future financial performance.

Our loan portfolio contains advances to the agricultural sector amounting to ₹30,776.12 crore, ₹35,655.42 crore and ₹34,419.40 crore as of March 31, 2018, 2019 and 2020, respectively, which represented 20.53%, 20.24% and 19.54%, of our adjusted net bank credit as of March 31, 2018, 2019 and 2020, respectively. Furthermore, advances to the agricultural sector amounted to ₹33,886.07 crore which represented 19.20% of our adjusted net bank credit as of June 30, 2020. The GoI's agricultural lending plans may involve public sector banks, including us, lending at below market rates in the agricultural sector. RBI guidelines stipulate that our agricultural advances should be 18% of adjusted net bank credit or credit equivalent amount of off-balance sheet exposure, whichever is higher. In addition, the market may perceive the exposure of public sector banks to the agricultural sector to involve higher risks. Further, certain State governments have recently waived loans to certain customer segments, such as farmers, which may have an adverse impact on the overall loan recovery climate. This may negatively affect the risk- adjusted returns of public sector banks and may adversely affect our business, future financial performance and the trading price of the Equity Shares. In the event that we are required to further increase our exposure to the agricultural sector pursuant to GoI mandated directed lending, it may adversely affect our future financial performance.

18. Our financial performance may be materially and adversely affected by an inability to generate and sustain other income.

We earn fee-based income from corporate / wholesale banking and advisory services, which are provided to large and medium-sized companies, and include origination and syndication of loans, structured finance and loan processing fees. Our corporate / wholesale banking activities are generally susceptible to sustained adverse economic conditions in India or abroad. We generated commission, exchange and brokerage income of ₹1,265.73 crore, ₹1,206.95 crore and ₹1,137.85 crore, for the Fiscal years 2018, 2019 and 2020, respectively on consolidated basis.

We also earn fee-based income from our foreign exchange and treasury operations business, which include origination and syndication of debt, and management of foreign currency and interest rate exposure of our corporate and business banking customers. As part of our foreign exchange and treasury operations business, we may from time to time hold assets on our balance sheet which may subject us 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. Further, as part of our growth strategy, we have been diversifying and expanding our product and service offerings to retail customers in order to build a more balanced portfolio. New initiatives, products and services 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 materially and adversely affect our business, financial condition and results of operations.

19. We are vulnerable to fluctuations in foreign exchange rates.

As a financial intermediary, we undertake various foreign exchange transactions to hedge our customers' business and for proprietary trading, which exposes us to various kinds of risks, including credit risk, market risk and exchange rate risk. We have adopted a market risk management policy and forex dealing and trading operations 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, overnight limits, intraday limits, stop loss limits, aggregate gap limits and value-at-risk limits. Some of our borrowers also enter into derivative contracts to manage their foreign exchange risk exposures. As of March 31, 2020 and June 30, 2020, our Bank's credit exposure on account of outstanding gross forward exchange contracts was ₹32,974.35 crores and ₹21,063.20 crores, respectively.

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. Volatility in foreign exchange rates may be further accentuated due to other global and domestic macroeconomic developments. As a result, our future financial performance and the market price of the Equity Shares may be adversely affected.

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

As on March 31, 2020, and June 30, 2020, 16.98% and 17.12% of our total advances were to our SME customers, respectively. In recognition of the contribution and vast potential of the small enterprises finance sector in the economy, provision of adequate credit to this sector continues to be an important element of banking policy. The Government of India has from time to time taken economic policy initiatives to promote this sector and enhance credit to SMEs. Some of the initiatives of the Government to support small enterprise financing include setting up a credit guarantee fund trust for small industries, Prime Minister's Employment Generation Programme, mudra loan schemes, risk sharing facilities, venture capital funding, and micro credit. The small enterprises finance sector currently is catered to largely by public sector banks, public financial institutions, and local unorganized private financiers.

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

21. A significant proportion of our loans have a residual maturity exceeding one year, exposing us to risks associated with economic cycles and project success rates.

The residual maturity of loans exceeding one year represented 70.41%, 75.12% and 76.30%, respectively of our total advances for the period ended March 2018, March 2019 and March 2020. As of June 30, 2020, the same was 75.97% of our total advances. This may expose us to risks arising out of economic cycles in the longer run. In addition, some of these loans are project finance loans. There can be no assurance that these projects will perform as anticipated or that such projects will be able to generate cash flows as estimated to service commitments under the loans.

We are also exposed to infrastructure projects that are still under development and are susceptible to risks arising out of delay in execution, failure of borrowers to execute projects on time, delay in getting approvals from necessary authorities and breach of contractual obligations by counterparties, all of which may adversely impact the projected cash flows. Although we have implemented certain risk analysis and mitigation mechanisms, as well as procedures to monitor our project finance borrowers, these procedures may not be effective, as projects often get delayed due to extraneous factors beyond our control. Risks associated with a recession in the economy and a delay in project implementation or commissioning could lead to rise in delinquency rates and, in turn, adversely impact our future financial performance and the trading price of the Equity Shares.

22. There are operational risks associated with the banking and financial services industry which may have an adverse impact on our business.

Like other financial institutions, we are exposed to various kinds of operational risks, including the risk of fraud or other misconduct by employees or third parties, unauthorized transactions by employees and third parties (including violation of regulations for prevention of corrupt practices, and other regulations governing our business activities), or operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems. The proper functioning of our financial control, risk management, accounting or other data collection and processing systems, together with the communication networks connecting our various branches and offices is critical to our operations and ability to compete effectively. We outsource some functions such as facility management, ATM / card related services and rural outreach to other agencies. Given the high volume of transactions, certain errors may be repeated or compounded before they are discovered and successfully rectified. In addition, our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect. We may also be subject to disruptions of our operating systems arising from events that are wholly or partially beyond our control, and to the risk that our (or our vendors') business continuity and data security systems prove not to be sufficiently adequate. We also face the risk that the design of our controls and procedures may prove inadequate, thereby causing delays in detection or errors in information. Although we maintain a system of controls designed to keep operational risk at appropriate levels, like all banks, we have suffered losses from operational risk in the past and there can be no assurance that we will not suffer similar losses in the future that may be material in amount, or that our reputation could be adversely affected by the occurrence of any such events involving our employees, customers or third parties.

Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events. Although we have established these policies and procedures, these policies may not be fully effective, which could adversely affect our business or result in losses.

23. Our Bank has experienced negative cash flows from operating activities and investing activities in certain recent fiscal periods.

Our Bank has experienced negative cash flows from operating activities and investing activities in recent fiscal years. In Fiscal 2018, 2019 and 2020, net cash used in operating activities was ₹(44,376.42) crore, ₹(14,509.98) crore and ₹1,687.89 crore in Fiscal 2018, 2019 and 2020, net cash used in investing activities was ₹(310.23) crore, ₹(250.98) crore and ₹(314.78) crores, respectively. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*". Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate its business and implement growth plans.

24. The audit reports in respect of our financial statements contain certain matters of emphasis which could have an impact on our financial performance.

The audit report on our audited financial statements for Fiscal 2020 included certain matters of emphasis relating to the uncertainties due to the outbreak of COVID-19 pandemic which may impact the financial performance of our Bank. Further, there can be no assurance that our auditors will not qualify their opinion in the future. For further information in relation to certain emphasis of matters, see *"Financial Information"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations – Auditor Observations and Matters of Emphasis"* on page 218 and 86 respectively.

25. Our insurance coverage may not adequately protect us against all losses. To the extent that we suffer loss or damage which is not covered by insurance or exceeds our insurance coverage our financial condition and result of operations could be adversely affected.

Our Bank has obtained insurance coverage in respect of certain risks. We maintain various insurance policies to insure our assets including buildings, furniture, office machinery, electrical fittings, ATMs, etc. While we believe that the insurance coverage we maintain would be reasonably adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, nor have we taken out sufficient insurance to cover all material losses. In addition, there can be no assurance that the coverage will be available in sufficient amounts to cover one or more large claims. To the extent that we suffer loss or damage for which we do not obtain or maintain insurance or exceeds our insurance coverage, the loss would have to be borne by us and our results of operations and financial performance could be adversely affected.

26. We may not be successful in implementing our growth strategies or penetrating new markets.

Our principal business strategies include further diversification and expansion of our customer base, expansion of our network, improving our retail lending portfolio of products and services. In order to achieve our principal business strategies, we have initiated various growth strategies, including advanced technology initiatives, targeting new customer segments, focusing on capital optimization and operational efficiencies. These strategies expose us to a number of risks and challenges, including, among others, the following:

- growth requires greater marketing and compliance costs than experienced in the past, diverting operational, financial and managerial resources away from existing businesses;
- growth plans may not develop and materialize as we anticipate and there can be no assurance that new product or service lines will be profitable;
- we may fail to identify appropriate opportunities and offer suitable products in a timely fashion putting the businesses at a disadvantage as compared to the competitors;
- compliance with new market standards and unfamiliar regulations will place new demands upon management and create new and possibly unforeseen risks to us;
- we need to hire or retrain skilled personnel who are able to supervise and conduct the relevant new business activities, will add to our cost base; and
- competitors in different business segments that we operate in may have more experience and resources than us which may affect our ability to compete.

In addition, if our existing customers and targeted customers are not receptive to any changes to our brand identity or promotional activities, our business and results of operations could be adversely affected. In addition, our growth strategy in the future may involve strategic acquisitions and reconstructions, partnerships, joint ventures and exploration of mutual interests with other parties. These acquisitions and investments may not necessarily contribute to business growth and our profitability, or may be unsuccessful. In addition, we could experience difficulty in assimilating personnel, integrating operations and cultures and may not realize the anticipated synergies or efficiencies from such transactions. These difficulties could disrupt our ongoing business and increase expenses.

27. We extend a certain amount of loans to the priority sector pursuant to regulations prescribed by the RBI. Loans to priority sector could have higher delinquency rates. If we do not meet our priority sector lending requirements, our results of operations could be adversely affected.

The RBI vide its Master Direction – Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2016, as amended, has set out the broad policy in relation to priority sector lending where in it requires all banks that are operating in India to channel a specified portion of their lending to identified "priority sectors" such as agriculture, MSMEs, housing and education. Currently, the total priority sector lending target for domestic bank is 40% of adjusted net bank credit or credit equivalent amount of off-balance sheet exposure, whichever is higher. If we are unable to meet our priority sector lending requirements, we will subsequently be required to place the difference between the required lending level and actual priority sector lending 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. In such circumstances, our financial condition and results of operations could be materially and adversely impacted. Further, subsequent deposits placed by banks on account of non-achievement of priority sector lending targets or sub-targets are not eligible for classification as indirect finance to agriculture or MSMEs, as the case may be.

In addition, the RBI is required to take into account any shortfall in meeting specific priority sector lending targets, at the time of granting any regulatory approvals sought by a bank, from time to time. As a percentage of our NPA in priority sector accounted for 9.45%, 11.64%, 14.57% and 14.84% as on March 31, 2018, March 31, 2019, March 31, 2020 and quarter ended June 30, 2020, respectively Further, we may experience a higher level of NPAs in such "priority sectors", particularly in loans to the agricultural sector, small enterprises and weaker sections, where we are less able to control the portfolio quality and where economic difficulties are likely to affect our borrowers more severely. As a result, lending to such sectors may not be profitable and such circumstances could materially and adversely affect our business, financial condition and results of operations.

28. We rely on third-party service providers who may not perform their obligations satisfactorily or in compliance with law.

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 services that include, among others, ATM /card related services, business correspondents, facility management services related to information technology, software services and call centers. 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 guarantee that there will be no disruptions in the provision of such services or that these third parties will adhere to their contractual obligation. 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, the terms of such agreements may be breached, which could 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 materially and adversely affect our business, financial condition and results of operations.

29. Non – compliance of the Anti-Money Laundering ("AML") and Know Your Customer ("KYC") guidelines or detection of any other improper activities on a timely basis or at all could expose us to additional liability and harm our business and reputation

We are required to comply with applicable AML guidelines and the prescribed KYC procedures in India. While we have adopted policies and procedures aimed at collecting and maintaining all AML and KYC related information from our customers in order to detect and prevent the use of our banking networks for illegal money – laundering activities, we run the risk of failing to comply with the prescribed procedures and the consequent risk of fraud and money laundering by dishonest customers and assessment of penalties and/or imposition of sanctions against us for such compliance failures despite having implemented systems and controls designed to prevent the occurrence of these risks.

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

30. As our majority shareholder, the GoI controls us and may cause us to take actions which are not in or interest or in the interest of the holders of the Equity Shares.

As of June 30, 2020, the GoI held 92.39% of our equity share capital. The GoI, in consultation with the RBI, has the power to appoint our Board of Directors, which determines the outcome of the actions relating to the general direction of our business, including payment of dividends. Furthermore, the GoI may also issue directives on matters of policy involving the public interest that may affect our business operations. We are also required to obtain approval from the GoI for any alteration in capital structure. In addition, given the importance of banking industry to the economy, the GoI could require us to take actions designed to serve public policy interests in India and not necessarily the interests of our other shareholders.

31. The legal requirement that the GoI maintain a majority shareholding interest in us of at least 51% may limit our ability to raise appropriate levels of capital financing.

Under applicable regulations, the GoI's shareholding in our issued capital consisting of equity shares must be at least 51%. In addition, the GoI has infused further capital in us by way of preferential allotment of Equity Shares in favour of the GoI from time to time. These requirements 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 us to maintain its stake at a minimum of prescribed limit while simultaneously seek funding from the capital markets. Also, the GoI has recently adopted new criteria whereby banks meeting the specified performance criteria will be eligible to receive additional capital for their equity from the GoI. 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, more likely, capital market financing schemes. If we are unable to grow our capital base in line with demand, our business, financial prospects and profitability may be materially and adversely affected.

32. We rely on our correspondent banks in other countries to facilitate our foreign exchange operations. Any failure to maintain such relationships or enter new such relationships could impact our ability to grow our foreign exchange business.

We maintain nostro accounts in foreign currencies with correspondent foreign banks for facilitating our treasury, trade and remittance transactions. Such accounts facilitate inward and outward remittance, whereby our customers can remit funds to India in any of the currencies for which we have opened such accounts, by instructing their banks to remit the funds to our nostro account maintained in that particular currency. In case we intend to cater to a different foreign location or currency, we may need to open such nostro accounts with the correspondent banks in those locations. Opening and maintaining such accounts requires compliance with strict KYC norms and any failure to adhere to such norms may result in the correspondent bank closing these accounts. Further, a correspondent bank may discontinue any of the services that it offers in relation to such accounts, which may result in customer dissatisfaction. In addition, we depend on our relationships to avail intra-day facilities, both in India and other jurisdictions, which is required in our Bank's ordinary course of business. We cannot assure you that we will be able retain our existing correspondent banks or enter into similar arrangements with new correspondent banks on commercially reasonable terms or at all. In the event that we are unable to open new accounts or continue to maintain existing accounts with our correspondent banks for any reason whatsoever, we could be forced to scale back our treasury, trade and remittance business, which could adversely affect our business, cash flows, results of operations and financial condition.

33. Any increase in or realization of our contingent liabilities could have a material adverse effect on our business, financial condition, results of operations and prospects.

As of March 31, 2020, we had contingent liabilities of ₹56,187.03 crore. The table below sets forth certain information on our contingent liabilities as of March 31, 2020:

Particulars	**Amount (₹ in crore)**
Liability on account of outstanding forward exchange contracts	35,020.13
Guarantees given on behalf of constituents	12,633.84
Acceptances Endorsements and Other Obligations	4,271.31
Claims against the Bank not acknowledged as Debts	101.44
Disputed income tax demands under appeals, revisions etc.	1,737.16
Liability for partly paid Investments	401.02
Other items for which the bank is contingently liable	2,022.13
Total	**56,187.03**

For details, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* on page 86. There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal or in the future. In the event that any of our contingent liabilities were to be recognized on our financial statements, they could have a material adverse effect on our business, financial condition and results of operations.

34. Deficiencies in the accuracy and completeness of information about our customers and counterparties may adversely impact us.

In deciding whether to extend credit or to enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of customers and counterparties, including financial statements and other financial information. We may also rely on certain representations as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors. Although India has a credit information bureau, adequate information regarding loan servicing histories, particularly in respect of individuals and small businesses, is limited. CIBIL does not presently report information from retailers, utility companies and trade creditors and no other nationwide bureau of this nature presently exists. Further, in the event that the CIBIL report is not up-to-date, we may not be able to accurately assess the credit-worthiness of our borrower which may increase our risk of exposure to default by borrower. As our lending operations are primarily limited to India, we may be exposed to a greater potential for loss compared to banks with lending operations in more developed countries. Inadequate loan servicing histories for borrowers increase the risk of exposure and may lead to an increase in our NPAs which may adversely affect our business, results of operations and financial condition. For example, in deciding whether to extend credit, we may assume that a customer's audited financial statements conform to generally accepted accounting principles and present fairly, in all material respects, the financial condition, results of operations and cash flows of the customer. Our 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.

35. Majority of our branches and ATMs are located on leased premises. Our operations may be materially and adversely affected if we are unable to renew our leases to continue utilization of any of our branches or ATMs.

Our business and operations are significantly dependent on our branches and ATMs majority of which are located on leased premises. As of June 30, 2020, out of 4,649 branches, 4,402 branches were located on leased/rented premises. We have entered into various lease arrangements for such properties. If we are unable to continue to use our branches and ATMs which are located on leased premises during the period of the relevant lease or extend such lease on its expiry on commercially acceptable terms, or at all, or if we fail to identify such alternate premises, we may suffer a disruption in our operations which could have a material and adverse effect on our business, results of operations and financial condition. In addition, some of these leases may not have been registered, which may affect the evidentiary value of such lease agreement in specific performance or other injunctive procedures in a court of law. In addition, we cannot assure you that all the lease agreements for our branches are adequately stamped in accordance with applicable laws. Any such irregularity may result in our inability to enforce our rights under such lease agreements, which may disrupt our operations and adversely affect our business, financial condition and result of operations.

36. We are dependent on our branch network for the success of our business and financial performance. Any failure to increase our coverage will adversely affect our growth.

As of June 30, 2020, our Bank had a wide distribution network in India that included 4,649 branches across 28 states and 8 union territories in India and 43.90% of our branches were located in north and central India, 14.39% in south India, 20.74% in west India, and 20.97% in east India. In addition, certain of our branches are only engaged for processing certain specific products such as home loans. In addition, our newly opened branches may not be profitable immediately upon their opening or may take time to break even. In the event of delay in achieving break even by the newly opened branches within a reasonable period as envisaged by us, our profitability may be affected. Our branch expansion plans may have an adverse effect on the capital outlay which in turn may adversely affect the financial condition and results of operations of our Bank. 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.

Owing to our Bank’s branch network we may be subject to additional risks inherent with an extensive network, including but not limited to upgrading, expanding and securing our technology platform in such branches, higher technology costs, operational risks including integration of internal controls and procedures, ensuring customer satisfaction, compliance with KYC, AML and other regulatory norms, 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 the above reasons may result in our failure to manage a large branch presence, which may materially and adversely affect our brand, reputation, financial condition and result of operations.

37. Our remuneration scheme may not be as attractive as other banks with which we compete which may affect our ability to attract and maintain a skilled and committed workforce.

Our remuneration schemes are guided by industry level negotiations between bank management represented by the Indian Bank’s Association (“IBA”), and officers/workmen represented by their respective unions. In addition to such remuneration, we also offer our employees certain performance linked incentives. 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 talented professionals or the resignation or loss of key management personnel, particularly in light of our continued expansion, may have an adverse impact on our business, future financial performance and market capitalisation.

38. We may breach third party intellectual property rights or be required to initiate claims against others infringing our intellectual property rights.

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

39. Our risk management policies and procedures may not adequately address unanticipated risks. Inability to develop and implement effective risk management policies may adversely affect our business, financial condition and results of operations.

We have devoted significant resources to develop our risk management policies and procedures and expect 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 in capturing unexpected events in future. Some of our methods of managing risk are based upon the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures which could be significantly greater than indicated by historical measures. Management of operations, legal and regulatory risk 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 be unable to develop risk management policies and procedures that are properly designed for those new business areas or to manage the risks associated with the growth of our existing businesses. Implementation and monitoring may prove particularly challenging with respect to businesses that we plan on developing. Inability to develop and implement effective risk management procedures may adversely affect our business, prospects, financial condition and results of operation.

Our success will also depend, in part, on our ability to respond to new technological advances and emerging banking, capital market and other financial services industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction processing systems to customer requirements or improving market standards.

40. Our business is highly dependent on our information technology systems, which require significant investment for regular maintenance, upgrades and improvements. Any failure to improve or upgrade our information technology systems could materially and adversely impact our business.

Our information technology systems are a critical part of our business that help us manage, among other things, our risk management, regulatory compliance, deposit servicing and loan origination functions, as well as our increasing portfolio of products and services in all our business segments. We depend on our computer systems to process a large number of transactions on an accurate and timely basis, and to store and process substantially all of our business and operating data. We seek to protect our computer systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems. These concerns could intensify with our increased use of technology, internet based resources and advanced internet banking platform.

We have also entered into third party arrangements to provide products and services, including software that enables our operations, or to appropriately maintain such products and services under annual maintenance contracts. In the event of failure on the part of these third party vendors, exposes us to higher risks in using these software and systems.

Computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and network infrastructure. Our Bank's computer systems and network infrastructure have achieved 100% coverage of its branches under Core Banking Solution ("CBS") platform.

41. We may face labour disruptions that could interfere with our operations and we may be unable to manage our employee costs and expenses.

We are exposed to the risk of strikes and other industrial actions by our employees as well as trade unions that our employees are part of. As on June 30, 2020, out of our 32,920 employees majority of our employees are members of All India Central Bank Employees Federation (AICBEF), All India Central Bank Employees Congress (AICBEC) and Central Bank Employees Federation of India (CBEFI). In addition, from time to time, the labour unions for the banking employees organize strikes, as a result of which, we have been and may in the future be affected by strikes, work stoppages or other labour disputes. We have had past instances of industry wide strikes by the unions which affected all banks. In the event of a labour dispute, protracted negotiations and strike action may impair our ability to carry on our day-to-day operations, which could materially and adversely affect our business, future financial performance and results of operations.

While we believe we have a strong working relationship with our unions, associations and employees, there can be no assurance that we will continue to have such a relationship in the future. We cannot guarantee that our employees will not undertake or participate in strikes, work stoppage or other industrial action in the future. Any such employee unrest events could disrupt our operations, possibly for a significant period of time and other benefits or otherwise have a material adverse effect on our business, financial condition or results of operation.

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

42. Material weakness of failures of our internal control system may cause significant operational errors, which may in turn materially and adversely affect our profitability and reputation.

We are responsible for establishing and maintaining adequate internal measures commensurate with our size and 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. 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 weakness.

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, fraud and failure of critical systems and infrastructure. In Fiscal 2020 and in the three months ended June 30, 2020, the number of frauds detected were 900 and 149, respectively, having an aggregate pecuniary implication of approximately ₹3,993.76 crore and ₹655.83 crore, respectively. There is no guarantee that our existing fraud monitoring systems or our 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, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect.

43. We are subject to Risk Based Supervision ("RBS") by the RBI. Non-compliance with the RBI observations issued during the RBS could adversely affect our business, financial condition or results of operations.

Our Bank is subject to Inspection for Supervisory Evaluation ("**ISE**") by the RBI under section 35 of the Banking Regulation Act, 1949, which is a revised RBS framework i.e. Supervisory Programme for Assessment of Risk and Capital ("**SPARC**"). Under SPARC, the RBI has developed an integrated system for the assessment of risk and impact of failure of individual banks ("**IRISc**"). This IRISc model is based on both quantitative and qualitative assessment of banks and is risk focused in nature instead of being performance oriented solely. The RBI does both an offsite review and an onsite inspection. In the past, the RBI has made certain observations regarding our business and operations, capital adequacy, asset quality, compliance with statutory and regulatory norms, appointment of directors with specific expertise, credit administration, NPA analysis, quality of non-SLR portfolio, earnings appraisal, attrition, information technology systems, treasury funds and liquidity management, risk assessment and acquisition of retail portfolios.

The IRISc model is a structured and multi-tiered model which supports the assessment of risk in banks adjusted for the available capital. It takes into account credit, market, operations (IT and non-IT), compliance, liquidity and other pillar II risks. IRISc is used to estimate a bank's risk of failure, the capital add-on required for a given risk failure score and the impact of this failure on the banking system. We have taken note of RBI observations and suggestions and continue to implement the same to improve our operations. While we attempt to be in compliance with all regulatory provisions applicable to us, in the event we are not able to comply with certain observations made by the RBI, we may be subject to penalties by the RBI which may have a material adverse effect on our business, reputation, financial condition or results of operations

44. Our reputation may be adversely affected by any negative publicity regarding our operations which may have an adverse effect on our business, financial condition and results of our operations.

Our business is significantly dependent on the strength of our brand and reputation, as well as market perception regarding our operations. While we have developed our brand and reputation over our history, any negative incidents or adverse publicity could rapidly erode customer trust and confidence in us, particularly if such incidents receive widespread adverse mainstream and social media publicity, or attract regulatory investigations. Reputational risk, or the risk to the Bank's business, earnings and capital from negative publicity, is inherent in the Bank's business. The reputation of the financial services industry in general has been closely monitored as a result of the recent financial crisis and other matters affecting the financial services industry. Negative public opinion about the financial services industry generally or the Bank specifically could adversely affect the Bank's ability to attract and retain customers, and may expose it to litigation and regulatory action. Negative publicity can result from our actual or alleged conduct in any number of activities, including lending practices, foreclosure practices, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organizations in response to that conduct.

We distribute several third-party products, including life insurance, health insurance, general insurance, mutual fund products and tax related services. Any failure on the part of such third parties, including any failure to comply with applicable regulatory norms, any regulatory action taken against such parties or any adverse publicity relating to such party could, in turn, result in negative publicity about us and adversely impact our brand and reputation. Any damage to our brand or our reputation may result in withdrawal of business by our existing customers or our intermediaries as well as loss of new business from potential customers.

Although the Bank takes steps to minimize reputational risk in dealing with customers and other constituencies, the Bank, as a large financial services organization with a high industry profile, is inherently exposed to this risk. Such negative media coverage may have a material adverse effect on the Bank's reputation, business, financial condition or results of operation.

45. We are subject to supervision and regulation by RBI. RBI may impose stricter regulations and guidelines which are intended to provide tighter control may adversely affect our business, results of operation and financial condition.

We are regulated principally by and have reporting obligations to RBI. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us has been and may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control in the industry where we operate, such as change in loan to value ratio in our mortgage loans, restriction on charging pre-closure penalty on variable rate loans etc. Compliance with many of the regulations applicable to our operations may involve significant costs and otherwise may impose restrictions on our operations. Further, these regulations are subject to frequent amendments and depend upon government policy. There can be no assurance that changes in these regulations and the implementation of future rules by governmental and regulatory authorities (including lower loan to value ratio for mortgage loans, cap on interest rate charged/ interest spread for mortgage loans or loans to weaker sections etc.) will not adversely affect our business, results of operation and financial condition.

46. We are currently non – compliant with the provisions of Banking Acquisition Act on appointment of workmen employee director, officer's director nominated by the Central Government and RBI nominee director on our Board.

We are currently not in compliance with the relevant provisions of the Banking Acquisition Act in relation to composition of our Board. As on date, our Board comprises of three whole time directors, one government nominee director, and six non – executive directors. As per sub – section of section 9 (3)(e)(f) of the Banking Acquisition Act, we are required to have two directors from the employees of bank one as a workman director and one officers' director nominated by Central Government. Further, as per section 9 (g) of the Banking Acquisition Act, one director (who is a chartered accountant for not less than 15 years) has to be appointed by the Government on recommendation of RBI on our Board. Our erstwhile workmen employee director, officers' director and RBI nominee director (Chartered Accountant) nominated by the Central Government, ceased to be the directors of our Bank with effect from July 10, 2016, April 2, 2016 and June 21, 2016, respectively, consequent upon completion of their tenure. Accordingly, we are required to have a new workmen employee director, officers' director and RBI nominee director on our Board to ensure compliance with the applicable provisions of the Banking Acquisition Act.

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. Therefore, we do not have the ability to appoint directors on our Board. As a result of this, we cannot provide any assurance that such non – compliance will be rectified in a timely manner or that suitable and timely replacements will be appointed by the Ministry of Finance upon expiration of the term of our workmen employee director, as and when such vacancies may arise.

47. The Bank may not be able to renew or maintain its statutory and regulatory permits and approvals required to operate its business.

The Bank is required to obtain and maintain various statutory and regulatory permits and approvals to operate its business, which requires the Bank to comply with certain terms and conditions to continue its banking operations. Although the Bank has no reason to believe that such statutory and regulatory permits and approvals will not be granted and/or renewed as and when requested, certain of the Bank's business licenses have been denied or temporarily revoked in the past and the Bank cannot guarantee that it will be able to maintain, renew or obtain any required statutory and regulatory permits and approvals in the future, in a timely manner, or that no additional requirement will be imposed in connection with such request. Statutory and regulatory permits and approvals required for the development of the Bank's activities may require that it meet certain performance thresholds or financial metrics. In case the Bank is unable to meet these thresholds or metrics, the Bank may lose or not be able to obtain or renew such authorizations, concessions, licenses or permits. The Bank also cannot guarantee that it will timely comply with all of its obligations with governmental agencies, including obtaining the necessary operating permits in a timely manner.

In the event that the Bank is unable to renew or maintain such statutory permits and approvals or comply with any or all of the applicable terms and conditions, or seek waivers or extensions of time for complying with such terms and conditions, all or some of the Bank's operations may be interrupted, penalties may be imposed and the Bank's business, financial results and reputation could be materially and adversely affected.

48. Our Bank is undertaking this Issue pursuant to, inter alia, the in-principle approval dated September 21, 2020 issued by BSE (the "In-principle Approval") which contains observation in relation to non-compliance by the Bank of the provisions of the Listing Regulations.

The BSE in its In- Principal approval have noted that the outcome of the proposal to raise funds pursuant to this Issue is not in compliance with Regulations 30 of the Listing Regulations which may attract consequences of breach of the Listing Regulations. Further, the above non-compliance may attract penal action from the stock exchanges or SEBI or both.

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

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

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

Risks Relating to India

50. Majority of our revenue is derived from business in India and a slowdown in economic growth in India could cause our business to suffer.

We derive majority of revenue from our operations in India, accordingly, our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. 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's growth momentum moderated significantly in Fiscals 2019 and 2020 as compared to previous years. According to the Indian Central Statistics Organization, India's real GDP growth decreased from 7.2% in Fiscal 2018 to 6.1% in Fiscal 2019 and is estimated at 4.2% in Fiscal 2020. This slower rate of economic growth was primarily driven by nationwide lockdown measures implemented by the Government of India since March 2020 in view of the COVID-19 pandemic, a slowdown in consumer demand, the transitional impacts of the introduction of the Goods and Services Tax in 2017 and the lingering residual effects of demonetization in 2016. Accordingly, the Index of Industrial Production of India grew by 4.4% in Fiscal 2018 and then grew by 3.8% in Fiscal 2019 and then had a negative rate of 0.8% in Fiscal 2020.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. 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 and results of operations and the market price of the Equity Shares.

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 developments and 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 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.

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

Pursuant to the Revised Framework, the RBI has established a new regulatory framework for resolution of stressed assets, according to which banks must identify incipient stress in loan accounts immediately on default by classifying stressed assets as special mention accounts. The banks are required to put in place a board approved policy for resolution of stressed assets. Upon the occurrence of a default, banks are required to, within a period of

30 days from the date of such default ("Review Period"), review the account of the borrower and determine a strategy for implementing a resolution plan or choose to initiate legal proceedings for insolvency or recovery. If a resolution plan route is chosen by the lenders during the Review Period, the lenders are required to enter into an inter-creditor agreement to provide rules for finalisation and implementation of the resolution plan and such inter-creditor agreement should also provide that decisions by lenders representing 75% by value of outstanding facilities (fund based as well as non-fund based) and 60% by number shall bind all lenders party to the inter-creditor agreement. The resolution plan is required to be implemented within 180 days from the end of the Review Period. Depending on the aggregate exposure of the borrower towards the lenders, the Review Period is required to commence by a specified date, as set out in the Revised Framework.

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

52. 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 subdued inflationary trends, as the result of a decrease in crude oil prices, lower international commodity prices, and lower domestic food prices. The Consumer Price Index declined from 3.6% (average) in Fiscal 2018 to 3.4% (average) in Fiscal 2019 and increased to 5.84% (average) in Fiscal 2020. On the heels of a prolonged 8-quarter slowdown, GDP growth in India slumped to its lowest level since the global financial crisis (GFC) to 4.2 per cent in 2019-20, with Q4:2019-20 growth (y-o-y) at 3.1 per cent turning out to be lowest in the history of the current (2011-12 based) GDP series *(Source: RBI – Financial Stability Report, July 2020)*. Although the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees or any 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 profitability and, if significant, on our financial condition.

53. Any downgrade of India's debt rating by an independent agency may adversely affect our ability to raise financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our capital expenditure plans, business, financial condition and the price of our Equity Shares.

54. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.

Our Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the proceeds received by Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years, in particular has significantly depreciated in the year 2018, and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

55. Investors may not be able to enforce a judgment of a foreign court against us.

The enforcement by investors in our Equity Shares of civil liabilities, including the ability to affect service of process and to enforce judgments obtained in courts outside of India may be affected adversely by the fact that we are incorporated under the laws of the Republic of India and almost all of our executive officers and directors reside in India. Nearly all of our assets and the assets of our executive officers and directors are also located in India. As a result, it may be difficult to enforce the service of process upon us and any of these persons outside of India or to enforce outside of India, judgments obtained against us and these persons in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Procedure Code, respectively. The Government of India has under Section 44A of the Civil Procedure Code notified certain countries as reciprocating countries, as discussed below. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud, or (vi) 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 where a foreign judgment has been rendered by a court in any country or territory outside India, which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil 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 similar nature or in respect of a fine or other penalties and does not include arbitration awards. The United Kingdom and some other countries have been declared by the Government to be a reciprocating territory for the purposes of Section 44A. However, the United States has not been declared by the Government to be a reciprocating territory for the purposes of Section 44A. A judgment of a court in the United States may be enforced in India only by a suit upon the judgment, subject to Section 13 of the Civil Procedure Code and not by proceedings in execution.

The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Generally, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian Rupees on the date of the judgment or award and not on the date of the payment. Generally, there are considerable delays in the processing of legal actions to enforce a civil liability in India, and therefore it is uncertain whether a suit brought in an Indian court will be disposed off in a timely manner or be subject to considerable delays.

56. If regional hostilities, terrorist attacks, or social unrest in India or elsewhere increase, our business and the prices of our equity shares could be adversely affected.

India has from time to time experienced social and civil unrest and hostilities both internally and with neighboring countries. In the past, there have been military confrontations between India and Pakistan, and border disputes with neighboring countries, including China. In June 2020, Indian and Chinese troops engaged in physical conflict in the Galwan River valley. Both Indian and Chinese governments have taken additional measures related, for example, to the presence of Chinese businesses in India. We cannot predict how such geopolitical events will develop in the future and how it may impact our business, operations, reputation and financial condition.

India has also experienced terrorist attacks in some parts of the country, including in Mumbai, where our headquarters are located. India could also be impacted by intensifying border disputes with its neighbors, trade wars between large economies like the U.S. increasing trade tariffs on goods imported from China, or possible import restrictions on Indian goods by trading partners that could have an adverse impact on India's trade and capital flows, exchange rate and macroeconomic stability. In addition, geopolitical events in the Middle East, Asia and Eastern Europe or terrorist or military action in other parts of the world may impact prices of key commodities, financial markets and trade and capital flows. These factors and any political or economic instability in India could adversely affect our business, our future financial performance and the prices of our equity shares.

57. Significant differences exist between Indian GAAP and other accounting principles with which investors may be more familiar.

Our Financial Statements are prepared in conformity with Indian GAAP as applicable to banks. GAAP as applied in India differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and accounting standards with which prospective investors may be familiar with in other countries. We do not provide a reconciliation of our financial statements to IFRS or U.S. GAAP or a summary of principal differences between Indian GAAP, IFRS and U.S. GAAP relevant to our business. Furthermore, we have not quantified or identified the impact of the differences between Indian GAAP and IFRS or between Indian GAAP and U.S. GAAP as applied to our financial statements. As there are significant differences between GAAP as applied in India and IFRS and between GAAP as applied in India and U.S. GAAP, there may be substantial differences in our results of operations, cash flows and financial position if we were to prepare our financial statements in accordance with IFRS or U.S. GAAP instead of Indian GAAP. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisors for an understanding of the differences between Indian GAAP and IFRS

Risks relating to the Issue and the Equity Shares

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

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

59. The trading price of our Equity Shares may be subject to volatility and you may not be able to sell the Equity Shares at or above the Issue Price.

The trading price of our Equity Shares may fluctuate after the 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, economic liberalisation, deregulation policies and procedures or programs applicable to our business, adverse media reports on our Bank, volatility in the Indian and global securities market, performance of our competitors, the Indian real estate industry and the perception in the market about investments in the real estate industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding new projects, 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, financial condition or operating results. 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.

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

No actions have been taken to permit a public offering of the Equity Shares offered in the Issue in any jurisdiction. As such, your ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in this Placement Document. For further information, see "*Selling Restrictions*" on page 185. Furthermore, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. For further information, see "*Transfer Restrictions*" on page 186. You are required to inform yourself about and observe these restrictions. Our representatives, our agents and us will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

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

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

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

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

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

Indian stock exchanges have, in the past, experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and increased margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. A closure of, or trading stoppage on, either the BSE or the NSE could adversely affect the trading price of the Equity Shares.

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

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

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

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including, our financial results and the financial results of the companies in the businesses we operate in; the history of, and the prospects for, our business and the sectors in which we compete;

the valuation of publicly traded companies that are engaged in business activities similar to us; and significant developments in India's economic liberalization and deregulation policies.

The Indian securities markets are smaller and more volatile than securities markets in more developed economies. In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. The Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. The trading price of 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. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects and may limit your ability to sell the Equity Shares.

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

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

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

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

MARKET PRICE INFORMATION

The Equity Shares have been listed and are available for trading on BSE and NSE.

On September 21, 2020, the closing price of Equity Shares on BSE and NSE was ₹15.05 and ₹15.00 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

(i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on BSE and NSE on the dates on which such high and low prices were recorded for Financial Years ended March 31, 2018, March 31, 2019 and March 31, 2020:

BSE

Financial Year ended	High (₹)	Date of high(1)	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ crore)	Low (₹)	Date of low(1)	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ crore)	Average price for the year (₹)(2)
2018	125.00	May 22,2017	1,16,118	1.33	62.80	March 07, 2018	1,56,277	1.02	85.57
2019	84.45	June 12, 2018	72,204	0.59	27.00	October 12, 2018	4,78,485	1.37	50.53
2020	36.79	April 1, 2019	1,31,006	0.48	10.20	March 13, 2020	4,00,884	0.46	20.65

(Source: www.bseindia.com)

Notes:

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

NSE

Financial Year ended	High (₹)	Date of high(1)	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ crore)	Low (₹)	Date of low(1)	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ crore)	Average price for the year (₹)(2)
2018	123.25	May 10. 2017	23,51,067	28.09	62.65	March 7, 2018	19,37,148	12.64	85.60

Financial Year ended	High (₹)	Date of high(1)	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ crore)	Low (₹)	Date of low(1)	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ crore)	Average price for the year (₹)(2)
2019	84.90	June 12, 2018	14,76,735	12.23	27.45	October 11, 2018	20,36,168	5.61	50.53
2020	36.90	April 1, 2019	18,69,715	6.79	10.10	March 23, 2020	9,21,429	1.05	20.63

(Source: www.nseindia.com)

Notes:

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

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

BSE

Month ended	High (₹)	Date of high(1)	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ crore)	Low (₹)	Date of low(1)	Number of Equity Shares traded on the date of low	Total turnover of Equity shares traded on the date of low (₹ crore)	Average price for the month (₹)(1)
March 2020	16.15	March 02, 2020	33,726	0.05	10.20	March 13, 2020	4,00,884	0.46	13.12
April 2020	18.70	April 21, 2020	4,51,249	0.77	12.01	April 03, 2020	19,571	0.02	14.18
May 2020	15.70	May 05, 2020	35,960	0.05	13.00	May 26, 2020	40,810	0.05	14.24
June 2020	21.60	June 29, 2020	8,61,895	1.78	13.55	June 01, 2020	1,42,441	0.20	16.73
July 2020	19.70	July 21, 2020	7,29,107	1.36	15.90	July 17, 2020	1,06,695	0.18	17.40
August 2020	19.00	August 11, 2020	3,49,712	0.64	17.10	August 04, 2020	1,97,983	0.35	17.75

(Source: www.bseindia.com)

Notes:

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

NSE

Month ended	High (₹)	Date of high(1)	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ crore)	Low (₹)	Date of low(1)	Number of Equity Shares traded on the date of low	Total turnover of Equity shares traded on the date of low (₹ crore)	Average price for the month (₹)(1)
March 2020	16.50	March 02, 2020	3,56,828	0.56	10.10	March 23, 2020	9,21,429	1.06	13.09
April 2020	18.50	April 21, 2020	54,74,681	9.40	12.00	April 07, 2020	6,87,274	0.84	14.16
May 2020	15.60	May 13, 2020	8,75,346	1.31	13.00	May 06, 2020	7,44,624	0.98	14.24
June 2020	21.60	June 29, 2020	1,22,45,720	25.35	13.55	June 01, 2020	12,95,083	1.82	16.73
July 2020	19.90	July 21, 2020	65,90,309	12.34	16.05	July 16, 2020	6,94,067	1.12	17.38
August 2020	19.00	August 11, 2020	64,31,144	11.83	17.15	August 07, 2020	9,67,554	1.69	17.75

(Source: www.nseindia.com)

Notes:

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

(i) The following table set forth the details of the number of Equity Shares traded and the turnover during the financial years ended March 31, 2020, March 31, 2019 and March 31, 2018 on the Stock Exchanges:

Period	Number of Equity Shares Traded		Turnover (In ₹ Crores)	
	BSE	NSE	BSE	NSE
Year ended March 31, 2018	16,46,51,154	41,46,34,456	1,404.47	3,587.06
Year ended March 31, 2019	2,80,07,769	20,84,59,755	134.36	1,001.42
Year ended March 31, 2020	1,99,48,921	19,97,56,313	41.10	421.23

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

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

Period	Number of Equity Shares Traded		Turnover (In ₹ Crores)	
	BSE	NSE	BSE	NSE
March 2020	18,41,436	1,89,58,686	2.38	24.40
April 2020	16,47,436	1,89,58,686	2.38	24.40
May 2020	5,99,313	1,11,63,525	0.85	15.00
June 2020	58,80,773	7,50,36,776	10.50	134.77
July 2020	56,26,462	4,88,09,742	10.13	88.19

Period	Number of Equity Shares Traded		Turnover (In ₹ Crores)	
	BSE	NSE	BSE	NSE
August 2020	36,62,164	3,38,99,192	6.58	61.16

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

(iii) The following table sets forth the market price on BSE and NSE on June 30, 2020, i.e., the first working day following the approval of the Board of Directors for the Issue:

Stock Exchange	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ crore)
BSE	19.00	19.00	16.82	17.97	10,80,807	1.97
NSE	19.00	19.00	17.20	17.95	74,05,363	13.50

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

USE OF PROCEEDS

The gross proceeds from the Issue will be approximately ₹254.99 crore. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹252.99 crore (the "**Net Proceeds**").

Purpose of the Issue

Subject to compliance with applicable laws and regulations, our Bank intends to use the Net Proceeds to enhance its capital adequacy, in accordance with regulatory requirements, in accordance with applicable law.

None of the Directors are making any contribution either as part of the Issue or separately in furtherance of the objects of the Issue, as on the date of this Placement Document.

CAPITALISATION STATEMENT

The following table sets forth the capitalisation and indebtedness of our Bank as at June 30, 2020 on a consolidated basis and as adjusted to give effect to the Issue. This table should be read in conjunction with "*Selected Statistical Information*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*" on pages 32, 86 and 218, respectively.

(₹ in crore)

Particulars	As of March 31, 2020	As at June 30, 2020	As adjusted for the Issue*
Liabilities			
Deposits			
Demand Deposits			
1. From banks	334.83	1,675.37	1,675.37
2. From others	15,072.66	14,823.37	14,823.37
Saving Bank Deposits	1,30,200.00	1,35,670.84	1,35,670.84
Term Deposits			
1. From banks	3,698.94	1,592.42	1,592.42
2. From others	1,64,894.70	1,67,914.40	1,67,914.40
Total Deposits (A)	**3,14,201.14**	**3,21,676.41**	3,21,676.41
Other Liabilities (B)	**15,478.45**	**14,172.58**	14,172.58
Borrowings			
1. Borrowings in India	6,076.03	7,104.54	7,104.54
2. Borrowings outside India	-	-	-
Total Borrowings (C)	**6,076.03**	**7,104.54**	7,104.54
Total Liabilities (D=A+B+C)	**3,35,755.62**	**3,42,953.53**	3,42,953.53
Shareholders' Funds			
Share capital	5,709.76	5,709.76	5,875.56
Reserves and Surplus (Refer Note 1)	15,826.75	15,973.94	16,061.14
Total shareholder's funds (E)	**21,536.50**	**21,683.71**	**21,938.70**
Total Capitalisation (D+E)	**3,57,292.13**	**3,64,637.24**	**3,64,892.23**
Capital Adequacy Ratio (Basel II)	**11.95**	**11.14**	**11.32**
Capital Adequacy Ratio (Basel III)	**11.72**	**11.50**	**11.67**

Note:

1. Reserves and Surplus under "As adjusted for the Issue" is net of the estimated share issue expenses of ₹2.00 crore.
2. Considering the proposed issue of 16,57,99,736 equity shares at ₹15.38 per equity share pursuant to the Issue.

CAPITAL STRUCTURE

The equity share capital of our Bank as at the date of this Placement Document is set forth below:

		Aggregate value at face value (except for securities premium account) (in ₹ crore)
A.	**Authorised Share Capital**	
	10,00,00,00,000 Equity Shares of ₹10 each	10,000.00
B.	**Issued, Subscribed and Paid-Up Capital before the Issue**	
	5,70,97,62,724 Equity Shares of ₹10 each	5,709.76
C.	**Present Issue in terms of this Placement Document(1)(2)**	
	Up to 16,57,99,736 Equity Shares aggregating up to ₹254.99 crore	165.80
D.	**Issued, Subscribed and Paid-Up Capital after the Issue(2)**	
	5,87,55,62,460 Equity Shares of ₹10 each fully paid up	5875.56
E.	**Securities Premium Account**	
	Before the Issue	24,107.03
	After the Issue (3)	24,196.23

Note:

(1) The Issue has been authorised and approved by our Board on June 29, 2020 and our Shareholders through a special resolution dated August 7, 2020.

(2) The amount has been calculated on the basis of gross proceeds from the Issue.

(3) The securities premium amount after the Issue is calculated on the basis of gross proceeds from the Issue. Adjustments do not include Issue related expenses.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by the Bank, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue share capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%)*#
1.	Canara Bank	0.83
2.	Indian Bank	0.28
3.	State Bank of India	0.55
4.	Union Bank of India	0.28
5.	Punjab National Bank	0.28
6.	Bank of Maharashtra	0.06
7.	TATA AIA Life Insurance Co. Limited A/C Whole Life Mid Cap Equity Fund ULIF 009 04/ 01/07 WLE 110	0.28
8.	Bajaj Allianz General Insurance Co. Limited – Policy Holder Fund	0.19
9.	Bajaj Allianz General Insurance Co. Limited – Shareholder Fund	0.08
	Total	**2.83**

** Based on beneficiary position as on September 22, 2020*

 # Subject to allotment in the Issue.

Pre-Issue and post-Issue shareholding pattern

The pre-Issue shareholding pattern of our Bank as on June 30, 2020 and the post-Issue shareholding pattern of our Bank is set forth below:

S. No.	Category	Pre-Issue		Post-Issue*	
		No. of Equity Shares held	% of Equity Share holding	No. of Equity Shares held	% of Equity Share holding
A.	**Promoters' holding**				
1.	Indian				
	Individual	5,27,50,14,715	92.39	5,27,50,14,715	89.78
	Bodies Corporate	0	0.00	0	0.00
	Sub – total	5,27,50,14,715	92.39	5,27,50,14,715	89.78
2.	Foreign promoters	0	0.00	0	0.00
	Sub-total (A)	5,27,50,14,715	92.39	5,27,50,14,715	89.78
B.	**Non – Promoters' holding**				
1.	Institutional Investors	25,50,00,831	4.47	42,08,00,567	7.16
2.	Non-Institutional Investors				
	Private Corporate Bodies	2,69,86,658	0.47	2,69,86,658	0.46
	Directors and relatives	12,263	0.00	12,263	0.00
	Indian public	13,67,41,487	2.39	13,67,41,487	2.33
	Others including Non-resident Indians (NRIs)	1,60,06,770	0.28	1,60,06,770	0.27
	Sub-total (B)	43,47,48,009	7.61	60,05,47,745	10.22
	Grand Total (A+B)	5,70,97,62,724	100.00	5,87,55,62,460	100.00

**Note: The post-Issue shareholding pattern has been intentionally left blank and will be filled-in before filing of the Placement Document with the Stock Exchange.*

Other Confirmations

There will be no change of control of our Bank pursuant to the Issue.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors at its discretion and will depend on a number of factors, including but not limited to the Bank's profits, capital requirements and overall financial condition, and are subject to the guidelines issued by the RBI. Our Board may also, from time to time, pay interim dividends. All dividend payments are made in cash to the Shareholders of our Bank. In accordance with SEBI Listing Regulations, our Bank has formulated a dividend distribution policy to regulate the process of dividend declaration and its pay-out.

Our Bank has not declared any dividends in the three Fiscals preceding the date of this Placement Document.

For a description of regulation of dividends by banks, see "*Description of the Equity Shares - Dividend*" on page 191.

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

You should read the following discussion in conjunction with the Bank's audited consolidated financial statements as of and for the years ended March 31, 2018, 2019 and 2020 and in each case, the notes thereto, and the interim financial results as of and for the three months ended June 30, 2019 and 2020 which are prepared in accordance with Indian GAAP and included elsewhere in this Placement Document..

Our fiscal year ends on March 31. Accordingly, all references to a particular "fiscal year" and "Fiscal" are to the 12 months period ended on March 31 of that year. Unless otherwise specified, all information regarding cost, yield and average balances are on monthly average balances outstanding during the relevant period.

We prepare our financial statements in accordance with Indian GAAP. The financial statements reflect applicable statutory requirements, regulatory guidelines and accounting practices in India. These requirements, guidelines and practices change from time to time and, in accordance with Indian GAAP, adjustments to reflect such changes are made on a prospective basis and the financial statements for earlier periods are not restated. For the purposes of a comparative analysis in the discussion below, previous years' figures have been reclassified wherever necessary. In addition, the segments reported below are based on segments used for internal management reporting which are different to those used in the financial statements which are mandated by Indian GAAP.

This discussion contains forward-looking statements and reflects the Issuer's current plans and expectations. Actual results may differ materially from those anticipated in these forward-looking statements. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in "Risk Factors", "Forward Looking Statements" and "Business" on pages 52, 13 and 127, respectively.

Overview

We are a scheduled public sector commercial bank in India, catering to the overall banking needs across customer segment. Having been in operation for more than 100 years, we offer a broad variety of wholesale and retail banking products and services customized to cater the needs of our retail and corporate customers, services to large and mid-corporates, small and medium enterprises, micro small and medium enterprises ("**MSME**") and agricultural sectors. We also offer third party insurance and mutual fund plans on an agency basis to our customers and provide services like lockers, remittance, bank guarantee credit, collection of taxes as well as other banking products and services to generate non-interest income. As on June 30, 2020, we have a wide presence through a network of 4,649 branches, with 10 zonal offices, 90 regional offices, 2 sponsored RRBs, 1 extension counters, 3,629 ATMs, and 10 satellite offices with customer accounts of around 7.21 crore banking customers. As of June 30, 2020, our branch network is present in 28 States and 8 Union Territories in India and is spread over 888 branches in metropolitan cities, 819 branches in urban areas, 1,336 branches in semi-urban areas and 1,606 branches in rural areas, constituting 19%, 18%, 29% and 35% of the total branch network, respectively, which we believe provides us a potentially large business opportunity from unbanked segments in rural India.

Established on December 21, 1911, by Sir Sorabji Pochkhanawala with Sir Pherozesha Mehta as the first Chairman, our Bank was the first commercial bank which was wholly owned and managed by Indians. We are one of the 13 banks, which were nationalised in 1969 and became a public sector bank. The range of products offered by us includes fund-based products, non-fund based products, fee and commission-based products and services, deposits and foreign exchange and derivative products. According to RBI's report on trend and progress of banking in India 2018-19, we are the eighth largest bank in India based on the number of branches. Our total business as of June 30, 2020 and March 31, 2020 stood at ₹4,97,747.83 crore and ₹4,86,007.00 crore, respectively, as against ₹4,67,584.35 crore as on March 31, 2019. Our total deposits as on June 30, 2020 and March 31, 2020 stood at ₹3,21,251.75 crore and ₹3,13,763.25 crore, respectively, as against ₹2,99,855.44 crore as on March 31, 2019. Our total loans and advances stood at ₹1,76,496.08 crore as on June 30, 2020 and ₹1,72,243.75 crore as on March 31, 2020 as against ₹1,67,728.91 crore as on March 31, 2019.

Our capital adequacy ratio as of March 31, 2018, March 31, 2019 and March 31, 2020, in accordance with BASEL III norms, was at 9.04%, 9.61% and 11.72%, respectively. Our Capital to Risk Weighted Assets Ratio ("**CRAR**") as on March 31, 2020 was 11.72% (in accordance with applicable Basel III norms). Further, our CRAR as on June

30, 2020 was 11.50% (comprising 9.22% Tier I and 2.28% Tier II capital). As of March 31, 2020, gross NPAs were ₹32,589 crore, or 18.92% of our gross advances, and net NPAs were ₹11,534.46 crore, or 7.63% of our net advances. As of June 30, 2020, our gross NPAs represented 18.10% of our gross advances and net NPAs represented 6.76% of our net advances. Our provision coverage ratio was 77.29% and 79.12% as of March 31, 2020 and June 30, 2020, respectively.

Our business is principally divided into: (a) retail banking; (b) agricultural banking; (c) corporate/ wholesale banking; (d) treasury, funds and investments; (e) MSME banking and (f) Other banking services.

Factors affecting our Financial Results

Our Bank's asset portfolio, financial condition and results of operations have been, and are expected to be, influenced by numerous factors. A summary of the most important factors that have had, and that the Bank expects will continue to have, a significant impact on the Bank's asset portfolio, financial condition and results of operations follows below:

Impact of COVID-19

COVID-19 was recognized as a pandemic by the World Health Organization on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India have taken preventive or protective actions, such as imposing country-wide lockdowns, restrictions on domestic and international travel and business operations and advising or requiring individuals to limit their time outside of their homes. The steps taken to counter the effects of the pandemic have resulted in a period of economic downturn and business disruption in India. The impacts from the severe disruptions caused by the effective shutdown of large segments of the global economy remain unknown and no prediction can be made of when any of the restrictions currently in place will be relaxed or expire, or whether or when further restrictions will be announced.

The outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect our operations, which could adversely affect our business, financial condition and results of operations. The extent to which the COVID-19 further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Given the uncertainty, because of COVID-19 pandemic, our Bank is continuously monitoring any material change in future economic condition which may impact our Bank's operations and its financial results in future depending on the developments which may differ from that estimated as at the date of approval of the financial statements. Also please see "*Risk Factor - Recent outbreak of the novel coronavirus could have a significant effect on our results of operations and could negatively impact our business, revenues, financial condition and result of operations*" on page 52.

Further, RBI has also announced various measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. For further information of the regulatory measure provide by RBI see *"Key Regulations and Policies in India - Regulatory measure on account of COVID-19"* on page 149.

Laws, rules, regulations, guidelines and norms applicable to the Banking Industry

The Indian banking industry is regulated by the RBI and operates within a framework that provides guidelines on capital adequacy, corporate governance, management, anti-money laundering and provisioning for NPAs.

The framework also stipulates required levels of lending to "priority sectors" such as agriculture, which may expose the Bank to higher levels of risk than it otherwise might face. The RBI's revised guidelines on priority sector lending requirements, while keeping the lending targets unchanged, specify certain categories of lending that would be eligible for classification as priority sector lending and its sub-segments. The guidelines also aim to increase direct agricultural lending by banks to individuals and reduce lending activity through intermediaries like non-banking finance companies and housing finance companies. The guidelines also stipulate that investments by banks in securitised assets, outright purchases of loans and assignments would be eligible for classification under priority sector if the underlying assets themselves qualified for such treatment. Further, the interest rates charged to ultimate borrowers by the originating entities in such transactions have also been capped in order for such transactions to be classified as priority sector lending. Any future changes by the RBI in the directed lending norms may result in our inability to meet the priority sector lending requirements as well as require us to increase our lending to relatively riskier segments, which may result in an increase in NPAs.

In addition to having gradually established more stringent capital adequacy requirements, over time the RBI has increased the CRR for Indian banks. When the CRR increases, the Bank must hold more cash in its reserves, which constrains the Bank's ability to deploy those funds by making advances to customers or investing the funds for potential gains. Despite these increases, the RBI has decided to suspend interest payments on CRR balances. Any further increases in the CRR could have a negative impact on the Bank's results of operations.

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.

The Government's monetary policy is heavily influenced by the condition of the Indian economy, and changes in the monetary policy affect the interest rates of our advances and deposits. The RBI responds to fluctuating levels of economic growth, liquidity concerns and inflationary pressures in the economy by adjusting the monetary policy. A monetary policy designed to combat inflation typically results in an increase in RBI lending rates. Further, in addition to having gradually established more stringent capital adequacy requirements, the RBI has also instituted several prudential measures to moderate credit growth including increase in risk weights for capital adequacy computation and general provisioning for various asset classes. For further information, see *"Key Regulations and Policies in India"* on page 149.

Inflation

Professional forecasters surveyed by the Reserve Bank in March 2020 expected consumer price index (CPI) inflation to ease from 6.6 per cent in February 2020 to 5.3% per cent in Q1:2020-21 and 3.2 per cent by Q4:2020-21. Taking into account the initial conditions, signals from forward-looking surveys and estimates from time-series and structural models, CPI inflation is tentatively projected to ease from 4.8 per cent in Q1:2020-21 to 4.4 percent in Q2, 2.7 per cent in Q3 and 2.4 per cent in Q4, with the caveat that in the prevailing high uncertainty, aggregate demand may weaken further than currently anticipated and ease core inflation further, while supply bottlenecks could exacerbate pressures more than expected. Per contra, a quick containment of COVID-19 could lead to faster recovery and, therefore, firmer inflation pressures. For 2021-22, assuming a normal monsoon and no major exogenous or policy shocks, structural model estimates indicate that inflation will move in a range of 3.6 - 3.8 per cent. (*Source: RBI Monetary Policy Report, April 2020 - https://www.rbi.org.in/Scripts/PublicationsView.aspx?id=19439#11)*

NPA levels and provisioning

The issue of NPAs is a key challenge in the India Banking Industry. Banking reforms, particularly the introduction of the Insolvency and Bankruptcy Code (IBC) has created a new hope for resolution of the vexed NPA issue. Initial outcomes from the IBC process are encouraging and we expect resolution of significant NPA accounts through NCLT under IBC during the current financial year 2020-21 which will improve NPA ratios and profitability of the bank.

Our loan portfolio includes loans to a wide range of businesses and industries. 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, could significantly increase our NPA levels. As of March 31, 2020 our gross NPAs increased marginally to ₹32,589.00 crores from ₹32,356.00 crores as on March 31, 2019. However, the Gross NPA to Gross Advances percentage improved to 18.92% as of March 31, 2020 compared to 19.29% as of March 31, 2019. Net NPA to Net Advances percentage was brought down to 7.63% as on March 31, 2020 from 7.73% as of March 31, 2019. As of three months period ended June 30, 2020, our Gross NPAs represented 18.10% of our Gross Advances and Net NPAs represented 6.76% of our Net Advances.

The Bank makes provisions in accordance with RBI guidelines. RBI has issued guidelines for "Resolution of Stressed Assets" on February 12, 2018 and has withdrawn all earlier resolution schemes i.e. Framework for Revitalizing Distressed Assets, Corporate Debt Restructuring Scheme, Flexible Structuring of Existing Long Term Project Loans, Strategic Debt Restructuring Scheme (SDR), Change in Ownership outside SDR, and

Scheme for Sustainable Structuring of Stressed Assets (S4A). Our Bank has been channelizing its efforts for Resolution and Recovery. Our Bank has a well-defined Recovery Policy containing detailed guidelines for NPA Management. It encompasses all areas of NPA Management, Monitoring and Follow-up measures, Compromise settlements, Staff Accountability, SARFAESI Act, Appointment of Recovery/Enforcement Agencies, Sale of Assets to ARCs, Wilful Defaulters, One Time Settlement (OTS) Schemes. The Policy is reviewed from time to time to incorporate the latest changes/developments in economy and trends in NPA Resolution/Management.

Availability of cost-effective funding sources

The ratio of our current and savings account ("**CASA**") deposits to total deposits, expressed as a percentage (or CASA percentage), for fiscal Fiscals 2020, 2019 and 2018, were 46.83%, 46.21% and 42.46%, respectively. Our ability to meet demand for new loans will depend on our ability to broad base our deposits profile and our continued access to term deposits from the retail, corporate and inter-bank market. Our debt service costs and cost of funds depend on many external factors, including developments in the Indian credit markets and, in particular, interest rate movements and the existence of adequate liquidity in the inter-bank markets. Internal factors that will impact our cost of funds include changes in our credit ratings, available credit limits and our ability to mobilize low-cost deposits.

Changes in interest rates

Our results of operations depend to a great extent on our net interest income. Net interest income represents the excess of interest earned from interest-earning assets (such as performing loans and investments) over the interest paid on interest-bearing customer deposits and borrowings. Changes in interest rates affect the interest rates we charge on our interest-earning assets and that we pay on our interest-bearing liabilities. In the event of rising interest rates, borrowers may be unwilling to pay us correspondingly higher interest rates on their borrowings. A fall in interest rates would have the opposite impact. Interest rate sensitivity also depends on the duration of the assets and liabilities run by our Bank and depending on movement of interest rates our net interest earnings could get adversely impacted. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors, any or all of which may change favourably or unfavourably.

In addition, yields on government and other approved investments, as well as yields on our other interest earning assets, are significantly dependent on interest rates. In case of a sharp and sustained increase in interest rates, we could be adversely affected by the decline in the market value of our government securities portfolio and other fixed income securities. A fall in interest rates, on the other hand, would enhance the market value of our government securities portfolio and other fixed income securities. If the interest rates that we must pay to our depositors and lenders rise faster relative to the interest rates we charge our borrowers, our net interest income may decrease.

The RBI issued a circular on September 4, 2019 making it mandatory for banks to link all floating rate personal or retail loans and floating rate loans to micro and small enterprise borrowers to an external benchmark with effect from October 1, 2019. The banks are free to choose one of the several benchmarks indicated in the circular. The banks are also free to choose their spread over the benchmark rate, subject to the condition that the credit risk premium may undergo change only when borrower's credit assessment undergoes a substantial change, as agreed upon in the loan contract.

Ability to grow our non-interest income

Our ability to improve profitability will depend, among other factors, on our success in increasing fee income from existing and new businesses/customers. We have diversified our fee income across products such as insurance, investments, merchant banking, asset processing fees and advisory fees. Foreign exchange income generated through merchant sales has also been an important source of revenue for the Bank. However, the increasing sophistication of our customers, offerings of similar products and services by our competitors and changes in the regulatory environment could adversely impact our ability to grow our non-interest income.

In, Fiscal 2018, Fiscal 2019, Fiscal 2020 and for the three months period ended June 30, 2020, our other income was ₹2,620 crores, ₹2,416.33 crores, ₹3,622.40 crores and ₹710.44 crores, respectively. The share of our non-interest income (other income) was 9.78% in Fiscal 2018, 9.60% in Fiscal 2019 and 13.27% in Fiscal 2020. Our non-interest income was 10.52% of our net total income in the three months period ended June 30, 2020.

In order to continue to grow non-interest income, we generate revenues from our growing credit card business. In addition, we provide foreign exchange and trade and transaction services; distribute third-party investment products, such as insurance products and mutual funds. We have entered into agreements with certain insurance companies to distribute life and general insurance policies. We also market mutual fund products. Our integrated branch and electronic banking network and our increasingly diversified product and service portfolio have enabled us to develop our fee- and commission-based business.

Our credit cards portfolio continues to grow and has helped increase our non-interest income. Our Bank has credit card base of 87,470 as of March 31, 2020 and 69,082 as of the three months period ended June 30, 2020. Our Bank also sold 24,517 State Bank of India co-branded credit cards as of March 31, 2020. To improve the public awareness about various products of bank, we have displayed some products relating to Kisan Credit Card, Central Artisan Credit Card, Swabhiman/Aadhar etc. relevant to the rural masses on the vehicles provided to Lead District Managers.

Significant Accounting Policies

Basis of preparation

The financial statements have been prepared by following the going concern concept on the historical cost basis except in respect of the Revaluation of Premises and conform, in all material aspects, to Generally Accepted Accounting Principles (GAAP) in India, which encompasses applicable statutory provisions, regulatory norms prescribed by Reserve Bank of India (RBI) including those prescribed by the Banking Regulation Act, 1949, Accounting Standards (AS) and pronouncements issued by the Institute of Chartered Accountants of India (ICAI) and the prevailing practices within the Banking industry in India.

Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting year. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

Contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated. Differences between the actual results and estimates are recognised in the year in which the results are known/materialised.

Consolidation Procedures

1. Consolidated financial statements of the Bank has been prepared on the basis of:

    a. Audited financial statements of the Bank;

    b. Line by line aggregation of like items of assets, liabilities, income and expenses of the subsidiaries with the respective item of Parent and after eliminating all material intra-group balances/transactions, unrealized profit/ losses as per Accounting Standard 21 "Consolidated Financial Statement" issued by the ICAI.

    c. Investments in associates, where the group holds 20% or more of the voting power has been accounted by using the equity method in terms of Accounting Standard – 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI. The financial statements of the Indo Zambia Bank Limited, an Associate, have been prepared in accordance with the local regulatory requirements/ International Financial Reporting Standards. Financial statements received from these associates form the sole basis for their incorporation in these consolidated financial statements.

    d. The Accounting year of the Associate, viz. Indo Zambia Bank Limited is calendar year. In case accounting year of Associates are different than that of the Bank, proportionate share of profit is taken based on audited figures of audited period and for unaudited period proportionate share of profit is taken based on unaudited figures.

    e. The consolidated financial statements are prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented to the extent possible, in the same manner as the Bank's separate Financial Statements except as otherwise stated.

2. Minority interest in the net assets of consolidated subsidiaries consist of:

   a. The amount of equity attributable to the minority at the date on which investments in a Subsidiary is made, and
   b. The minority share of movements in equity since date of the Bank – Subsidiary relationship came into existence.

Transactions involving Foreign Exchange

i. The transactions are initially recorded on previous day's closing rate.

ii. Monetary Assets and Liabilities in Foreign Currencies are translated at the Exchange Rates prevailing at the quarter end as notified by Financial Benchmarks India Private Limited ("**FIBIL**") and the resultant Profit/ Loss is recognised in Profit and Loss Account.

iii. Income and Expenditure items are translated at the exchange rates ruling on the respective date of transactions.

iv. Guarantees, Letters of Credit, Acceptances, Endorsements, and other obligations in Foreign Currencies are translated at the quarter end rates notified by FIBIL.

v. Outstanding Forward Contracts are translated at the quarter end rates notified by FIBIL and the resultant profit/ loss is recognized in Profit and Loss Account.

Investments

1. In accordance with the guidelines issued by the Reserve Bank of India, Investments are categorised into "Held to Maturity", "Held for Trading" and "Available for Sale" categories. However, for disclosure in the Balance Sheet, investments are classified under the following heads:

   i. Government Securities
   ii. Other Approved Securities
   iii. Shares
   iv. Debentures and Bonds
   v. Subsidiaries and sponsored institutions and
   vi. Others (Commercial Papers and units of Mutual Funds etc.)

2. Basis of Classification

Classification of an Investment is done at the time of purchase into the following categories:

i. Held to Maturity:

These comprise of investments, the Bank intends to hold on till maturity. Investments in Subsidiaries and Associates are also categorised under Held to Maturity.

ii. Held for Trading:

Securities which are principally held for resale within 90 days from the date of purchase.

iii. Available for Sale:

Investments that cannot be classified in the above categories.

3. Transfer of Securities between categories

The transfer/ shifting of securities between the three categories of investments is accounted at the lower of acquisition cost/ book value or market value on the date of the transfer. The depreciation, if any, on such transfer is fully provided for.

4. Valuation

a. Held to Maturity

The investments classified under this category are valued at acquisition cost. The excess of acquisition cost / book value over the face value is amortised over the remaining period of maturity on day to day basis.

Investments in subsidiaries and associates are valued at carrying cost less diminution, other than temporary in nature, for each investment individually.

b. Available for sale

Investments under this category are marked to market, scrip-wise, at quarterly intervals as under:

i.	Central Government Securities	At market price as per quotation put out by Stock Exchange / FIBIL
ii.	State Government Securities, Securities Guaranteed by Central/ State Government	On appropriate yield to maturity basis
iii.	Treasury Bills/ Certificates of Deposits/ Commercial Paper	At carrying cost
iv.	Equity Shares	a. Quoted: At market price. b. Unquoted: At book value per share, if latest (Not more than one year old) Balance Sheet is available, or ₹ 1/- per company if latest Balance Sheet is not available.
v.	Preference Shares	a. Quoted: At market price. b. Unquoted: On appropriate yield to maturity.
vi.	Debentures and Bonds	a. Quoted: (Traded in last 15 days) at last Trade Price. b. Unquoted: On appropriate yield to maturity.
vii.	Mutual Fund	a. Quoted: At market price. b. Unquoted: At repurchase price or Net Asset Value (where repurchase price is not available).
viii.	Venture Capital Fund (VCF)	Declared NAV or break up NAV as per audited balance sheet which is not more than 18 months old. If NAV/ audited financials are not available for more than 18 months continuously then at ₹ 1/- per VCF.
ix.	Security Receipts (SR)	At Net Asset Value (NAV) advised by SC/ARC.

The net depreciation under each category is provided for, without adjusting the book value of the securities and net appreciation, if any, is ignored.

c. Held for Trading

Investments under this category are valued at monthly intervals at market rates, wherever available, or as per the prices declared by FIBIL. The net depreciation under each category is provided for, without adjusting the book value of the securities and net appreciation, if any, is ignored.

5. Determination of Cost

i. Cost of investments is determined on the basis of Weighted Average Cost method.
ii. Brokerage, incentive, front-end fees etc., received on purchase of securities are reduced from the cost of investments.
iii. Expenses such as brokerage, fees, commission or taxes incurred at the time of acquisition of securities is charged to revenue.

6. Income Recognition

i. The Profit or loss on sale/ redemption of investments is taken to the Profit and Loss Account. However, in case of profit on sale/ redemption of investments from 'Held to Maturity' category, an equivalent amount is appropriated to the 'Capital Reserve'
.

ii. In respect of securities included in any of the three categories of investments where interest/ principal is in arrears, for more than 90 days, income is not reckoned and classified as Substandard/Doubtful/Loss as the case may be and appropriate provision for the depreciation in the value of the investments is made, as per prudential norms applicable to non-performing advances or otherwise required as per RBI directives issued from time to time. Debentures/ Bonds in the nature of advances are subjected to usual prudential norms applicable to advances.

iii. State Government guaranteed exposures is classified as Sub Standard/ Doubtful/ Loss, as the case may be if interest and/ or principal or any other amount due to the Bank remains overdue for more than 90 days and necessary provisions are made as per Prudential Norms or as otherwise required as per the RBI directions issued from time to time.

iv. The broken period interest on sale or purchase of securities is treated as revenue item.

7. Accounting for Repo/ Reverse Repo and Liquidity Adjustment Facility (LAF)

Securities sold / purchased with an agreement to repurchase / resale on the agreed terms under Repo / Reverse Repo including LAF with RBI are recognized as Borrowing/Lending.

I. Subsidiaries

In case of Subsidiaries, the Investments are classified as current and non-current Investments. Current Investments are carried at lower of cost or market value and non-current investments are carried at cost. Provision for diminution, if any, in the value of the non-current investment is made only, if the diminution in the value is of permanent nature.

Derivatives

i. Derivatives used for hedging are accounted as under:

   a. In cases where the underlying Assets/ Liabilities are marked to market, resultant gain/ loss is recognised in the Profit and Loss Account.
   b. Interest Rate Swaps which hedges interest bearing assets or liabilities are accounted for on accrual basis in cases where underlying Assets/ Liabilities are not marked to market.
   c. Gain or losses on the termination of Swaps are recognised over the shorter of the remaining contractual life of the Swap or the remaining life of the assets/ liabilities.

ii. Derivatives used for Trading are accounted as under:

   a. Currency future and Interest Rate Future are marked to market on daily basis as per exchange guidelines of MCX-SX, NSE and United Stock Exchange.
   b. MTM profit/ loss is accounted by credit/ debit to the margin account on daily basis and the same is accounted in bank's profit & loss account on final settlement.
   c. Trading swaps are marked to market at frequent intervals. Any MTM losses are booked gains if any are ignored.
   d. Gains or losses on termination of swaps are recorded as immediate income/ expense under the above head.

Advances

i. Advances are classified as Standard, Sub-Standard, Doubtful or Loss Assets and Provisions required in respect thereof are made as per the Prudential Norms prescribed by the Reserve Bank of India or otherwise required in terms of RBI directions issued from time to time.

ii. Advances are shown net of provisions (in case of NPA), Unrealised Interest, amount recovered from borrowers held in Sundries and amount recovered from Credit Guarantee Fund Trust for Micro and Small

Enterprises / Export Credit Guarantee Corporation of India.

iii. Provision for Standard Assets is included in Other Liabilities and Provisions – Others.

iv. Financial Assets sold are recognised as under:

a. In case the sale to Securitisation Company (SC) / Asset Reconstruction Company (ARC) is at a price lower than the Net Book Value (NBV) the shortfall is either charged to the Profit and Loss Account or such shortfall on assets sold on or after February 26, 2014 is spread over a period of two/one year in line with RBI guidelines subject to necessary disclosures.
b. In case the sale is at a price higher than the NBV on cash basis, the surplus is taken to the credit of Profit and Loss Account.
c. In case of sale to SC / ARC is for a value higher than the NBV the excess provision to the extent of cash recovery is credited to the Profit and Loss Account and balance excess provision is retained to be utilised to meet shortfall/loss on account of sale of other financial assets to SC / ARC.

v. In case of Cent Bank Home Finance Ltd., the subsidiary, provisions on Loans and Advances are made on the basis of prudential norms laid down by National Housing Bank.

vi. In case of Cent Bank Home Finance Limited, the Subsidiary, Interest income is recognized on accrual basis except in case of Non-Performing Assets (NPA) where interest is accounted on realization. In loans, the repayment is received by the way of Equated Monthly Instalments (EMIs) comprising principal and interest. Interest is calculated on the outstanding balance at the beginning of the month. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI monthly interest is charged. Recovery in case of NPA is appropriated first towards interest portion of overdue EMIs and thereafter towards principal portion of overdue EMIs.

Fixed Assets/ Depreciation

Bank

i. Fixed Assets are depreciated under 'Written Down Value Method' at the following rates (other than computers which are depreciated on Straight Line Method):

1.	Premises	At varying rates based on estimated life
2.	Furniture, Lifts, Safe, Vaults	10%
3.	Vehicles	20%
4.	Air conditioners, Coolers, Typewriters etc	15%
5.	Computers including Systems Software	33.33%
	(Application Software is charged to the Revenue during the year of acquisition)	

ii. Land acquired on lease for over 99 years is treated as freehold land and those for 99 years or less is treated as leasehold land. Cost of leasehold land is amortized over a period of lease.

iii. Where it is not possible to segregate the cost of Land and Premises, Depreciation is charged on the composite cost.

iv. In case of assets, which have been revalued, the depreciation / amortization is provided on the revalued amount charged to Profit & Loss Account. Amount of incremental depreciation / amortization attributable to the revalued amount is transferred from 'Revaluation Reserve' and credited to "Revenue and Other Reserves".

v. Depreciation on additions to assets, made upto 30th September is provided for the full year and on additions made thereafter, is provided for the half year. No depreciation is provided on assets sold before 30th September and depreciation is provided for the half year for assets sold after 30th September.

Subsidiaries

i. Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost includes all expenses incidental to expenses to the acquisition of fixed assets.

ii. Depreciation on fixed assets has been provided on straight line method at the rates specified in Schedule II to the Companies Act, 2013 except in case of Centbank Financial Services Limited, intangible assets have been amortized considering the economic life of the asset to be 5 years by the Management and amortized accordingly.

Employee Benefits

1. Employee benefits are accrued in the year services are rendered by the employees. Short term employee benefits are recognised as an expense in the profit and loss account for the year in which the related service is rendered.

2. Liability for long term employee benefit under defined benefit scheme such as contribution to gratuity, pension fund and leave encashment are determined at close of the year at present value of the amount payable using actuarial valuation technique. Actuarial gain/losses are recognized in the year when they arise.

3. Provident fund is a defined contribution as the bank pays fixed contribution at predetermined rates. The obligation of the bank is limited to such fixed contribution. The contributions are charged to Profit and Loss Account.

4. National Pension Scheme which is applicable to employees who have joined bank on or after April 1, 2010 is a defined contribution scheme. Banks pays fixed contribution at pre-determined rate. The obligation of the bank is limited to such fixed contribution. The contribution is charged to Profit and Loss Account.

5. In case of Cent Bank Home Finance Limited, the Gratuity amount has been provided on actuarial basis and invested in group maturity scheme administered by the Life Insurance Corporation of India. The Bank's contribution in respect of Employees' Provident Fund is made to Government Provident Fund and is charged to the statement of Profit and Loss. The provision of leave encashment liability is calculated on the balance privilege leave of the employees as at the year end.

Recognition of Income and Expenditure

1. Income/ Expenditure is generally accounted for on accrual basis except for income to be accounted for on cash basis as per regulatory provisions.

2. In accordance with the guidelines issued by the Reserve Bank of India, prior period disclosures are made in respect of any item which exceeds one percent of the total income/total expenditure.

3. Provision for interest payable on overdue deposits is made as per Reserve Bank of India guidelines.

4. In case of Cent Bank Home Finance Limited, income recognition on Loans and Advances are made on the basis of prudential norms laid down by National Housing Bank (NHB).

5. In case of Cent Bank Home Finance Limited, income from fee and other charges viz. login fee, penal interest on overdue, prepayment charges, interest on income tax refunds and other income etc. are recognized on receipt basis.

6. In case of Centbank Financial Services Limited, income in relation to Executor Trusteeship business is accrued on occurrence of transactions relating to trust account. Revenue from Debenture and Security Trusteeship services is recognized on periodic basis and accounted on accrual basis except the income from Debenture & Security Trusteeship business of suit filed and/or BIFR companies, which is accounted on receipt basis.

Income Tax

The provision for tax for the year comprises of current tax liability computed in accordance with the applicable tax laws and the deferred tax which recognizes, timing differences between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized. In case of carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. The carrying amount of deferred tax assets is reviewed at each balance sheet date to reassess its realization. Disputed tax liabilities are accounted for in the year of finality of assessment / appellate proceedings and till such times they are shown as contingent liability.

Earnings per Share

The basic and diluted earnings per share have been computed by dividing the Net Profit / Loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period.

Sundry Unallocated Income and Proceeds

In case of Centbank Financial Services Limited, the amounts received on behalf of beneficiaries of whom details about the beneficiaries cannot be ascertained, have been accounted in nominal account "Sundry Party Unclaimed Dividend / Interest" and "Unallocated / Unclaimed Proceeds on Redemption of Securities".

As and when the details are received from the payer about the beneficiaries, the amount is transferred to the respective beneficiary account.

Provisions, Contingencies and Contingent Assets

Provisions are recognized for present obligations, of uncertain timing or amount, arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the possibility of outflow of resources embodying economic benefits is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

Principal Components of Statement of Profit and Loss

Income

Our income comprises of interest and dividend earned and other income.

Interest and Dividend earned

Income from interest and dividend earned comprises of interest on advances and discounts on bills, income from investments, interest received from balances maintained with the RBI and other inter-bank funds and other interest income. Income from investments consists of government securities, bonds debentures, shares, mutual funds, commercial papers, and other approved securities which are classified under three categories, Held to Maturity, Available for Sale and Held for Trade.

Other Income

Other income consists of income from non-interest bearing sources including income from commission, exchange and brokerage profit on sale of investments, loss on sale of investments, profit/ (loss) on exchange transactions, profit/ (loss) on sale of land, buildings and other assets. Miscellaneous income primarily includes reimbursement of admin expenses on social security scheme, UPI commission, interchange fee received on nFI Rupay card off us, miscellaneous fee received from visa/ master, income from currency chest operations, amount recovered from staff for occupation of flat and furniture, electronic data capture rent charges received from merchant establishments and success fee from ARC.

Expenditure

Interest Expended

Our interest expended consists of interest on deposits and interest on borrowing from RBI and inter-bank borrowing, and interest on other borrowings.

Operating Expenses

Our operating expenses consist principally of payment to and provisions for employees, rent, taxes, lighting, printing and stationery, advertisement and publicity, depreciation on Bank's property, directors' fees, allowances and expenses, auditors' fees and expenses (including branch auditors fees and expenses), law charges, postages, telegrams, telephones, repairs and maintenance, bad debts written off, insurance and other expenditures.

Provisions and Contingencies

Our provisions and contingencies predominantly comprises provisions for depreciation on investment, provision towards for non-performing assets, provision made towards income tax (including deferred tax), other provisions and contingencies for standard assets, restructured advances, sundry liabilities (interest capitalisation) others.

Summary of Results of Operations

Set forth below is the Bank's statement of profit and loss during the three month period ended June 30, 2020 and June 30, 2019:

(₹ in crores, except in the percentage)

Particulars	Three months period ended June 30, 2020 (Unaudited)		Three months period ended June 30, 2019 (Unaudited)	
	Amount	% of Total income	Amount	% of Total income
Income				
Interest earned	6,041.42	89.48	5,744.75	88.13
Other income	710.44	10.52	773.62	11.87
Total	**6,751.86**	**100.00**	**6,518.37**	**100.00**
Expenditure				
Interest expended	3,885.93	57.55	3,941.98	60.47
Operating expenses	1,568.44	23.23	1,468.80	22.53
Total Expenditure	**5,454.37**	**80.78**	**5,410.78**	**83.00**
Operating Profit	1,297.49	19.22	1,107.59	17.00
Provisions & Contingencies (Net)	977.42	14.48	1,038.55	15.93
Profit/Loss from ordinary activities	**320.07**	**4.74**	**69.04**	**1.06**
Tax Expenses	182.65	2.71	(46.67)	(0.72)
Share in profit of Associates	10.40	0.15	7.21	0.11
Share in minority assets	0.61	0.01	(1.31)	(0.02)
Net Profit / (Loss)for the period	**147.21**	**2.18**	**121.61**	**1.87**

Interest Earned

The following table sets out the components of interest earned:

(₹ in crores, except in the percentage)

Particulars	As on June 30 2020	2019	% Change
Interest / discount on advances/bills	3,147.10	3,094.59	1.70
Income on Investments	2,542.95	2,426.94	4.78
Interest on balances with Reserve Bank of India and other Inter-Bank Funds	173.51	89.29	94.32
Others	177.86	133.93	32.80
TOTAL:	**6,041.42**	**5,744.75**	**5.16**

Interest Income for our Bank increased by 5.16% to ₹6,041.42 crore for the three month period ended June 30, 2020 from ₹5,744.75 crore for the three month period ended June 30, 2019 on account of increase in income from interest / discounting on advance / bills, income from investments, interest earned on balances with Reserve Bank of India and other inter-bank funds and other interest includes interest on income tax refunds.

The interest earned on advances and bills increased by 1.70% to ₹3,147.10 crore for the three month period ended June 30, 2020 from ₹3,094.59 crore for the three month period ended June 30, 2019, due to increase in advances. The income earned on investments increased by 4.78% to ₹2,542.95 crore for the three month period ended June 30, 2020 from ₹2,426.94 crore for three month period ended June 30, 2019, on account of increase in investments. The interest on balances with the RBI and other inter-bank funds increased by 94.32% to ₹173.51 crore for the three month period ended June 30, 2020 from ₹89.29 crore for the three month period ended June 30, 2019, primarily resulted from increase in lending to RBI/Inter Banks. Our other interest earned increased by 32.80% to ₹177.86 crore for the three month period ended June 30, 2020 from ₹133.93 crore for the three month period ended June 30, 2019, primarily due to increase in interest on PSU bonds.

Other Income

The following table sets out the components of other income:

(₹ in crores, except in the percentage)

Details of Income Earned	Three months period ended on June 30 (Unaudited) 2020	2019	% change
Commission, Exchange and Brokerage	284.11	337.60	(15.84)
Profit on sale of Investments (Net)	336.74	232.87	44.60
Profit on exchange transactions (Net)	35.05	66.61	(47.38)
Profit/ (Loss) on sale of land, building and other assets	(17.20)	(0.26)	(6,515.38)
Income earned by way of dividends etc. From subsidiaries and associates abroad/ in India	-	-	-
Miscellaneous Income	71.74	136.80	(47.56)
Total	**710.44**	**773.62**	**(8.17)**

Other income for our Bank decreased by 8.17% to ₹710.44 crore for the three month period ended June 30, 2020 from ₹773.62 crore for the three month period ended June 30, 2019, mainly on account of decrease in commission, exchange and brokerage and less profit on exchange transactions.

Interest expended

The components of our interest expended are as follows:

(₹ in crores, except in the percentage)

Interest expended	Three months period ended on June 30 (Unaudited) 2020	2019	% Change
Interest on Deposits	3,737.79	3,793.06	(1.46)
Interest on Reserve Bank of India/inter-Bank borrowings	5.59	8.31	(32.73)
Others	142.55	140.61	1.38
TOTAL :	**3,885.93**	**3,941.98**	**(1.42)**

Total interest expended of our Bank was decreased by 1.42% to ₹3,885.93 crore for the three month period ended June 30, 2020 from ₹3,941.98 crore for the three month period ended June 30, 2019 due to decrease in interest on deposits and interest paid on Reserve Bank of India/ inter-bank borrowings. Further, interest on inter – Bank borrowings was decreased by 32.73% to ₹5.59 crore for the three month period ended June 30, 2020 from ₹8.31 crore for the three month period ended June 30, 2019. The total interest expended of our Bank was decreased by 1.42% to ₹3,885.93 crores for the three month period ended June 30, 2020 from ₹3,941.98 crores for the three month period ended June 30, 2019.

Operating Expenses

The components of our operating expenses are as follows:

(₹ in crores, except in the percentage)

Particulars	Three months period ended on June 30 (Unaudited) 2020	2019	% Change
Payments to and Provisions for Employees	1039.00	883.00	17.59
Rent, Taxes and Lighting	104.71	103.53	1.14
Printing and Stationery	3.41	5.71	40.49
Advertisement and Publicity	0.48	0.80	40.00
Depreciation on Bank's property	69.04	72.69	5.02
Directors' fees, allowances and expenses	0.23	0.54	57.41
Auditors' fees and expenses (including branch auditors' fees and expenses)	1.22	9.90	87.68
Law Charges	1.95	4.79	60.37
Postage, Telegrams, Telephones etc.	29.11	22.33	30.36
Repairs and Maintenance	18.78	22.10	15.02
Bad Debts Written off	-	-	-
Insurance	106.78	99.40	7.42
Other Expenditure	192.11	241.91	20.59
Total	**1,565.00**	**1,464.00**	**6.78**

Operating expenses for our Bank was increased by 6.78% to ₹1,568.44 crore for the three month period ended on June 30, 2020 from ₹1,468.80 crore for the three month period ended on June 30, 2019. The operating expenses have been increased due to increase in payments to and provisions for employees, rent, taxes and lighting, postage, telegrams, telephones and insurance.

Provisions and contingencies

After enduring a challenging period in fiscals 2017, 2018 and 2019, driven primarily by a decline in the credit quality of the Bank's corporate clients and, consequently, a significant increase in the provisions and contingencies for non-performing assets, the Bank's asset quality metrics began to improve during fiscal 2020. Our provisions and contingencies decreased by 5.89 % to ₹977.42 crore for the three month period ended on June 30, 2020 from ₹1,038.55 crore for the three month period ended on June 30, 2019, primarily as a result of decrease in provisioning requirement in the NPA accounts.

Net Profit/ Loss

We recorded a net profit is ₹147.21 crore for the three month period ended on June 30, 2020 as compared to a profit of ₹121.61 crore for the three month period ended on June 30, 2019 as a result of above mentioned factors.

Fiscal year ended on March 31, 2020 vs. Fiscal year ended on March 31, 2019

The table below provides the data for the fiscal years 2020 and 2019, expressed in absolute values as well as expressed as percentage of total income of the respective years.

(₹ in crores, except in the percentage)

Particulars	Fiscal 2020		Fiscal 2019	
	Amount	% of Total income	Amount	% of Total income
Income				
Interest and Dividend earned	23,675.59	86.73	22,748.62	90.40
Other income	3,622.40	13.27	2,416.33	9.60
Total	**27,297.99**	**100.00**	**25,164.95**	**100.00**
Expenditure				
Interest expended	16,004.56	58.63	15,934.66	63.32
Operating expenses	6,938.99	25.42	6,080.16	24.16
Provisions & Contingencies	5,481.74	20.08	8,777.85	34.88
Total	**28,425.29**	**104.13**	**30,792.67**	**122.36**

Particulars	Fiscal 2020		Fiscal 2019	
	Amount	% of Total income	Amount	% of Total income
Profit / (Loss)				
Consolidated Net Profit/ (Loss) for the year before Minority Interest	(1,127.31)	(4.13)	(5,627.72)	(22.36)
Less: Minority Interest	(3.64)	(0.01)	(5.79)	(0.02)
Consolidated Net Profit/ (Loss) for the year after deducting Minority Interest	(1,130.95)	(4.14)	(5,633.51)	(22.39)
Minority Interest				
Add: Share of earnings/ (loss) in Associates	(124.77)	(0.46)	16.59	0.07
Consolidated Profit/ (Loss) for the year attributable to the Group	(1,255.72)	(4.60)	(5,616.93)	(22.32)
Add: Brought forward consolidated Profit/ (Loss) attributable to the Group	(16,010.11)	(58.65)	(10,328.79)	(41.04)
Profit available for appropriation	**(17,265.83)**	**(63.25)**	**(15,945.71)**	**(66.36)**

Interest and Dividend earned

The following table sets out the components of interest and dividend earned:

(₹ in crores, except in the percentage)

Particulars	Fiscal 2020	Fiscal 2019	% change
Interest/Discount on Advances/Bills	12,609.27	13,053.83	(3.41)
Income on Investments	9,924.94	8,460.20	17.31
Interest on balances with Reserve Bank of India and other inter-Bank funds	480.89	872.81	(44.90)
Others	660.49	361.78	82.57
Total	**23,675.59**	**22,748.62**	**4.07**

Our total interest earned increased by 4.07% from ₹22,748.62 crores for the fiscal year ended March 31, 2019 to ₹23,675.59 crores for the fiscal year ended March 31, 2020. This was primarily on account of increase in the interest income on investments and other income of interest on income tax refund.

The interest earned on advances and bills decreased by 3.41% to ₹12,609.27 crores during the Fiscal 2020 from ₹13,053.83 crores during the Fiscal 2019, primarily resulting from decrease in quantum of advances and increase in NPA. The income earned on investments increased by 17.31% to ₹9,924.94 crores during Fiscal 2020 from ₹8,460.20 crores during Fiscal 2019, primarily as a result of increase in Investment portfolio. The interest on balances with the RBI and other inter-bank funds decreased by 44.90% from ₹872.81 crores during Fiscal 2019 to ₹480.89 crores during Fiscal 2020, primarily resulting from decrease in balances with RBI and Interbank funding. Our other interest earned increased by 82.57% to ₹660.49 crores during Fiscal 2020 from ₹361.78 crores during Fiscal 2019.

Other Income

The components of our other income are as follows:

(₹ in crores, except in the percentage)

Particulars	Fiscal 2020	Fiscal 2019	% change
Commission, Exchange and Brokerages	1,137.85	1,206.95	(5.73)
Profit/ (Loss) on Sale of Investments (Net)	1,214.94	215.19	464.59
Profit/ (Loss) on Exchange transactions (Net)	230.38	140.44	64.04
Profit/ (Loss) on sale of land, buildings and other assets	(22.41)	(4.43)	405.87
Income earned by way of dividends etc. from subsidiaries and associates	-	-	-
Miscellaneous Income	1,061.64	858.18	23.71
Total	**3,622.40**	**2,416.33**	**49.91**

Other income of our Bank increased by 49.91% to ₹3,622.40 crores during Fiscal 2020 from ₹2,416.33 crores during Fiscal 2019, primarily as a result of increase in profit on sale of investments and profit on exchange transactions.

Our income from commission, exchange and brokerage decreased by 5.73% to ₹1,137.85 crores during Fiscal 2020 from ₹1,206.95 crores during Fiscal 2019, primarily as a result of decrease in income from commission on Bill/letter of credit and processing charges.

Our profit on sale of investments increased by 464.59% to ₹1,214.94 crores during Fiscal 2020 from ₹215.19 crores during Fiscal 2019 on account of reduction in shifting the loss on account of better market condition and due to decrease in yield.

Our profit on exchange transaction increased by 64.04% to ₹230.38 crores during Fiscal 2020 from ₹140.44 crores during Fiscal 2019, primarily on account of arbitrage.

Our loss on sale of land, building and other assets increased by 405.87% to ₹22.41 crores during Fiscal 2020 from ₹4.43 crores during Fiscal 2019, primarily on account of loss on sale of assets of ATM.

Our miscellaneous income also increased by 23.71% to ₹1,061.64 crores during Fiscal 2020 compared to ₹858.18 crores during Fiscal 2019, primarily as a result of recovery in written off accounts, rent on Lockers, ATM Interchange fee etc.

Interest Expended

The component of our interest expended are as follows:

(₹ in crores, except in the percentage)

Particulars	Fiscal 2020	Fiscal 2019	% change
Interest on Deposits	15,400.07	15,274.82	0.82
Interest on Reserve Bank of India and inter-Bank Borrowings	80.49	74.37	8.23
Others	524.00	585.47	(10.50)
Total	**16,004.56**	**15,934.66**	**0.44**

The interest expended increased by 0.44% to ₹16,004.56 crores during Fiscal 2020 from ₹15,934.66 crores during Fiscal 2019, primarily due to an increase in the interest on Deposits by 0.82% from ₹15,274.82 crores during Fiscal 2019 to ₹15,400.07 crores during Fiscal 2020 and increase in interest expenses on Reserve Bank of India and inter-bank borrowings by 8.23% from ₹74.37 crores during Fiscal 2019 to ₹80.49 crores during Fiscal 2020.

Interest paid on RBI/inter-bank borrowings increased by 8.23% to ₹80.49 crores during Fiscal 2020 from ₹74.37 crores during Fiscal 2019, primarily due to long term repo operations.

Operating Expenses

The components of our operating expenses are as follows:

(₹ in crores, except in the percentage)

Particulars	Fiscal 2020	Fiscal 2019	% change
Payments to and provision for employees	4,225.86	3,574.48	18.22
Rent, taxes and lighting	495.33	474.10	4.48
Printing and stationery	31.03	28.91	7.33
Advertisement and publicity	10.92	10.63	2.73
Depreciation on bank's property	285.48	277.93	2.72
Directors' fees, allowances and expenses	1.70	1.85	(8.11)
Auditors' fee and expenses (including branch auditors', fees and expenses)	28.29	30.58	(7.49)
Law charges	34.60	18.17	90.42
Postage, telegram, telephones etc.	90.75	90.14	0.68
Repairs and Maintenance	104.54	99.01	5.59
Bad Debts Written off	-	0.38	(100.00)
Insurance	378.62	300.11	26.16

Particulars	Fiscal 2020	Fiscal 2019	% change
Other expenditure	1,251.82	1,173.86	6.64
Total	**6,938.99**	**6,080.15**	**14.13**

Our operating expenses increased by 14.13% to ₹6,938.99 crores in Fiscal 2020 from ₹6,080.15 crores in Fiscal 2019. This increase was primarily due to increase in payments to and provisions for employees by 18.22% to 4,225.86 crores during Fiscal 2020 from ₹3,574.48 crores during Fiscal 2019.

Our printing and stationery expenses increased by 7.33% to ₹31.03 crores in Fiscal 2020 from ₹28.91 crores in Fiscal 2019 primarily as a result of increase in printing and consumption of security items like demand draft, cheque book etc.

Our advertising and publicity expenses increased by 2.73% to ₹10.92 crores in Fiscal 2020 from ₹10.63 crores in Fiscal 2019 primarily as a result of advertisements made by our Bank on radio during the festive seasons.

Our Auditors' fee and expenses (including branch auditors', fees and expenses) decreased by 7.49% to ₹28.29 crores in Fiscal 2020 from ₹30.58 crores in Fiscal 2019 primarily as a result of revision in coverage of branches under audit by RBI due to COVID-19.

Law charges increased by 90.42% to ₹34.60 crores in Fiscal 2020 from ₹18.17 crores in Fiscal 2019.

Our payments to and provisions for employees increased by 18.22% to 4,225.86 crores during Fiscal 2020 from ₹3,574.48 crores during Fiscal 2019 primarily as a result of higher contribution to pension fund and gratuity fund as per Accounting Standard 15.

Our expenses towards rent, taxes and lighting increased by 4.48% to ₹495.33 crores during Fiscal 2020 from ₹474.10 crores during Fiscal 2019 primarily as a result of increase in rental on renewal/ shifting of some premises and newly opened administration offices and increase in rent reimbursement under RFA facility.

Depreciation/amortisation on our Bank's property increased by 2.72% to ₹285.48 crores during Fiscal 2020 from ₹277.93 crores during Fiscal 2019 primarily due to increase in base of asset.

Directors' fees, allowances and expenses decreased by 8.11% to ₹1.70 crores during Fiscal 2020 from ₹1.85 crores during Fiscal 2019.

Repairs and Maintenance increased by 5.59% to ₹104.54 crores during Fiscal 2020 from ₹99.01 crores during Fiscal 2019 primarily due to upward revision in annual maintenance charges post the renewal of existing annual maintenance contract and post entering into new annual maintenance contract.

Postage, telegram and telephones expenses increased marginally by 0.68% to ₹90.75 crores during Fiscal 2020 from ₹90.14 crores during Fiscal 2019 primarily due to increase in expenses incurred on account of new backup link and upgradation of bandwidths.

Our insurance expenses increased by 26.16% to ₹378.62 crores during Fiscal 2020 from ₹300.11 crores during Fiscal 2019 as a result of payment of health insurance premium for staffs which was earlier debited to staff expenses. Other expenditure incurred increased by 6.64% to ₹1,251.82 crores during Fiscal 2020 from ₹1,173.86 crores during Fiscal 2019.

Provisions and contingencies

Our provisions and contingencies decreased by 37.55% to ₹5,481.74 crores during the Fiscal 2020 from ₹8,777.85 crores during the Fiscal 2019 primarily as a result of reduction in our provisions towards NPA. Provisions towards NPA decreased by 61.65% to ₹4,229.40 crores during the Fiscal 2020 from ₹11,029.86 crores during the Fiscal 2019. The provision for depreciation on investments increased to ₹1,065.54 crores during the Fiscal 2020 from ₹983.88 crores during the Fiscal 2019. The provision for restructured advances reduced to ₹(158.82) crores in Fiscal 2020 from ₹(425.02) crores in Fiscal 2019 and the provision made for taxes increased to ₹211.86 crores in Fiscal 2020 from ₹(2,528.74) crores in Fiscal 2019.

Net Profit/ (Loss)

As a result of the above, our net loss decreased to ₹(1,255.72) crores during Fiscal 2020 from a loss of ₹(5,616.92) crores during Fiscal 2019.

Fiscal year ended on March 31, 2019 vs. Fiscal year ended on March 31, 2018

The table below provides the data for the fiscal years 2019 and 2018, expressed in absolute values as well as expressed as percentage of total income of the respective years.

(₹ in crores, except in the percentage)

Particulars	Fiscal 2019		Fiscal 2018	
	Amount	% of Total income	Amount	% of Total income
Income				
Interest earned	22,748.62	90.40	24,163.11	90.22
Other income	2,416.33	9.60	2,620.41	9.78
Total	**25,164.95**	**100.00**	**26,783.52**	**100.00**
Expenditure				
Interest expended	15,934.66	63.32	17,603.32	65.72
Operating expenses	6,080.16	24.16	6,425.47	23.99
Provisions & Contingencies	8,777.85	34.88	7,850.00	29.31
Total	**30,792.67**	**122.36**	**31,878.79**	**119.02**
Profit / (Loss)				
Consolidated Net Profit/ (Loss) for the year before Minority Interest	(5,627.72)	(22.36)	(5,095.27)	(19.02)
Less: Minority Interest	(5.79)	(0.02)	(5.99)	(0.02)
Consolidated Net Profit/ (Loss) for the year after deducting Minority Interest	(5,633.51)	(22.39)	(5,101.56)	(19.05)
Minority Interest				
Add: Share of earnings/ (loss) in Associates	16.59	0.07	(38.04)	(0.14)
Consolidated Profit/ (Loss) for the year attributable to the Group	(5,616.93)	(22.32)	(5,139.60)	(19.19)
Add: Brought forward consolidated Profit/ (Loss) attributable to the Group	(10,328.79)	(41.04)	(5,088.52)	(19.00)
Profit available for appropriation	**(15,945.72)**	**(63.36)**	**(10,228.12)**	**(38.20)**

Interest and Dividend earned

The following table sets out the components of interest and dividend earned:

(₹ in crores, except in the percentage)

Particulars	Fiscal 2019	Fiscal 2018	% change
Interest/Discount on Advances/Bills	13,053.83	14,600.95	(10.60)
Income on Investments	8,460.20	7,142.71	18.45
Interest on balances with Reserve Bank of India and other inter-Bank funds	872.81	2,058.54	(57.60)
Others	361.78	360.92	0.24
Total	**22,748.62**	**24,163.12**	**(5.85)**

Our total interest earned decreased by 5.85% from ₹24,163.12 crores for the fiscal year ended March 31, 2018 to ₹22,748.62 crores for the fiscal year ended March 31, 2019. This was primarily on account of decrease in the interest on balances with Reserve Bank of India and other inter-Bank funds.

The interest earned on advances and bills decreased by 10.60% to ₹13,053.83 crores during the Fiscal 2019 from ₹14,600.95 crores during the Fiscal 2018, primarily resulting from decrease in quantum of advances and increase in NPA. The income earned on investments increased by 18.45% to ₹8,460.20 crores during Fiscal 2019 from ₹7,142.71 crores during Fiscal 2018, primarily as a result of increase in Investment portfolio. The interest on balances with the RBI and other inter-bank funds decreased by 57.60% from ₹2,058.54 crores during Fiscal 2018 to ₹872.81 crores during Fiscal 2019, primarily resulting from decrease in balances with RBI and Interbank funding. Our other interest earned increased marginally by 0.24% to ₹361.78 crores during Fiscal 2019 from ₹360.92 crores during Fiscal 2018.

Other Income

The components of our other income are as follows:

(₹ in crores, except in the percentage)

Particulars	Fiscal 2019	Fiscal 2018	% change
Commission, Exchange and Brokerages	1,206.95	1,265.73	(4.64)
Profit/ (Loss) on Sale of Investments (Net)	215.19	576.68	(62.68)
Profit/ (Loss) on Exchange transactions (Net)	140.44	140.91	(0.33)
Profit/ (Loss) on sale of land, buildings and other assets	(4.43)	(4.49)	(1.34)
Income earned by way of dividends etc. from subsidiaries and associates	-	-	-
Miscellaneous Income	858.18	641.59	33.76
Total	**2,416.33**	**2,620.41**	**(7.79)**

Other income of our Bank decreased by 7.79% to ₹2,416.33 crores during Fiscal 2019 from ₹2,620.41 crores during Fiscal 2018, primarily as a result of a decrease in commission, exchange and brokerage income, profit on sale of investments and profit on sale of land, buildings and other assets.

Our income from commission, exchange and brokerage decreased by 4.64% to ₹1,206.95 crores during Fiscal 2019 from ₹1,265.73 crores during Fiscal 2018, primarily as a result of decrease in income from commission on Bill/letter of credit and processing charges.

Our profit on sale of investments decreased by 62.68% to ₹215.19 crores during Fiscal 2019 from ₹576.68 crores during Fiscal 2018 on account of unfavourable market conditions.

Our profit on exchange transaction decreased marginally by 0.33% to ₹140.44 crores during Fiscal 2019 from ₹140.91 crores during Fiscal 2018, primarily on account of regular variation in foreign exchange business.

Our miscellaneous income also increased by 33.76% to ₹858.18 crores during Fiscal 2019 compared to ₹641.59 crores during Fiscal 2018, primarily as a result of recovery in written off accounts, rent on Lockers, ATM Interchange fee etc.

Interest Expended

The component of our interest expended are as follows:

(₹ in crores, except in the percentage)

Particulars	Fiscal 2019	Fiscal 2018	% change
Interest on Deposits	15,274.82	16,220.75	(5.83)
Interest on Reserve Bank of India and inter-Bank Borrowings	74.37	91.10	(18.36)
Others	585.47	1,291.46	(54.67)
Total	**15,934.66**	**17,603.32**	**(9.48)**

The interest expended decreased by 9.48% to ₹15,934.66 crores during Fiscal 2019 from ₹17,603.32 crores during Fiscal 2018, primarily due to a decrease in the other expenses by 54.67% to ₹585.47 crores during Fiscal 2019 from ₹1,291.46 crores during Fiscal 2018.

Our interest expense on deposits decreased by 5.83% to ₹15,274.82 crores during Fiscal 2019 from ₹16,220.75 crores during Fiscal 2018.

Interest paid on RBI/inter-bank borrowings decreased by 18.36% to ₹74.37 crores during Fiscal 2019 from ₹91.10 crores during Fiscal 2018, primarily due to an unfavourable market conditions.

Operating Expense*s*

The components of our operating expenses are as follows:

(₹ in crores, except in the percentage)

Particulars	Fiscal 2019	Fiscal 2018	% change
Payments to and provision for employees	3,574.48	3,990.05	(10.42)
Rent, taxes and lighting	474.10	476.62	(0.53)
Printing and stationery	28.91	36.39	(20.56)
Advertisement and publicity	10.63	24.18	(56.04)
Depreciation/amortisation on bank's property	277.93	260.50	6.69
Directors' fees, allowances and expenses	1.85	1.39	33.09
Auditors' fee and expenses (including branch auditors', fees and expenses)	30.58	20.11	52.06
Law charges	18.17	18.61	(2.36)
Postage, telegram, telephones etc.	90.14	66.55	35.45
Repairs and Maintenance	99.01	113.38	(12.67)
Bad Debts Written off	0.38	0.07	442.86
Insurance	300.11	357.21	(15.98)
Other expenditure	1,173.86	1,060.43	10.70
Total	**6,080.15**	**6,425.49**	**(5.38)**

Our operating expenses decreased by 5.38% to ₹6,080.15 crores in Fiscal 2019 from ₹6,425.49 crores in Fiscal 2018. This decrease was primarily due to decrease in advertisement and publicity expenses by 56.04% to 10.63 crores during Fiscal 2019 from ₹24.18 crores during Fiscal 2018.

Our printing and stationery expenses decreased by 20.56% to ₹28.91 crores in Fiscal 2019 from ₹36.39 crores in Fiscal 2018 primarily as a result of decrease in demand of cheque books and demand drafts on account of increased penetration of digital transactions.

Our Auditors' fee and expenses (including branch auditors', fees and expenses) increased by 52.06% to ₹30.58 crores in Fiscal 2019 from ₹20.11 crores in Fiscal 2018.

Law charges decreased by 2.36% to ₹18.17 crores in Fiscal 2019 from ₹18.61 crores in Fiscal 2018 primarily as a result of less expenses incurred towards advocate fees.

Our payments to and provisions for employees decreased by 10.42% to ₹3,574.48 crores during Fiscal 2019 from ₹3,990.05 crores during Fiscal 2018 primarily as a result of decrease in provision requirement for terminal benefits.

Our expenses towards rent, taxes and lighting marginally decreased by 0.53% to ₹474.10 crores during Fiscal 2019 from ₹476.62 crores during Fiscal 2018 primarily as a result of decrease in lighting expenses.

Depreciation/amortisation on our Bank's property increased by 6.69% to ₹277.93 crores during Fiscal 2019 from ₹260.50 crores during Fiscal 2018 primarily due to increase in depreciation of Computers.

Directors' fees, allowances and expenses increased by 33.09% to ₹1.85 crores during Fiscal 2019 from ₹1.39 crores during Fiscal 2018 primarily due to revision in directors fees and allowances.

Repairs and Maintenance decreased by 12.67% to ₹99.01 crores during Fiscal 2019 from ₹113.38 crores during Fiscal 2018 primarily due to mergers and closures of some of the branches.

Postage, telegram and telephones expenses increased by 35.45% to ₹90.14 crores during Fiscal 2019 from ₹66.55 crores during Fiscal 2018 primarily due to increase in expenses towards leased/ISDN lines.

Our insurance expenses marginally decreased by 15.98% to ₹300.11 crores during Fiscal 2019 from ₹357.21 crores during Fiscal 2018 as a result of regular business office. Other expenditure incurred increased by 10.70% to ₹1,173.86 crores during Fiscal 2019 from ₹1,060.43 crores during Fiscal 2018 as a result of an increase in professional fees, ATM Interchange fees, financial inclusion expenses etc.

Provisions and contingencies

Due to various pressures on the sectors/businesses that our clients operate in, there were slippages for which we had to increase the provisioning for non-performing assets. Our provisions and contingencies increased by 11.82% to ₹8,777.85 crores during the Fiscal 2019 from ₹7,850.00 crores during the Fiscal 2018 primarily as a result of increase in our provisions on investments and toward NPA. Provisions towards NPA increased by 4.62% to ₹11,029.86 crores during the Fiscal 2019 from ₹10,543.58 crores during the Fiscal 2018. This was primarily as a result of increase in NPA provision. This increase was partially offset by a decrease in provision for restructured advances to ₹(425.02) crores in fiscal 2019 from ₹(950.62) crores in fiscal 2018 and decrease in provision made for taxes to ₹(2,528.74) crores in Fiscal 2019 from ₹(2,791.07) crores in Fiscal 2018.

Net Profit/ (Loss)

As a result of the above, our net loss increased to ₹(5,616.92) crores during Fiscal 2019 from a loss of ₹(5,139.60) crores during Fiscal 2018.

The following table sets forth our statement of cash flows for Fiscals 2018, 2019 and 2020, respectively:

(₹ in crores)

Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018
Net cash from/(used in) operating activities	1,687.89	(14,509.98)	(44,376.42)
Net cash from/(used in) investing activities	(314.78)	(250.94)	(310.23)
Net cash from/(used in) financing activities	3,395.78	6,796.11	5,154.09
Net increase/(decrease) in cash and cash equivalents	4,768.89	(7,964.81)	(39,532.56)

Operating Activities

The Bank's operations had a positive cash flow from operating activities of ₹1,687.89 crores during fiscal 2020. This positive cash flow from operating activities resulted primarily from a ₹13,889.76 crore increase in deposits, which effect was partially offset by ₹8,605.96 crore increase in advances and an increase in investments of ₹18,138.47 crores.

The Bank's operations had a negative cash flow from operating activities of ₹14,509.98 crores during fiscal 2019. This negative cash flow from operating activities resulted primarily from a ₹23,667.15 crore increase in investments, which effect was partially offset by a ₹4,956.90 crores increase in deposits.

The Bank's operations had a negative cash flow from operating activities of ₹44,376.42 crores during fiscal 2018. This negative cash flow from operating activities resulted primarily from a ₹26,582.21 crore increase in advances and ₹11,287.07 crores increase in investments.

Investing Activities

Net cash used in investing activities was ₹314.78 crores in Fiscal 2020, primarily attributable to sale/ disposal fixed assets of ₹7.18 crores and purchase of fixed assets of ₹321.96 crores.

Net cash used in investing activities was ₹250.94 crores in Fiscal 2019, primarily attributable to sale/ disposal fixed assets of ₹3.48 crores and purchase of fixed assets of ₹254.42 crores.

Net cash used in investing activities was ₹310.23 crores in Fiscal 2018, primarily attributable to sale/ disposal fixed assets of ₹4.13 crores and purchase of fixed assets of ₹314.36 crores.

Financing Activities

Net cash generated from financing activities was ₹3,395.78 crores in Fiscal 2020, primarily attributable to fresh infusion of share capital including share premium of ₹3,403.22 crores.

Net cash generated from financing activities was ₹6,796.11 crores in Fiscal 2019, primarily attributable to fresh infusion of share capital including share premium of ₹6,592.00 crores.

Net cash generated from financing activities was ₹5,154.09 crores in Fiscal 2018, primarily attributable to fresh infusion of share capital including share premium of ₹5,158.00 crores.

Financial Condition

As of March 31, 2018, 2019 and 2020 and for the quarter ended June 30, 2020, our net worth (excluding revaluation reserves) was ₹14,845.39 crores, ₹16,062.89 crores, ₹18,466.88 crores and ₹18,660.50 crores, respectively.

Assets

The table below sets forth details in relation to the principal components of the Bank's and our assets as at the dates indicated below:

(₹ in crores)

Assets	Fiscal 2020	Fiscal 2019	Fiscal 2018
Cash and balances with Reserve Bank of India	30,021.92	20,779.45	36,000.12
Balance with banks and money at call and short notice	6,044.56	10,518.14	3,262.29
Investments	1,42,525.67	1,25,452.74	1,02,769.46
Loans and Advances	1,51,952.37	1,47,425.48	1,57,479.53
Fixed assets	4,336.82	4,310.91	4,343.96
Other Assets	22,447.21	23,389.03	23,485.04
Goodwill on consolidation	8.89	8.89	8.89
Total	**3,57,337.44**	**3,31,884.64**	**3,27,349.29**

Our total assets increased by ₹25,452.80 crores, or 7.67% to ₹3,57,337.44 crores as at March 31, 2020 from ₹3,31,884.64 crores as at March 31, 2019 primarily on account of increase in investment, loans and advances and growth in cash and balances with Reserve Bank of India. Our total assets was increased by ₹4,535.34 crores, or 1.39%, to ₹3,31,884.64 crores as of as at March 31, 2019 from ₹3,27,349.29 crores as at March 31, 2018. The increase was primarily on account of the increase in investment and growth in balance with banks and money at call and short notice.

Cash and balances with the RBI

Our cash balances with RBI increased by ₹9,242 crores or 44.48% to ₹30,021.92 crores as at March 31, 2020 from ₹20,779.45 crores as at March 31, 2019. The increase in our cash and balances with the RBI to Fiscal 2020 from Fiscal 2019 was primarily on account of reverse repo.

Our cash balances with RBI decreased by ₹15,220.67 crores or 42.28% to ₹20,779.45 crores as at March 31, 2019 from ₹36,000.12 crores as at March 31, 2018. The decrease in our cash and balances with the RBI to Fiscal 2019 from Fiscal 2018 was primarily on account of reverse repo.

Balances with Banks and Money at Call and Short Notice

Our balances with banks and money at call and short notice decreased by ₹4,473.58 crores or 42.53% to ₹6,044.56 crores as at March 31, 2020 from ₹10,518.14 crores as at March 31, 2019.

Our balances with banks and money at call and short notice increased by ₹7,255.85 crores or 222.42% to ₹10,518.14 crores as at March 31, 2019 from ₹3,262.29 crores as at March 31, 2018.

Investments

Our investments in India mainly represents investments in Government Securities, Other approved Securities, Shares, Debenture and Bonds, Investment in Associates and Others (Commercial Papers, Mutual Fund Units etc) whereas our investments outside India represents investments in Government Securities and Associates. The table below sets forth a breakdown of the Bank's investments as at March 31, 2020, March 31, 2019 and March 31, 2018:

(₹ in crores)

Investment	Fiscal 2020	Fiscal 2019	Fiscal 2018
Investment in India in:			
Government Securities	1,09,493.36	96,206.03	81,317.13

Investment	Fiscal 2020	Fiscal 2019	Fiscal 2018
Other approved Securities	-	-	-
Shares	543.81	834.21	1,261.17
Debentures and Bonds	27,661.24	21,469.43	14,220.52
Investments in Associates	217.76	303.99	303.99
Other (Commercial Paper, Mutual Fund Units etc.)	4,555.39	6,436.91	5,481.31
Total Investments in India	**1,42,470.05**	**1,25,250.58**	**1,02,584.12**
Investments outside India in:			
Subsidiaries and / or Associates abroad	47.49	47.49	47.49
Total Investments outside India	**47.49**	**47.49**	**47.49**
Total Investments	**1,42,517.54**	**1,25,298.07**	**1,02,631.61**

Our investments increased by ₹17,219.47 crores, or 13.74%, to ₹1,42,517.54 crores as at March 31, 2020 from ₹1,25,298.07 crores as at March 31, 2019, primarily as a result of increase in government securities, debentures and bonds and increase in investments in associates outside India.

Our investments increased by ₹22,666.46 crores, or 22.08%, to ₹1,25,298.07 crores as at March 31, 2019 from ₹1,02,631.61 crores as at March 31, 2018, primarily as a result of increase in government securities, debentures and bonds and other investments in India and increase in investments in associates outside India.

Loans and Advances

The Bank's loans and advances increased by 2.97% to ₹1,51,952.37 crore as at March 31, 2020 from ₹1,47,425.47 crore as at March 31, 2019. This was primarily due to increase in cash credits overdraft and loans on demand and term loans provided by our Bank.

The Bank's loans and advances decreased by 6.81% to ₹1,47,425.47 crore as at March 31, 2019 from ₹1,57,479.52 crore as at March 31, 2018. This was primarily due to decrease in cash credits overdraft and loans on demand and term loans provided by our Bank

Fixed Assets

Our fixed assets increased by ₹25.91 crores, or 0.60%, to ₹4,336.82 crores as at March 31, 2020 from ₹4,310.91 crores as at March 31, 2019. This increase was primarily on account of depreciation of fixed asset.

Our fixed assets decreased by ₹33.05 crores, or 0.76%, to ₹4,310.91 crores as at March 31, 2019 from ₹4,343.96 crores as at March 31, 2018. This decrease was primarily on account of depreciation.

Other assets

Our other assets decreased by ₹941.82 crores, or 4.03%, to ₹22,447.21 crores as at March 31, 2020 from ₹23,389.03 crores as at March 31, 2019 primarily on account of regular business. Our other assets marginally decreased by ₹96.01 crores, or 0.41%, to ₹23,389.03 crores as at March 31, 2019 from ₹23,485.04 crores as at March 31, 2018 primarily on account of regular business.

Capital and Liabilities

The table below sets forth details in relation to the principal components of the Bank's capital and liabilities as at March 31, 2020, March 31, 2019 and March 31, 2018.

(₹ in crores)

Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018
Capital	5,709.76	4,047.20	2,618.16
Reserves and Surplus	15,826.74	15,136.29	15,592.30
Minorities Interest	45.32	43.46	39.81
Share Application Money Pending Allotment	-	212.54	-
Deposits	3,14,201.14	3,00,311.39	2,95,354.49
Borrowings	6,076.03	5,639.67	6,025.68
Other Liabilities and Provisions	15,478.45	6,494.10	7,718.86
Total Capital and Liabilities	**3,57,337.44**	**3,31,884.64**	**3,27,349.30**

Our total capital and liabilities increased by ₹25,452.80 crores or 7.67% to ₹3,57,337.44 crores as at March 31, 2020 from ₹3,31,884.64 crores as at March 31, 2019. This increase was primarily as a result of the following factors:

- Deposits increased by 4.63%, from ₹ 3,00,311.39 crore as at March 31, 2019 to ₹ 3,14,201.14 crores as at March 31, 2020. This growth in deposits was the result of business growth. CASA deposits (savings and demand deposits) increased by 5.10%, from ₹1,38,548.17 crores as at March 31, 2019 to ₹1,45,607.49 crores as at March 31, 2020. Term deposit increased by 4.22%, from ₹1,61,763.21 crores as at March 31, 2019 to ₹1,68,593.64 crores as at March 31, 2020.

- Borrowings increased by 7.74%, from ₹5,639.67 crores as at March 31, 2019 to ₹6,076.03 crores as at March 31, 2020.

Other liabilities and provisions increased by 138.35%, from ₹ 6,494.10 crores as at March 31, 2019 to ₹ 15,478.45 crores as at March 31, 2020.

Our total capital and liabilities increased by ₹4,535.34 crores or 1.39% to ₹3,31,884.64 crores as at March 31, 2019 from ₹3,27,349.30 crores as at March 31, 2018. This increase was primarily as a result of the following factors:

- Deposits increased by 1.68%, from ₹2,95,354.49 crore as at March 31, 2018 to ₹3,00,311.39 crores as at March 31, 2019. This growth in deposits was the result of business growth. CASA deposits (savings and demand deposits) increased by 10.67%, from ₹1,25,187.47 crores as at March 31, 2018 to ₹1,38,548.17 crores as at March 31, 2019. Term deposit decreased by 4.94%, from ₹1,70,167.02 crores as at March 31, 2018 to ₹1,61,763.21 crores as at March 31, 2019.

- Borrowings decreased by 6.41%, from ₹6,025.68 crores as at March 31, 2018 to ₹5,639.67 crores as at March 31, 2019.

- Other liabilities and provisions decreased by 15.87%, from ₹7,718.86 crores as at March 31, 2018 to ₹6,494.10 crores as at March 31, 2019.

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:

(₹ in crores)

Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018
	Amount	**Amount**	**Amount**
I. Demand Deposits			
- From Banks	334.84	1,321.45	430.38
- From Others	15,072.66	15,087.86	14,247.80
Total Demand Deposits	**15,407.50**	**16,409.31**	**14,678.18**
II. Saving Bank Deposits	**1,30,199.99**	**1,22,138.87**	**1,10,509.29**
III. Term Deposits			
- From Banks	3,698.94	3,182.92	4,230.63
- From Others	1,64,894.70	1,58,580.29	1,65,936.38
Total Term Deposits	**1,68,593.64**	**1,61,763.21**	**1,70,167.01**
Total Deposits	**3,14,201.14**	**3,00,311.39**	**2,95,354.49**

Deposits increased by 4.63% from ₹3,00,311.39 crores as of March 31, 2019 to ₹3,14,201.14 crores as of March 31, 2020 mainly due to increase in the amount of term deposits and saving bank deposits.

Deposits increased by 1.68% from ₹2,95,354.49 crores as of March 31, 2018 to ₹3,00,311.39 crores as of March 31, 2019 mainly due to increase in the amount of demand deposits and saving bank deposits.

Borrowings

Our borrowings increased by ₹436.36 crores or 7.74%, to ₹6,076.03 crores as at March 31, 2020 from ₹5,639.67 crores as at March 31, 2019, primarily on account of increase in unsecured redeemable NC Basel III bonds (Tier II).

Our borrowings decreased by ₹386.02 crores or 6.41%, to ₹5,639.67 crores as at March 31, 2019 from ₹6,025.68 crores as at March 31, 2018, primarily on account of decrease in borrowings from other institutions and agencies, unsecured redeemable bonds and upper tier II bonds.

Other Liabilities and Provisions

Other liabilities and provisions represents bills payable, inter office adjustments (Net), interest accrued, deferred tax liabilities (Net) and others (including provisions). Other liabilities and provisions amounted to ₹15,478.45 as of March 31, 2020, ₹6,494.10 crores as of March 31, 2019, and ₹7,718.86 crores as of March 31, 2018.

Capital Resources

The RBI has issued guidelines based on the Basel III reforms on capital regulation on May 2, 2012, to the extent applicable to banks operating in India. The Basel III Capital Regulations have been implemented from April 1, 2013 in India in a phased manner.

Banks have to comply with the regulatory limits as prescribed under the Basel III Capital Regulations, on an ongoing basis. In order to ensure smooth transition to Basel III, appropriate transitional arrangements have been provided such as meeting the minimum Basel III capital ratios and full regulatory adjustments to the components of capital. In accordance with the Basel III capital regulations, we are required to maintain a minimum Common equity tier-1 (CET 1) ratio of 5.50% plus Capital Conservation Buffer of 2.50% in the form of equity capital, Tier 1 ratio of 9.50% and overall CRAR of 11.50% by September 30, 2020.

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

	As of March 31			**As on June 30**	
	2018	**2019**	**2020**	**2019**	**2020**
(Basel III)					
Common Equity Tier I (CET I)	12,498.84	11,098.62	14,021.21	11,265.74	14,401.60
Tier I capital	12,498.84	11,098.62	14,021.21	11,265.74	14,401.60
Tier II capital	3,609.78	3,136.75	3,593.94	2,971.38	3,562.63
Total Capital (TC = Tier 1 + Tier 2)	**16,108.62**	**14,235.37**	**17,615.15**	**14,237.12**	**17,964.23**
Regulatory capital			**As % of Risk Weighted Assets**		
Common Equity Tier I Ratio plus Capital Conservation Buffer	7.01%	7.49%	9.33%	7.58%	9.22%

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.

Capital Expenditure

Our Bank has incurred ₹152.50 crore, ₹159.10 crore and ₹132.38 crore, respectively, as net capital expenditure in technology and communication infrastructure in Fiscal 2018, Fiscal 2019 and Fiscal 2020.

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, capital contracts pending execution 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:

(₹ in crores)

Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018
Claim against the Bank not acknowledged as Debts	101.44	105.50	110.65
Disputed income tax demands under appeals, revisions etc.	1,737.16	2,573.49	2,984.20
Liability for partly paid investments	401.02	5.25	7.61
Liability on account of outstanding forward exchange contracts	35,020.12	64,443.22	92,831.33
Guarantees given on behalf of constituents			
1. In India	11,883.85	11,568.66	10,441.06
2. Outside India	749.99	715.61	283.95
Acceptances Endorsements and Other Obligations	4,271.31	6,615.72	12,300.93
Other items for which the bank is contingently liable	2,022.13	645.59	442.93
Total	**56,187.03**	**86,673.04**	**1,19,402.66**

Summary of reservations or qualifications or adverse remarks or EOMs in the Auditors' report in the last three Financial Years immediately preceding the year of filing this Placement Document.

Except the following, our Auditors have not made any reservations or qualifications or adverse remarks or emphasis of matters in their reports in the last three Financial Years and the relevant quarters immediately preceding the year of filing this Placement Document:

<table>
<tr><th>Financial Year</th><th>Qualifications / Matters of Emphasis of matters/ Adverse Remarks</th></tr>
<tr><td>Fiscal 2020</td><td><u>Emphasis of Matter</u>

We draw attention to Note No 5.11 and Note 5.12 of Schedule 18 of the consolidated financial statements, which describes that the extent to which the COVID-19 pandemic will impact the Parent Bank's financial performance will depend on future developments, which are highly uncertain.</td></tr>
<tr><td></td><td><u>Notes to Accounts</u>

5.11 RBI vide Notification No. RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019- 20 dated March 27, 2020, has announced measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. The measures include Rescheduling of Payments - Term Loans and Working Capital Facilities, Easing of Working Capital Financing, Classification as Special Mention Accounts (SMA) and Non- Performing Asset (NPA) etc.

In accordance with the RBI guidelines relating to COVID-19 dated April 17, 2020, the Bank would be granting a moratorium of three months on the payment of all installments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the .Income Recognition, Asset Classification and Provisioning noun).

The impact of above circulars is as under:
<table>
<tr><th>Sr. No</th><th>Particulars</th><th>Amount (in Crore)</th></tr>
<tr><td>1</td><td>Respective amounts in SMA/overdue categories, where the moratorium/ deferment was extended</td><td>33,577.18</td></tr>
<tr><td>2</td><td>Respective amount where asset classification benefits is extended</td><td>2,864.99</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Financial Year</th><th>Qualifications / Matters of Emphasis of matters/ Adverse Remarks</th></tr>
<tr><td></td><td>
<table>
<tr><td>3</td><td>Provisions made during the Q4, FY 2019-20</td><td>143.25</td></tr>
<tr><td>4</td><td>Provisions adjusted during the respective accounting periods against Nil slippages and the residual provisions</td><td>Nil</td></tr>
</table>

5.13 The outbreak of Corona virus (COVID-19) pandemic globally including India has resulted in slowdown of economic activities and increased volatility in financial markets. The extent to which the COVID-19 pandemic will impact the Group's financial results will depend on future developments, which are highly uncertain. Given the uncertainty, because of COVID-19 pandemic, the Group is continuously monitoring any material change in future economic condition which may impact the Group's operations and its financial results in future depending on the developments which may differ from that estimated as at the date of approval of the financial statements
</td></tr>
<tr><td>Three months period ended June 30, 2020</td><td>
<u>Emphasis of Matter</u>

We draw attention to Note No. 19 of the Statement, regarding impact of COVID-19 Pandemic. The impact on Bank's financial performance will depend on future developments, which are uncertain.

Our opinion is not modified in respect of this matter
</td></tr>
<tr><td></td><td>
<u>Notes to Account</u>

19. The outbreak of Corona virus (COVID-19) pandemic Globally including India has resulted in slowdown of economic activities and increased volatility in financial markets. The extent to which the COVD-19 pandemic wills impact the Group's financial results will depend on future developments, which are highly uncertain. Given the uncertainty, because of COVID-19 pandemic, the Group is continuously monitoring any material change in future economic condition which may impact the Group's operations and its financial results in future depending on the developments which may differ from that estimated as at the date of approval of the financial statements.
</td></tr>
</table>

For further information in relation to risks related to certain emphasis of matters, see *"Risk Factors - The audit reports in respect of our financial statements contain certain matters of emphasis which could have an impact on our financial performance."* on page 52.

Changes in Significant Accounting Policies

There are no significant changes in the accounting policies during the Fiscal 2018, 2019 and 2020.

Significant Developments after March 31, 2020 included in this Placement Document that may affect our Future Results of Operations

In the opinion of our board of directors, other than as described in this Placement Document, there has not arisen, since March 31, 2020, any circumstances that materially and adversely affect the profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

Except as stated elsewhere in this Placement Document, there are no subsequent developments after March 31, 2020, that we believe are expected to have material impact on our reserves, profits, earnings per share or book value.

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 our portfolios. For further information about the types of risks and our risk management policies, see "*Business - Risk Management*".

INDUSTRY OVERVIEW

*The information in this section 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, the National Payments Corporation of India and the Indian Banks' Association ("**IBA**"), and has not been prepared or independently verified by the Bank, the Book Running Lead Manager or any of their affiliates or advisers. Wherever we have relied on figures published by the RBI, unless stated otherwise, we have relied on the RBI's Annual Reports, Bi-monthly Monetary Policy Statements of RBI, Reports on Trend and Progress of Banking in India, RBI Data on sectoral deployment of Bank credit, RBI's Quarterly Statistics on Deposits and Credit of scheduled commercial banks, RBI's Financial Stability Reports, and the accompanying Explanatory Notes. 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 and, accordingly, investment decisions should not be based on such information. Neither our Bank nor the Book Running Lead Manager has independently verified this information, and none of these parties makes any representation as to the accuracy of this information.*

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 or outcomes to materially differ.

Economic Overview

As per the International Monetary Fund, World Economic Outlook, January 2020, trade policy uncertainty, geopolitical tensions, and idiosyncratic stress in key emerging market economies continued to weigh on global economic activity—especially manufacturing and trade—in the second half of 2019. Despite these headwinds, some indications emerged towards year-end that global growth may be bottoming out. Moreover, monetary policy easing continued into the second half of 2019 in several economies. Since early 2020 however, the COVID-19 pandemic has been inflicting high and rising human costs worldwide, with a severe impact on economic activity. There is extreme uncertainty around the global growth forecast; consequently, global growth is projected to contract, from having grown at an estimated 2.9% in 2019 to -4.9% in 2020. In 2021 however, economic growth is expected to recover strongly to 5.4%. Recent significant actions of large central banks with monetary stimulus and liquidity facilities to reduce systemic stress have supported confidence and limited amplification of the shock, ensuring that the economy is better placed to recover. Broad-based fiscal stimulus can pre-empt a steeper decline in confidence, lift aggregate demand, and avert an even deeper downturn. *(Source: International Monetary Fund, World Economic Outlook, June 2020).*

GDP at Constant (2011-12) Prices in Q1 of 2020-21 is estimated at ₹26.90 lakh crore, as against ₹35.35 lakh crore in Q1 of 2019-20, showing a contraction of 23.9 percent as compared to 5.2 percent growth in Q1 2019-20. Quarterly GVA at Basic Price at Constant (2011-12) Prices for Q1 of 2020-21 is estimated at ₹25.53 lakh crore, as against ₹33.08 lakh crore in Q1 of 2019-20, showing a contraction of 22.8 percent. *(Source: Estimate of Gross Domestic Product for the First Quarter (April – June) of 2020-21, dated August 31, 2020)*

GDP at Current Prices in the year Q1 2020-21 is estimated at ₹ 38.08 lakh crore, as against ₹ 49.18 lakh crore in Q1 2019-20, showing a contraction of 22.6 percent as compared to 8.1 percent growth in Q1 2019-20. GVA at Basic Price at Current Prices in Q1 2020-21, is estimated at ₹35.66 lakh crore, as against ₹44.89 lakh crore in Q1 2019-20, showing a contraction of 20.6 percent. *(Source: Estimate of Gross Domestic Product for the First Quarter (April – June) of 2020-21, dated August 31, 2020)*

The Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 for the month of June 2020 stands at 107.8, as compared to 53.6 and 89.5 for April 2020 and May 2020. *(Source: Quick Estimates of Index of Industrial Production (IIP) and Use-Based Index for the Month of June, 2020 published on August 11, 2020).*

Data now available for the April-June quarter confirms a significant world-wide year-on-year contraction of output resulting from the COVID-19 pandemic. US economy has contracted by 9.1 per cent, UK, France, Spain, Italy and Germany by 21.7 per cent, 18.9 per cent, 22.1 per cent, 17.7 per cent and 11.3 per cent respectively with the overall Euro area contracting by 15.0 per cent and Japan has contracted by 9.9 percent. Relative to these advanced nations, India's GDP contraction at 23.9 per cent is slightly higher. The higher contraction has resulted from the stringent lockdown that India enforced in the April-June quarter. India enforced the most stringent lockdown as reflected in the Government Response Stringency Index developed by Oxford University. The lockdown has enabled India to restrain the pandemic induced death rate to one of the lowest in the world. India's case fatality rate was at 1.78 per cent as on 31st August as compared to 3.04 per cent in US, 12.35 per cent in UK, 10.09 per cent in France, 1.89 per cent in Japan and 13.18 per cent in Italy *(Source: DEA – Monthly Economic Report, August 2020 (www.dea.gov.in)).*

As countries unlocked in the quarter starting in July, recovery is underway globally. India, too, is witnessing a sharp V-shaped recovery. India's manufacturing purchasing managers' index (PMI), at 52.2, has moved into expansionary zone in August for the first time since the lockdown, presenting much required recovery prospects for the manufacturing sector. The V-shaped pattern of recovery is seen in the following high-frequency indicators: auto sales, tractor sales, fertilizer sales, railway freight traffic, steel consumption and production, cement production, power consumption, e-way bills, GST revenue collection, daily toll collections on highways, retail financial transactions, manufacturing PMI, performance of core industries, capital inflows and exports. *(Source: DEA – Monthly Economic Report, August 2020 (www.dea.gov.in)).*

Domestic Financial Markets

On the domestic front, economic activity had started to recover from the lows of April-May following the uneven re-opening of some parts of the country in June; however, surges of fresh infections have forced re-clamping of lockdowns in several cities and states. Consequently, several high frequency indicators have levelled off. *(Source: Monetary Policy Statement, 2020-21 Resolution of the Monetary Policy Committee (MPC) August 4 to 6, 2020)*

The agricultural sector has emerged as a bright spot. Its prospects have strengthened on the back of good spatial and temporal progress of the south- west monsoon. The cumulative monsoon rainfall was 1 per cent below the long-period average (LPA) up to August 5, 2020. Spurred by the expanding precipitation, the total area sown under kharif crops on July 31 was 5.9 per cent higher than the normal area measured by the average over the period 2014-15 to 2018-19. As on July 30, 2020, the live storage in major reservoirs was 41 per cent of the full reservoir level (FRL), which bodes well for the rabi season. These developments have had a salutary effect on rural demand as reflected in fertiliser production and sales of tractors, motorcycles and fast- moving consumer goods. *(Source: Monetary Policy Statement, 2020-21 Resolution of the Monetary Policy Committee (MPC) August 4 to 6, 2020)*

The pace of contraction of industrial production, measured by the index of industrial production (IIP), moderated to (-) 34.7 per cent in May from (-) 57.6 per cent a month ago, with the easing of lockdowns in different parts of the country. All manufacturing subsectors, except pharmaceuticals, remained in negative territory. The output of core industries in June contracted for the fourth successive month though with a considerable moderation. The Reserve Bank's business assessment index (BAI) for Q1:2020-21 hit its lowest mark in the survey's history. The manufacturing PMI remained in contraction, shrinking further to 46.0 in July from 47.2 in the preceding month. *(Source: Monetary Policy Statement, 2020-21 Resolution of the Monetary Policy Committee (MPC) August 4 to 6, 2020)*

India's merchandise exports contracted for the fourth successive month in June 2020, although the pace of fall moderated on improving shipments of agriculture and pharmaceutical products. Imports fell sharply in June in a broad-based manner, reflecting weak domestic demand and low international crude oil prices. The merchandise trade balance recorded a surplus in June (US$ 0.8 billion), after a gap of over 18 years. The current account balance turned into a marginal surplus of 0.1 per cent of GDP in Q4 of 2019-20 as against a deficit of 0.7 per cent a year ago. On the financing side, net foreign direct investment moderated to US$ 4.4 billion in April-May 2020 from US$ 7.2 billion a year ago. In 2020-21 (till July 31), net foreign portfolio investment (FPI) in equities at US$ 5.3 billion was higher than US$ 1.2 billion a year ago. In the debt segment, however, there were outflows of US$ 4.4 billion during the same period as against inflows of US$ 2.0 billion a year ago. Net investment under the voluntary retention route increased by US$ 0.9 billion during the same period. India's foreign exchange reserves have increased by US$ 56.8 billion in 2020-21 so far (up to July 31) to US$ 534.6 billion – equivalent to 13.4 months of imports. *(Source: Monetary Policy Statement, 2020-21 Resolution of the Monetary Policy Committee (MPC) August 4 to 6, 2020)*

Domestic financial conditions have eased substantially and systemic liquidity remains in large surplus, due to the conventional and unconventional measures by the Reserve Bank since February 2020. Cumulatively, these measures assured liquidity of the order of ₹9.57 lakh crore or 4.7 per cent of GDP. Reflecting these developments, reserve money (RM) increased by 15.4 per cent on a year-on-year basis (as on July 31, 2020), driven by a surge in currency demand (23.1 per cent). Growth in money supply (M3), however, was contained at 12.4 per cent as on July 17, 2020. Average daily net absorptions under the liquidity adjustment facility (LAF) moderated from ₹5.3 lakh crore in May 2020 to ₹4.1 lakh crore in June as government spending slowed. In July, average daily net absorptions under the LAF moderated further to ₹4.0 lakh crore, as government spending remained subdued. During 2020-21 (up to July 31), ₹1,24,154 crore was injected through open market operation (OMO) purchases. In order to distribute liquidity more evenly across the term structure and improve transmission, the Reserve Bank conducted 'operation twist' auctions involving the simultaneous sale and purchase of government securities for ₹10,000 crore on July 2, 2020. Furthermore, the utilisation of refinance provided by the Reserve Bank to the National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI) and the National Housing Bank (NHB) increased to ₹34,566 crore on July 31, 2020 from ₹22,334 crore during the May policy. *(Source: Monetary Policy Statement, 2020-21 Resolution of the Monetary Policy Committee (MPC) August 4 to 6, 2020)*

Inflation Outlook

Supply chain disruptions on account of COVID-19 persist, with implications for both food and nonfood prices. A more favourable food inflation outlook may emerge as the bumper rabi harvest eases prices of cereals, especially if open market sales and public distribution offtake are expanded on the back of significantly higher procurement. The relatively moderate increases in minimum support prices (MSP) for the kharif crops and monsoon are also supportive of benign inflation prospects. Nonetheless, upside risks to food prices remain. The abatement of price pressure in key vegetables is delayed and remains contingent upon normalisation of supplies. Protein based food items could also emerge as a pressure point, given the tight demand-supply balance in the case of pulses. The inflation outlook of non-food categories is, however, fraught with uncertainty. Higher domestic taxes on petroleum products have resulted in elevated domestic pump prices and will impart broad-based cost-push pressures going forward. Volatility in financial markets and rising asset prices also pose upside risks to the outlook. Taking into consideration all these factors, headline inflation may remain elevated in Q2:2020-21, but may moderate in H2:2020-21 aided by large favourable base effects. *(Source: Monetary Policy Statement, 2020-21 Resolution of the Monetary Policy Committee (MPC) August 4 to 6, 2020)*

The June release of headline inflation after a gap of two months and imputed prints of the CPI for April - May have added uncertainty to the inflation outlook. The NSO has adopted best practices in producing these imputations for the purpose of business continuity in the face of challenges to data collection due to the nation-wide lockdown. The NSO has, however not provided inflation rates for April and May. For the purpose of monetary formulation and conduct, therefore, the MPC is of the view that CPI prints for April and May can be regarded as a break in the CPI Series. *(Source: Monetary Policy Statement, 2020-21 Resolution of the Monetary Policy Committee (MPC) August 4 to 6, 2020)*

The MPC noted that the economy is experiencing unprecedented stress in an austere global environment. Extreme uncertainty characterizes the outlook, which is heavily contingent upon the intensity, spread and duration of the pandemic – particularly the heightened risks associated with a second wave of infections – and the discovery of the vaccine. In these conditions, supporting the recovery of the economy assumes primacy in the conduct of monetary policy. In pursuit of this objective, the stance of monetary policy remains accommodative as long as it is necessary to revive growth and mitigate the impact of COVID-19 on the economy. While space for further monetary policy action in support of this stance is available, it is important to use it judiciously and opportunistically to maximise the beneficial effects for underlying economic activity. *(Source: Monetary Policy Statement, 2020-21 Resolution of the Monetary Policy Committee (MPC) August 4 to 6, 2020)*

At the same time, the MPC is conscious that its primary mandate is to achieve the medium-term target for CPI inflation of 4 per cent within a band of +/- 2 per cent. It also recognises that the headline CPI prints of April-May, 2020 require more clarity. At the current juncture, the inflation objective itself is further obscured by (a) the spike in food prices because of floods in eastern India and ongoing lockdown related disruptions; and (b) cost-push pressures in the form of high taxes on petroleum products, hikes in telecom charges, rising raw material costs reflected in upward revisions in steel prices and rise in gold prices on safe haven demand. Given the uncertainty surrounding the inflation outlook and taking into consideration the extremely weak state of the economy in the midst of an unprecedented shock from the ongoing pandemic, it is prudent to pause and remain watchful of incoming data as to how the outlook unravels. *(Source: Monetary Policy Statement, 2020-21 Resolution of the Monetary Policy Committee (MPC) August 4 to 6, 2020)*

Key Banking Industry Trends in India

Credit growth (y-o-y) of scheduled commercial banks (SCBs), which had considerably weakened during the first half of 2019-20, slid down further to 5.9 per cent by March 2020 and remained muted up to early June 2020. This moderation was broad-based across all bank groups. The capital to risk-weighted assets ratio (CRAR) of SCBs edged down to 14.8 per cent in March 2020 from 15.0 per cent in September 2019; the gross nonperforming assets (GNPA) ratio fell to 8.5 per cent from 9.3 per cent and the overall provision coverage ratio (PCR) improved to 65.4 per cent from 61.6 percent over this period. *(Source: RBI – Financial Stability Report, July 2020)*

In its June 2020 update, the International Monetary Fund (IMF) has projected that global output would contract by 4.9 per cent in 2020-21, under the baseline assumption of gradual recovery in activity starting in the second half of 2020-21. As per a "double–hit" scenario projected by OECD in which a second wave of infections erupts in the later part of 2020; the global economy could contract by 7.6 per cent in 2020. Leading up to these projections were the GDP growth estimates of most of the countries in January-March quarter of 2020, which witnessed broad-based reductions in advanced economies (AEs) ranging from (-)3.4 per cent to (-)14.2 per cent and in emerging markets economies (EMEs) between 2.9 per cent and (-)6.8 per cent (YoY basis). *(Source: Monthly Economic Report, July 2020(www.dea.gov.in))*

Macro stress tests for credit risk indicate that the GNPA ratio of all SCBs may increase from 8.5 percent in March 2020 to 12.5 per cent by March 2021 under the baseline scenario. If the macroeconomic environment worsens further, the ratio may escalate to 14.7 per cent under very severe stress. *(Source: RBI – Financial Stability Report, July 2020)*

In India, financial sector regulators have taken initiatives spanning monetary stimulus and regulatory reliefs to offset COVID-19's impact. Significant regulatory actions have been put in place to ease operational constraints due to the lockdown as also for maintaining market integrity and resilience in the face of severe risk aversion by market participants. Looking ahead, as the focus shifts from pandemic-proofing large sections of society to post-pandemic unwinding of stimulus and support packages in a calibrated manner, the challenge would be to establish normalcy without disrupting markets and the health of financial intermediaries. *(Source: RBI – Financial Stability Report, July 2020)*

Macroeconomic Trends

Doing Business acknowledges the 10 economies that improved the most on the ease of doing business after implementing regulatory reforms. In Doing Business 2020, the 10 top improvers are Saudi Arabia, Jordan, Togo, Bahrain, Tajikistan, Pakistan, Kuwait, China, India, and Nigeria. These economies implemented a total of 59 regulatory reforms in 2018/19— accounting for one-fifth of all the reforms recorded worldwide. Their efforts focused primarily on the areas of starting a business, dealing with construction permits, and trading across borders. Jordan and Kuwait are new additions to the list of 10 most improved economies. Nigeria appears as one of the top-10 improvers for the second time. India, which has conducted a remarkable reform effort, joins the list for the third year in a row. Previously, only Burundi, Colombia, the Arab Republic of Egypt, and Georgia featured on the list of 10 top improvers for three consecutive Doing Business cycles. Given the size of India's economy, these reform efforts are particularly commendable. *(Source – World Bank's Doing Business Report 2020)*

As in other economies on the list of 10 top improvers, leaders of India adopted the Doing Business indicators as a core component of their reform strategies. Prime Minister Narendra Modi's "Make in India" campaign focused on attracting foreign investment, boosting the private sector and enhancing the country's overall competitiveness. The government turned to the Doing Business indicators to show investors India's commitment to reform and to demonstrate tangible progress. In 2015 the government's goal was to join the 50 top economies on the ease of doing business ranking by 2020. The administration's reform efforts targeted all of the areas measured by Doing Business, with a focus on paying taxes, trading across borders, and resolving insolvency. The country has made a substantial leap upward, raising its ease of doing business ranking from 130 in Doing Business 2016 to 63 in Doing Business 2020. *(Source – World Bank's Doing Business Report 2020)*

Evolution of Indian Banking Industry

The Reserve Bank of India was established on April 1, 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934. The Central Office of the Reserve Bank was initially established in Calcutta but was permanently moved to Mumbai in 1937. The Central Office is where the Governor sits and where policies are formulated. Though originally privately owned, since nationalisation in 1949, the Reserve Bank is fully owned by the Government of India. The Preamble of the Reserve Bank of India describes the basic function of the Reserve Bank as: "to regulate the issue of Bank notes and keeping of reserves with a view securing monetary stability in India and generally to operate the currency and credit system of the country to its advantage; to have a modern monetary policy framework to meet the challenge of an increasingly complex economy, to maintain price stability while keeping in mind the objective to growth.". The Reserve Bank of India performs the function of financial supervision under the guidance of the Board for Financial Supervision (BFS). The Board was constituted in November 1994 as a committee of the Central Board of Directors of the Reserve Bank of India. *(Source: https://www.rbi.org.in/Scripts/AboutusDisplay.aspx)*

The main functions of the RBI are as follows:

- Monetary Authority: it formulates, implements and monitors the monetary policy with the objective of maintaining price stability while keeping in mind the objective of growth.
- Regulator and supervisor of the financial system: Prescribes broad parameters of banking operations within which the country's banking and financial system functions with the objective of maintaining public confidence in the system, protect depositors' interest and provide cost-effective banking services to the public.
- Manager of Foreign Exchange: Manages the Foreign Exchange Management Act, 1999 with the objective of facilitating external trade and payment and promote orderly development and maintenance of foreign exchange market in India.
- Issuer of currency: Issues and exchanges or destroys currency and coins not fit for circulation with the objective to give the public adequate quantity of supplies of currency notes and coins and in good quality.
- Development role: Performs a wide range of promotional functions to support national objectives.
- Regulator and Supervisor of Payment and Settlement Systems: Introduces and upgrades safe and efficient modes of payment systems in the country to meet the requirements of the public at large with the objective to maintain public confidence in payment and settlement system. *(Source: https://www.rbi.org.in/Scripts/AboutusDisplay.aspx)*

The structure of Indian Banking Sector

Set forth below are the details of financial intermediaries in the public and private sectors participate in India's financial sector:

Commercial Banks

Department of Banking Supervision ("**DBS**") supervises all SCBs (excluding RRBs), local area banks (LABs), payment banks, small finance banks and AIFIs within the existing legal and regulatory framework, based on supervisory inputs received through off – site monitoring and on – site inspections. During 2016-17, all SCBs operating in India (excluding RRBs and LABs) were brought under risk based supervision – Supervisory Programme for Assessment of Risk and Capital (SPARC). The Reserve Bank also started the process of developing a suitable framework for supervising Payment Banks and Small Finance Banks. The inter-regulatory forum for monitoring financial conglomerates (IRF – FC) identified a revised set of 11 FCs in the Indian financial sector including five bank led FCs, four insurance company led FCs and two securities company led FCs, based on their significant presence in two or more segments of the financial sector. *(Source: https://www.rbi.org.in)*

Public Sector Banks

Public sector banks ("**PSBs**") are scheduled commercial banks with a significant government shareholding and constitute the largest category in the Indian banking system. These include the 12 nationalised banks, as of April 2020, taking into account the amalgamation of certain PSBs in March 2020 *(Source: RBI, List of SCBs, April 13, 2020).*

Private Sector Banks

Most large banks in India were nationalized in 1969, resulting in public sector banks making up the largest portion of Indian banking. The Government's focus on public sector banks was maintained throughout the 1970s and 1980s. In addition, existing private sector banks that showed signs of an eventual default were merged with state-owned banks. 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. This resulted in the introduction of private sector banks. As of April, 2020, there were a total of 22 private banks (including IDBI). *(Source: RBI, List of SCBs, April 13, 2020)*

Foreign Banks

At present, foreign banks, if eligible, are allowed by the RBI to set up business in India through a single mode of presence i.e. either branch mode or a wholly owned subsidiary (WOS) mode. It has been decided, as hitherto to, allow foreign banks to operate in India either through branch presence or they can set up a wholly owned subsidiary ("**WOS**") with near national treatment. The foreign banks have to choose one of the above two modes of presence and shall be governed by the principle of single mode of presence. Subsequently, Reserve Bank, in terms of the powers conferred on it under Section 35A read with Section 44A of the Banking Regulation Act, 1949, in the public interest and in the interest of banking policy issued a 'Scheme for Setting up of WOS by foreign banks in India'.

The factors taken into account while considering applications for setting up WOS in India would include the following:

- Economic and political relations with the country of incorporation of the parent bank;
- Reciprocity with home country of the parent bank;
- Financial soundness;
- Ownership pattern;
- International and home country ranking of the parent bank by a reputed agency;
- Home country/parent bank rating by a rating agency of international repute such as Moody Investors Service, Standard & Poor's and Fitch Ratings;
- International presence of the and
- Adequate risk management and internal control systems.

A foreign bank, which obtains an in-principle approval from the Reserve Bank for opening a WOS in India has to apply to the Registrar of Companies for registering the subsidiary as a company under the Companies Act, 2013 and shall be required to comply with the provisions of that Act, to the extent they are applicable to banking companies as defined in Banking Regulation Act, 1949. *(Source: Scheme for Setting up of Wholly Owned Subsidiaries (WOS) by foreign banks in India)*

Co – operative Banks

The Reserve Bank continues to play a key role in strengthening the cooperative banking sector by fortifying the regulatory and supervisory framework. The primary responsibility of the Department of Cooperative Bank Supervision (DCBS) is supervising UCBs and ensuring the development of a safe and well-managed cooperative banking sector. The Banking Regulation (Amendment) and Miscellaneous Provisions Act, 2004, which came into effect on September 24, 2004, specifies that all multistate cooperative banks are under the supervision and regulation of the RBI. Accordingly, the RBI is currently responsible for the supervision and regulation of urban cooperative societies, state cooperative banks, and district central cooperative banks. The wide network of cooperative banks, both rural and urban, supplements the commercial banking network for deepening financial intermediation by bringing a large number of depositors/borrowers under the formal banking network

The Department of Co – operative Bank Supervision is entrusted with the supervisory responsibility of primary (urban) cooperative banks (UCBs) to ensure a safe and well managed cooperative banking sector. The department undertakes supervision of these banks on an ongoing basis through periodic on-site inspections and continuous off-site monitoring. In this context, Department of Co – operative Bank Regulation, in charge of prudential regulations of cooperative banks, took the following initiatives:

- UCBs were permitted to undertake eligible transactions for acquisition/sale of non-SLR investment in secondary market with mutual funds, pension/provident funds and insurance companies, in addition to undertaking transactions with commercial banks and primary dealers, subject to adherence to the instructions issued by the
- UCBs having liquidity stress were permitted to sell securities from Held-to-Maturity (HTM) portfolio.
- Guidelines were issued for allowing voluntary transition of UCBs to SFBs provided UCBs satisfy criteria such as – a minimum net worth of ₹500 million, maintaining 9 per cent CRAR as well as other eligibility conditions.
- Guidelines on spreading of MTM losses and creation of Investment Fluctuation Reserve (IFR) were issued

(Source: RBI Annual Report 2018-19)

Non – Banking Financial Companies

NBFCs complement banks in extending credit in the economy and they are a vital cog in the wheel for extending last mile credit needs. There were 9,543 NBFCs registered with the RBI as on September 30, 2019 (excluding

HFCs), of which 82 were deposit accepting (NBFCs-D) and 274 were systemically important non-deposit accepting NBFCs (NBFCsND-SI). *(Source: RBI – Financial Stability Report, July 2020).*

The NBFC sector, non-traditional and digital players are entering this space to deliver financial services by way of innovative methods involving digital platforms. The goal of the Reserve Bank is to strengthen the sector, maintain stability and reduce the scope for regulatory arbitrage. An optimal level of regulation and supervision is sought to be achieved so that the NBFC sector is financially resilient and robust, catering to financial needs of a wide variety of customers and niche sectors, and providing complementarity and competition to banks. The NBFC sector largely depends on market and bank borrowings, thereby creating a web of inter-linkages with banks and financial markets. As Housing Finance Companies (HFCs) now fall under the regulatory purview of the Reserve Bank, the process of harmonizing regulations for HFCs with those applicable for NBFCs assumes priority. A robust liquidity risk management framework is in place for NBFCs and should, in time, apply to HFCs as well, with the objective of ensuring proper governance and risk management structures, including functionally independent chief risk officer (CRO) with clearly specified role and responsibilities. Due recognition of the systemic importance of NBFCs/HFCs and their inter-linkages with the financial system and ensuring higher credit flow by appropriately modulating exposure limits, enabling commercial bank lending to NBFCs and co-financing, and fostering active engagement with stakeholders are the hallmarks of the evolving engagement with the sector. *(Source: RBI Annual Report 2019-20)*

Housing Finance Companies

The National Housing Bank (NHB) was set up on July 9, 1988, under the National Housing Bank Act, 1987, as an apex institution for housing finance. The primary function of NHB is to register, regulate and supervise HFCs. In addition, NHB provides refinance to HFCs, SCBs, RRBs and cooperative credit institutions for housing loans and also undertakes direct lending (project finance) to borrowers in the public and private sectors. Over the years, NHB's focus has been on providing financial support to housing programmes for unserved and underserved segments of the population. Additionally, NHB manages the Credit Risk Guarantee Fund Trust for Low Income Housing. The entire capital of NHB amounting to ₹14.5 billion was divested by the Reserve Bank on March 19, 2019 to the Government of India. *(Source: RBI Annual Report 2018-19)*

ATMs

The total number of ATMs (on-site and off-site) operated by banks decreased during the year. This was partly compensated by growth in white label ATMs (WLAs), boosted by policy changes introduced on March 7, 2019, to enhance the financial viability of WLAs, such as allowing their operators to source cash directly from the Reserve Bank, offer non-bank services, and advertise non-financial products in their premises. While PVBs recorded an increase in their on-site and off-site ATMs, PSBs reduced both, with a higher rate of decline in the latter.

Notably, scheduled SFBs operated more ATMs than FBs by end-March 2019. Despite transactions at ATMs decelerating both in volume and value terms, they still serve as a common medium for people to access cash. The distributional pattern of ATMs of SCBs remained broadly similar in 2018-19 to the previous year. However, rural and semiurban areas, which had recorded marginal growth in the number of ATMs in 2017-18, experienced a decline in 2018-19. PVBs and FBs continue to have more ATMs concentrated in urban and metropolitan centres, causing the skew. *(Source: RBI Annual Report 2018-19)*

Regional Rural Banks

Regional Rural Banks (RRBs) were formed under the RRB Act, 1976 with a view to developing the rural economy by providing, for the purpose of development of agriculture, trade, commerce, industry and other productive activities in the rural areas, credit and other facilities, particularly to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs, and for matters connected therewith and incidental thereto. In the union budget of 2019-20, ₹235 crores were allocated for recapitalisation of RRBs to enable them to comply with regulatory requirements and to empower them to channelise a larger volume of resources for financial inclusion. Presently the number of RRBs has come down to 45 as at August 30, 2020. *(Source: The Regional Rural Banks Act, 1976 and https://www.rbi.org.in/scripts/AboutUsDisplay.aspx?pg=RegionalRuralBanks.htm)*

Key Banking Business Sector

MSME Sector

The MSME sector has the potential to become the engine of growth, but it has been underperforming for too long owing to various structural reasons. This sector has been constrained by high cost of credit due to lack of adequate information, lack of modern technology, no research and innovations, insufficient training and skill development, and complex labour laws. Key reforms relating to MSMEs, viz., removal of definitional difference between manufacturing and service-based MSMEs, increased threshold limit to define an enterprise as an MSME, and adding turnover as another criteria to define MSMEs, besides investment scale, could turn out to be harbingers of far reaching changes that can transform manufacturing in India. *(Source: RBI Annual Report 2019-20)*

On November 2, 2018, the Government of India had announced a 2 per cent interest subvention for MSMEs on fresh or incremental loans up to ₹100 lakh extended by the banks during 2018-19 (viz., November 2, 2018 to March 31, 2019) and 2019-20. Accordingly, the Reserve Bank had issued guidelines to SCBs in February 2019, under which, all MSMEs having valid Udyog Aadhaar Number (UAN) and GST Number are eligible under the scheme. The Government of India has relaxed the guidelines for availing interest subvention, viz., permitting trading activities without UAN, acceptance of claims in multiple lots, submission of statutory auditor certificate by June 30, 2020, settling claims based on internal/concurrent auditor certificate, dispensing requirement of UAN for units eligible for GST. The revised guidelines in this regard were issued by the Reserve Bank on February 5, 2020. *(Source: RBI Annual Report 2019-20)*

MSMEs which are badly hit by the pandemic are expected to benefit from various policies of the government such as collateral free loan of ₹3 lakh crore, subordinate debt provision of ₹20,000 crore and equity infusion via motherfund-daughter fund model. Further, the change in definition of classification of MSMEs by including turnover as basis of definition will allow MSMEs to expand without losing benefits and also improve ease of doing business by aligning them with GST. The structural reforms introduced as part of fourth tranche of stimulus is expected to bring in private investments across eight critical sectors. The proposed change in public sector enterprise policy, where all sectors will be opened to private sectors, and public-sector enterprises will operate only in notified strategic sectors, will bring in farreaching changes in India's industrial sector. The Atmanirbhar Bharat Abhiyan Package aims to provide immediate relief to sections of the economy most impacted by the pandemic and to revive economic activity along with creating new opportunities for employment and growth. In the manufacturing sector, 100 per cent FDI in contract manufacturing and commercial coal mining through the automatic route is expected to bring in more private investments. *(Source: RBI Annual Report 2019-20)*

Priority Sector

The performance of scheduled commercial banks (SCBs) in achievement of priority sector lending targets shows that though a growth was observed in credit in absolute terms, the lending to priority sector as a percentage of adjusted net bank credit (ANBC) or credit equivalent of off-balance sheet exposures (CEOBE) declined across bank groups vis-à-vis last year (Table IV.1). Priority Sector Lending Certificates (PSLCs) and the platform to enable trading in these certificates on the core banking solution (CBS) portal (e-Kuber), indicates an active participation from all the eligible entities during 2019-20. Total trading volume recorded a robust growth of 43.1 per cent and stood at ₹4.68 lakh crore, on top of the growth of 77.6 per cent in the previous year. Among the four PSLC categories, the highest trading was observed in the case of PSLC-general and PSLC-small and marginal farmer with the transaction volumes being ₹1.70 lakh crore and ₹1.46 lakh crore, respectively, during the year. *(Source: RBI Annual Report 2019-20)*

(₹ Crore)

Table IV.1: Performance in Achievement of Priority Sector Lending Targets

End-March	Public Sector Banks	Private Sector Banks	Foreign Banks
1	2	3	4
2018-19	23,05,978 (42.55)	10,18,994 (42.49)	1,54,337 (43.41)
2019-20*	23,14,242 (41.05)	12,72,745 (40.35)	1,67,108 (40.81)

*: Provisional

Note: Figure in parentheses are percentage to ANBC or CEOBE, whichever is higher.

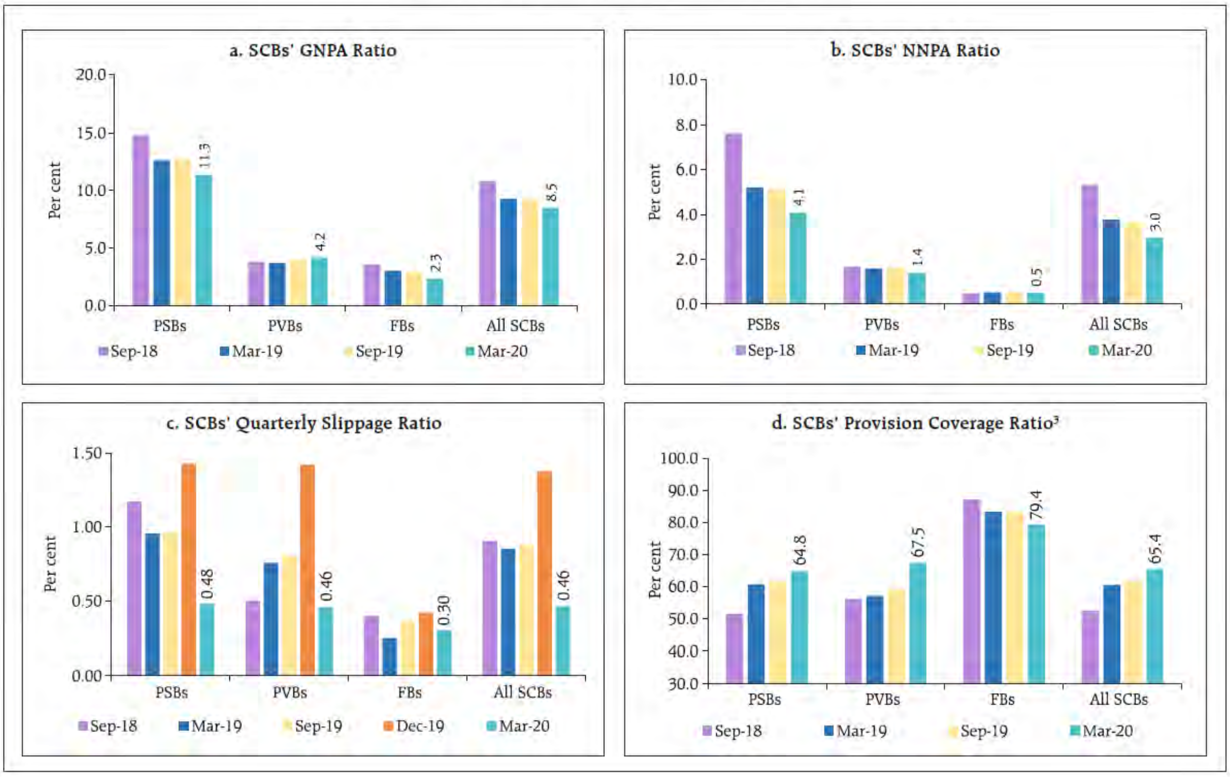
(Source: RBI Annual Report 2019-20)

Non – performing Assets

The Banking Regulation (Amendment) Ordinance, 2017 came into effect from May 5, 2017. This ordinance empowers the Reserve Bank to direct banking companies to initiate insolvency proceedings in respect of corporate borrowers in default, under the provisions of the Insolvency and Bankruptcy Code, 2016 ("**IBC**"). It also enables the Reserve Bank to constitute committees to advise banking companies on resolution of stressed assets. Pursuant to the ordinance, the Reserve Bank released a detailed action plan to implement the ordinance on May 22, 2017. *(Source: www.ibbi.gov.in)*

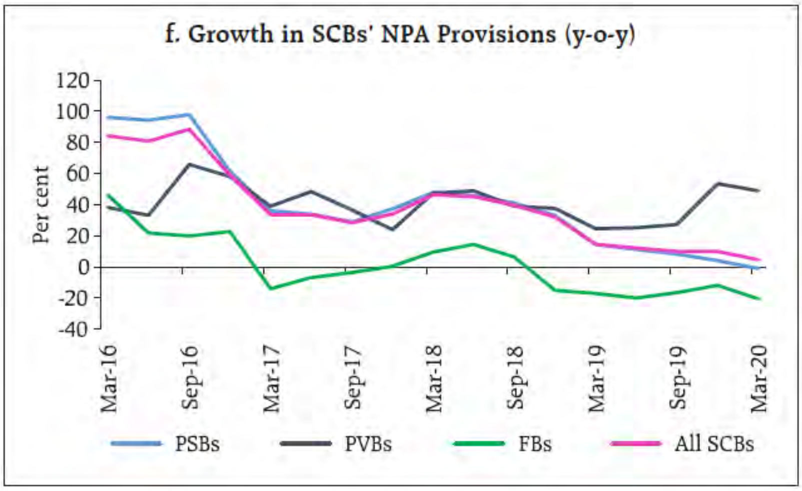
The gross and net non-performing asset (GNPA and NNPA) ratios of all SCBs which had reached 9.3 per cent and 3.7 per cent in September 2019 have come down to 8.5 per cent and 3.0 per cent in March 2020 (Chart 2.2 a & b). This is evident from the receding quarterly slippage ratios (calculated as new accretion to NPAs in the quarter as a ratio to the standard advances at the beginning of the quarter) across all bank groups (Chart 2.2 c). As a result, the provision coverage ratio (PCR) of SCBs improved to 65.4 per cent in March 2020 from 61.6 per cent in September 2019 (Chart 2.2 d). NPA provisions have been decelerating for PSBs and FBs/ since March 2019 (Chart 2.2 f). *(Source: Financial Stability Report July 2020)*

Chart 2.2: Select Asset Quality Indicators *(Contd.)*



(Source: Financial Stability Report July 2020)

Chart 2.2: Select Asset Quality Indicators

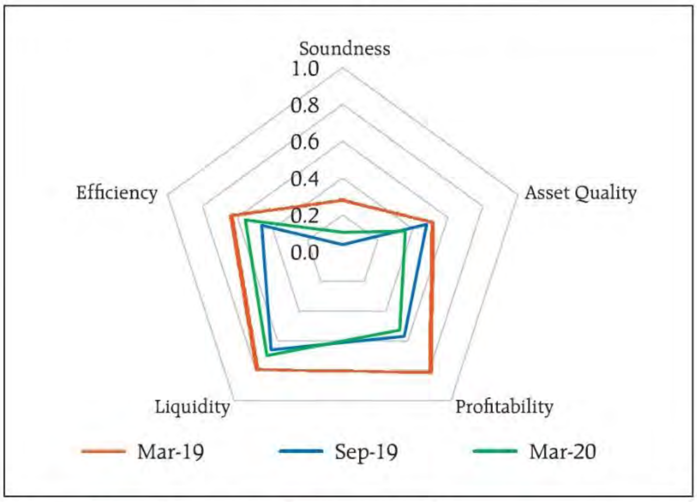


(Source: Financial Stability Report July 2020)

Banking Stability Indicator

The banking stability indicator (BSI) shows that, among the five dimensions considered for assessing the changes in underlying conditions and risk factors, SCBs have recorded deterioration in soundness, liquidity and efficiency in March 2020 as compared with the September 2019 position, whereas asset quality and profitability showed marginal improvement (Chart 2.5). Nevertheless, no comfort can be drawn on this front since any loss of income of banks during COVID-19 will be visible only from the first quarter of 2020-21. *(Source: RBI – Financial Stability Report July 2020)*

Chart 2.5: Banking Stability Map



Note: Away from the centre signifies increase in risk.
Source: RBI Supervisory Returns and Staff Calculations.

(Source: Financial Stability Report July 2020)

Monetary Policy Transmission

Domestic financial conditions have tightened considerably, with equity markets facing massive sell-offs by foreign portfolio investors (FPIs). In the bond market too, yields have risen on sustained FPI selling, while redemption pressures, drop in trading activity and generalised risk aversion have pushed up yields to elevated levels in commercial paper, corporate bond and other fixed income segments. In the forex market, the Indian rupee (INR) has been under continuous downward pressure. Under these conditions, the Reserve Bank has endeavoured to keep financial markets liquid, stable and functioning normally. Systemic liquidity surplus, as reflected in net absorptions under the LAF, averaged ₹2.86 lakh crore in March (up to March 25, 2020). In addition, the Reserve Bank undertook unconventional operations in the form of auctions of what is called 'operation twist' involving the simultaneous sale of short-term government securities (of ₹28,276 crore) and purchase of long-term securities (of ₹40,000 crore), cumulatively injecting a net amount of ₹11,724 crore. The Reserve Bank also conducted five long term repo auctions of 1 year and 3 years tenors of a cumulative amount of ₹1.25 lakh crore so far to inject liquidity and improve monetary transmission. It also conducted two sell-buy swap auctions to inject cumulatively US dollar liquidity into the forex market to the tune of US$ 2.71 billion on March 16 and 23. Open market purchase operations of ₹10,000 crore on March 20 and ₹15,000 crore each on March 24 and March 26 have been conducted to bolster liquidity and smoothen financial conditions. *(Seventh Bi-Monthly Monetary Policy Statement Policy, 2019-20 published on March 27, 2020)*.

Recent Policy Measures undertaken by RBI

Liquidity Measures to Combat Adverse Impact of COVID-19

In its off-cycle meeting, noting the risks brought upon by the COVID19 pandemic to both demand and supply sides, the RBI announced several additional measures, inter-alia, to address liquidity concerns (*Source: RBI, Monetary Policy Report, April 2020*)

Targeted Long Term Repo Operations:

Reserve Bank to conduct auctions of targeted long-term repos of up to three years tenor of appropriate sizes for a total amount of up to ₹1,00,000 crore at a floating rate linked to the policy repo rate. Liquidity availed by banks under TLTROs should be deployed in investment grade corporate bonds, commercial paper, and non-convertible debentures over and above the outstanding level of their investments in these bonds as on March 27, 2020. concerns (*Source: RBI, Monetary Policy Report, April 2020*)

Cash Reserve Ratio:

i. CRR requirement of banks was reduced by 100 bps from 4.0 per cent of NDTL to 3.0 per cent effective fortnight beginning March 28, 2020, which would augment primary liquidity in the banking system by about ₹1,37,000 crore. This dispensation will be available for a period of one year ending March 26, 2021.
ii. The minimum daily CRR balance requirement was reduced from 90 per cent to 80 per cent effective from the first day of the fortnight beginning March 28, 2020. This dispensation will be available up to June 26, 2020. *(Source: RBI, Monetary Policy Report, April 2020)*

Marginal Standing Facility:

In view of the exceptionally high volatility in domestic financial markets and to provide comfort to the banking system, banks' limit for borrowing overnight under the MSF by dipping into their Statutory Liquidity Ratio (SLR) was raised to 3 per cent of NDTL from 2 per cent. This measure will allow the banking system to avail an additional ₹1,37,000 crore of liquidity under the liquidity adjustment facility (LAF) window at the reduced MSF rate of 4.65 per cent and will be applicable up to June 30, 2020. *(Source: RBI, Monetary Policy Report, April 2020)*

Additional measures announced on April 17, 2020

On April 17, 2020 the RBI cut the reverse repo rate to 3.75%, thereby further widening the policy rate corridor to 90 bps.

Announcements also included a reduction in a liquidity cover ratio ("**LCR**") from 100% to 80%, a special ₹5 billion refinancing facility at the repo rate for All India Financial Institutions (NABARD, SIDBI, NHB) and another TLTRO ("TLTRO 2.0"), targeted at NBFCs with 50% of the liquidity availed reserved for small and mid-sized NBFCs and MFIs. TLTRO 2.0, of ₹500 billion, with focus, inter-alia, on NBFCs by reserving 50% of the said amount for NBFCs with asset sizes between ₹5 billion and ₹50 billion, NBFCs less than ₹5 billion and Micro Finance Institutions ("MFI") *(Source: RBI, Notifications on April 17, 2020.)*

COVID-19 related developments

Rescheduling of Payments – Term Loans and Working Capital Facilities

In view of the extension of lockdown and continuing disruption on account of COVID-19, all commercial banks (including regional rural banks, small finance banks and local area banks), co- operative banks, All-India Financial Institutions, and Non-banking Financial Companies (including housing finance companies) ("lending institutions") are permitted to extend the moratorium by another three months i.e. from June 1, 2020 to August 31, 2020 on payment of all instalments in respect of term loans (including agricultural term loans, retail and crop loans). Accordingly, the repayment schedule for such loans as also the residual tenor, will be shifted across the board. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period. *(Source: RBI Notification no. RBI/2019-20/244 dated May 23, 2020)*

In respect of working capital facilities sanctioned in the form of cash credit/overdraft ("CC/OD"), lending institutions are permitted to allow a deferment of another three months, from June 1, 2020 to August 31, 2020, on recovery of interest applied in respect of all such facilities. Lending institutions are permitted, at their discretion, to convert the accumulated interest for the deferment period up to August 31, 2020, into a funded interest term loan (FITL) which shall be repayable not later than March 31, 2021. *(Source: RBI Notification no. RBI/2019-20/244 dated May 23, 2020)*

Banks operating in International Financial Services Centre (March, 2020)

In the notification on March 27, 2020, the RBI permitted Banks in India operating International Financial Services Centre Banking Units ("**IBU**s"), to participate in the offshore non-deliverable forward market with effect from June 1, 2020. Banks were permitted to participate through their branches in India, their foreign branches or through their IBUs. Intended to improve depth and price discovery in the foreign exchange market segments by reducing arbitrage between onshore and offshore markets, RBI's move was also in light of the increased volatility of the rupee caused by the impact of COVID-19 on currency markets.*(Source: RBI Press Release dated March 27, 2020: "Statement on Developmental and Regulatory Policies)*

Declaration of dividends by banks (April, 2020)

In an environment of heightened uncertainty caused by COVID-19, it is important that banks conserve capital to retain their capacity to support the economy and absorb losses. Accordingly, it has been decided that all banks shall not make any further dividend payouts from the profits pertaining to the financial year ended March 31, 2020 until further instructions. This restriction shall be reassessed by the RBI based on the financial results of banks for the quarter ending September 30, 2020. *(Source: RBI Notification dated April 17, 2020: "Declaration of dividends by banks")*

Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets (April 2020)

In terms of paragraph 11 of the Prudential Framework on Resolution of Stressed Assets, lenders are required to implement a resolution plan in respect of entities in default within 180 days from the end of Review Period of 30 days. *(Source: RBI Notification dated April 17, 2020: "COVID19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets")*

On a review, it has been decided that in respect of accounts which were within the Review Period as on March 1, 2020, the period from March 1, 2020 to May 31, 2020 (later extended 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 June 1, 2020, (later extended to September 1, 2020) upon expiry of which the lenders shall have the usual 180 days for resolution.*(Source: RBI Notification dated April 17, 2020: "COVID19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets")*

In respect of accounts where the Review Period was over, but the 180-day resolution period had not expired as on March 1, 2020, the timeline for resolution shall get extended by 90 days from the date on which the 180-day period was originally set to expire. *(Source: RBI Notification dated April 17, 2020: "COVID19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets")*

Consequently, the requirement of making additional provisions specified in paragraph 17 of the Prudential Framework shall be triggered as and when the extended resolution period, as stated above, expires. *Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets")*

In respect of all other accounts, the provisions of the Prudential Framework shall be in force without any modifications. *Regulatory Package – Review of Resolution Timelines under the Prudential Framework on*

Resolution of Stressed Assets")

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. *(Source: RBI Notification dated April 17, 2020: "COVID19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets")*

COVID19 Regulatory Package - Asset Classification and Provisioning (April, 2020)

Asset Classification under the Prudential norms on Income Recognition, Asset Classification ("IRAC")

In terms of the circular DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 ("**Regulatory Package**"), the lending institutions were permitted to grant a moratorium of three months on payment of all term loan instalments falling due between March 1, 2020 and May 31, 2020 (later extended to August 31, 2020) ("**Moratorium Period**"). As such, in line with the clarification provided by the Basel Committee on Banking Supervision, in respect of all accounts classified as standard as on February 29, 2020, even if overdue, the moratorium period, wherever granted, shall be excluded by the lending institutions from the number of days past due for the purpose of asset classification under the IRAC norms. (*RBI Notification dated April 17, 2020: "COVID19 Regulatory Package – Asset Classification and Provisioning)*

Similarly, in respect of working capital facilities sanctioned in the form of cash credit/overdraft, the Regulatory Package permitted the recovery of interest applied during the period from March 1, 2020 up to May 31, 2020 (later extended to August 31, 2020) to be deferred. Such deferment period, wherever granted in respect of all facilities classified as standard, including SMA, as on February 29, 2020, shall be excluded for the determination of out of order status. (*RBI Notification dated April 17, 2020: "COVID19 Regulatory Package – Asset Classification and Provisioning)*

NBFCs which are required to comply with Ind-AS shall, as hitherto, continue to be guided by the guidelines duly approved by their Boards and as per ICAI Advisories for recognition of the impairments. (*RBI Notification dated April 17, 2020: "COVID19 Regulatory Package – Asset Classification and Provisioning)*

Provisioning

In respect of accounts in default but standard where provisions of paragraphs (2) and (3) above are applicable, and asset classification benefit is extended, lending institutions shall make general provisions of not less than 10 per cent of the total outstanding of such accounts, to be phased over two quarters as under:

1. quarter ended March 31, 2020 – not less than 5 per cent; or

2. quarter ending June 30, 2020 – not less than 5 per cent.

The above provisions may be adjusted against the actual provisioning requirements for slippages from the accounts reckoned for such provisions. The residual provisions at the end of the financial year can be written back or adjusted against the provisions required for all other accounts. (*RBI Notification dated April 17, 2020: "COVID19 Regulatory Package – Asset Classification and Provisioning)*

The above provisions shall not be reckoned for arriving at net NPAs till they are adjusted against the actual provisioning requirements as under paragraph 6 above. Further, till such adjustments, these provisions shall not be netted from gross advances but shown separately in the balance sheet as appropriate. (*RBI Notification dated April 17, 2020: "COVID19 Regulatory Package – Asset Classification and Provisioning)*

All other provisions required to be maintained by lending institutions, including the provisions for accounts already classified as NPA as on February 29, 2020 as well as subsequent ageing in these accounts, shall continue to be made in the usual manner. (*RBI Notification dated April 17, 2020: "COVID19 Regulatory Package – Asset Classification and Provisioning)*

Other Conditions

The exclusions permitted in terms of para 2 and 3 above shall be duly reckoned by the lending institutions in their supervisory reporting as well as reporting to credit information companies ("**CICs**"); i.e., the days past due and SMA status, where applicable, as on March 1, 2020 will remain unchanged till May 31, 2020

The lending institutions shall suitably disclose the following in the 'Notes to Accounts' while preparing their financial statements for the half year ending September 30, 2020 as well as the financial years 2019-20 and 2020-2021:

1. respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3;

2. respective amount where asset classification benefits is extended;

3. provisions made during the the fourth quarter of financial year 2020 and the first quarter of financial year 2021 in terms of paragraph 5; and

4. provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6. (*RBI Notification dated April 17, 2020: "COVID19 Regulatory Package – Asset Classification and Provisioning)*

'AtmaNirbhar Bharat' Reforms (May, 2020)

To pivot and strengthen India's position in emerging global value chains amid changing trade dynamics, re-aligning policy incentives in favour of labour intensive export sectors is a pressing need. In addition, India needs to anchor its strengths in the area of generic drugs and pharmaceuticals exports and regain its market share in active pharmaceutical ingredients (APIs). Given the nature of the COVID-19 disease the world is fighting, inability of even one country to address the shortages of vaccine, will have huge negative externalities for the entire world. India can emerge as one of the forerunner in supporting easy, affordable and equitable access to the COVID-19 vaccine as and when it is available to administer. *(Source: DEA – Monthly Economic Report, August 2020 (www.dea.gov.in))*

The Government of India has, on its part, worked out a support package entailing a prudent mix of sovereign guarantee based schemes, direct fiscal expenditure and longer-term structural policy reforms. The package encompasses a comprehensive 'Atma Nirbhar' (self-reliance) package in five tranches covering measures to create rural employment, infrastructure, support to MSME sector, and creation of an enabling business environment. Other measures include expenditure control such as a freeze on employees' dearness allowance as well as a relief package to support the vulnerable and disadvantaged sections of society, both in kind (free supply of grains) and cash (Direct Benefit Transfer or DBT). Put together, the overall package, including from the RBI in the form of various liquidity measures, is of the order of 10 per cent of GDP. Furthermore borrowing limits of State Governments were increased from 3 per cent to 5 per cent of gross state domestic product (GSDP). *(Source: RBI – Financial Stability Report, July 2020)*

The overall uptick in MSME credit in June may be attributed to the Emergency Credit Line Guarantee Scheme announced in May under the 20 lakh crore Atma-Nirbhar package of the Government. As on 12 August, 32.8 per cent of the committed amount under the scheme has been disbursed in 22.7 lakh MSME loan accounts. 55.4 per cent of the disbursement came from 12 public sector banks and the remaining from 24 private banks and 31 NBFCs. *(Source: DEA – Monthly Economic Report, August 2020 (www.dea.gov.in))*

BUSINESS

Some of the information contained in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward-Looking Statements" on page 13 of this Placement Document for a discussion of the risks and uncertainties related to those statements and also the section titled "Risk Factors" for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also see "Management's Discussion and Analysis of Financial Condition and Results of Operations" for discussion of certain factors that may affect our business, financial condition or results of operations.

Unless otherwise indicated, the financial information included herein is based on our Audited Consolidated Financial Statements and our Unaudited Consolidated Financial Statements, included in this Placement Document. For further information, see section "Financial Statements".

Certain information in this section includes extracts from publicly available information, data, and statistics, and has been derived from various publications and industry sources, including from the RBI. Neither our Bank, nor the Book Running Lead Manager, nor any other person connected with the Offer has independently verified such information.

Overview

We are a scheduled public sector commercial bank in India, catering to the overall banking needs across customer segment. Having been in operation for more than 100 years, we offer a broad variety of wholesale and retail banking products and services customized to cater the needs of our retail and corporate customers, services to large and mid-corporates, small and medium enterprises, micro small and medium enterprises ("**MSME**") and agricultural sectors. We also offer third party insurance and mutual fund plans on an agency basis to our customers and provide services like lockers, remittance, bank guarantee credit, collection of taxes as well as other banking products and services to generate non-interest income. As on June 30, 2020, we have a wide presence through a network of 4,649 branches, with 10 zonal offices, 90 regional offices, 2 sponsored RRBs, 1 extension counters, 3,629 ATMs, and 10 satellite offices with customer accounts of around 7.21 crore banking customers. As of June 30, 2020, our branch network is present in 28 States and 8 Union Territories in India and is spread over 888 branches in metropolitan cities, 819 branches in urban areas, 1,336 branches in semi-urban areas and 1,606 branches in rural areas, constituting 19%, 18%, 29% and 35% of the total branch network, respectively, which we believe provides us a potentially large business opportunity from unbanked segments in rural India.

Established on December 21, 1911, by Sir Sorabji Pochkhanawala with Sir Pherozesha Mehta as the first Chairman, our Bank was the first commercial bank which was wholly owned and managed by Indians. We are one of the 13 banks, which were nationalised in 1969 and became a public sector bank. The range of products offered by us includes fund-based products, non-fund based products, fee and commission-based products and services, deposits and foreign exchange and derivative products. According to RBI's report on trend and progress of banking in India 2018-19, we are the eighth largest bank in India based on the number of branches. Our total business as of June 30, 2020 and March 31, 2020 stood at ₹4,97,747.83 crore and ₹4,86,007.00 crore, respectively, as against ₹4,67,584.35 crore as on March 31, 2019. Our total deposits as on June 30, 2020 and March 31, 2020 stood at ₹3,21,251.75 crore and ₹3,13,763.25 crore, respectively, as against ₹2,99,855.44 crore as on March 31, 2019. Our total loans and advances stood at ₹1,76,496.08 crore as on June 30, 2020 and ₹1,72,243.75 as on March 31, 2020 as against ₹1,67,728.91 crore as on March 31, 2019.

Our capital adequacy ratio as of March 31, 2018, March 31, 2019 and March 31, 2020, in accordance with BASEL III norms, was at 9.04%, 9.61% and 11.72%, respectively. Our Capital to Risk Weighted Assets Ratio ("**CRAR**") as on March 31, 2020 was 11.72% (in accordance with applicable Basel III norms). Further, our CRAR as on June 30, 2020 was 11.50% (comprising 9.22% Tier I and 2.28% Tier II capital). As of March 31, 2020, gross NPAs were ₹32,589 crore, or 18.92% of our gross advances, and net NPAs were ₹11,534.46 crore, or 7.63% of our net advances. As of June 30, 2020, our gross NPAs represented 18.10% of our gross advances and net NPAs represented 6.76% of our net advances. Our provision coverage ratio was 77.29% and 79.12% as of March 31, 2020 and June 30, 2020, respectively.

Our business is principally divided into: (a) retail banking; (b) agricultural banking; (c) corporate/ wholesale banking; (d) treasury, funds and investments; (e) MSME banking and (f) Other banking services.

Retail Banking

Our retail banking business offers a wide range of financial products and services to retail customers. Retail banking products principally comprise of retail banking accounts (e.g., savings accounts and time deposits) and retail loans (e.g., home loans and loans against property, and vehicles loans, education loan, personal loan) with an exposure up to ₹5 crore to an individual, HUF, partnership firm, trust, private and public limited companies, Co-operative societies etc. or to a small business. Small business is one where average of last three years' annual turnover (actual for existing and projected for new entities) is less than ₹50 crore. We are modernizing various customer touch points by implementing advanced digital banking platforms. We offer our customers a suite of technological products, including international debit and credit cards, mobile banking, internet banking and utility bill payment services such as mobile phone bills, electricity bills, and credit card bills. Our total revenue from our retail banking business stood at ₹7,733.92 crore as on March 31, 2020 and ₹1,700.02 crore as on June 30, 2020.

Agricultural Banking

Our agricultural banking business offers direct financing to farmers for production and investment, as well as indirect financing for infrastructure development and credit to suppliers of agricultural inputs through agencies. In consonance with national policies and priorities, we have given considerable thrust to lending to the priority sector, including the agriculture sector. We offer various products in the rural and semi-urban areas which would also help our Bank to meet its financial inclusion targets mandated by RBI. We offer a wide variety of products under various schemes in agricultural financial services such as Cent Agri Land Purchase Scheme, Cent Kisan Tatkal Scheme, Cent Solar Light Scheme, Cent Kisan Vehicle, Cent Dairy Scheme etc., to individual farmers or joint borrowers, small and marginal farmer and such to persons engaged in agricultural or allied activities. This schemes, *inter alia*, provides advances for agriculture allied activities, agriculture infrastructure, agriculture vehicles, establishment of dairy units. Our agricultural advances stood at ₹34,419.40 crore as on March 31, 2020 and ₹33,886.09 crore as on June 30, 2020.

Corporate/ Wholesale Banking

Our corporate/wholesale banking business caters to corporate customers, including large, mid-sized and small businesses and government entities. Our range of corporate / wholesale banking products and services includes (a) liability products, including current accounts, and term deposits distributed by our Bank; (b) loan products, including working capital, term loans and foreign currency loans; (c) financial market products, including foreign exchange and hedging and structured products; (d) trade products, including letter of credit, stand-by letter of credit and guarantee, export financing and remittances; (e) cash management products, including account services, receivable and payable, liquidity management; and (f) debt capital market products, including syndicated loans, bonds and negotiable certificate of deposit, securitisation, and structured products. We also act as an agent for various state governments and the Government of India on numerous matters including the collection of taxes and the payment of pensions. As of June 30, 2020, we have 6 MCBs (Mid Corporate Branch) and 7 CFBs (Corporate Finance Branch) that cater to the credit requirements of mid as well as large corporate clients. These MCBs and CFBs route the loan proposals of more than ₹25 crores, directly to the Central Office for processing. These branches play a key role in developing our corporate and wholesale lending business. Our total advances towards corporate/wholesale banking stood at ₹62,469.01 crore as on March 31, 2020 and ₹67,009.12 crore as on June 30, 2020.

Treasury, Funds and Investments

Treasury operations consist of dealing in securities and money market operations. Our treasury operations primarily include of statutory reserves management, liquidity management, investment and trading activities, money market and foreign exchange activities. Our treasury department invests in sovereign and corporate debt instruments and undertakes trading in equity, fixed income securities and foreign exchange. The net investment portfolio of our Bank increased to ₹1,42,517.54 crore (including Non-SLR, Non-Transferable Govt of India Recapitalisation Bond ₹14,780.00 crore) as on March 31, 2020 as against ₹1,25,298.07 crore as on March 31, 2019. Further, the net investment portfolio of our Bank as on June 30, 2020 stood ₹1,45,151.63 crore.

Other Banking Services

In addition to our primary banking operations, we also provide certain services on behalf of the GoI and various State governments. The Bank has a dedicated fee income vertical and offers various other products and services to increase fee income viz. insurance products, trade finance, lockers, mutual funds, credit cards and cash management services and depository services. We distribute third party life and non-life insurance policies and mutual funds on an agency basis. In addition, we have agency function for collection of Central Government Revenue *viz.* direct and indirect taxes through physical mode by authorized branches and through e-mode by all branches of our Bank. We also act for various state governments and the Government of India on numerous matters including the collection of state revenue and taxes, mobilization of government deposits under Pradhan Mantri Jan Dhan Yojna, and payment of school teacher's salary and pension of Central Government, State Government and different autonomous organizations. Further, we have been assigned the convenor of State Level Bankers' Committee ("**SLBC**") in the state of Madhya Pradesh. We have sponsored three Regional Rural Banks covering 48 districts in 3 states.

COMPETITIVE STRENGTHS

We believe that our success can be attributed to a combination of the following competitive strengths:

Extensive distribution network and multiple delivery channels

Having been in operation for more than 100 years, we offer a broad variety of wholesale and retail banking products and services customized to cater the needs of our diversified customer base. Further, we have built long term relationship with our customers through our ability to provide consistent quality services based on their needs which has been instrumental in the growth of our Bank. As at June 30, 2020, our multi-channel distribution network comprised over 7.21 crores customer base, and our operations covered 28 States and 8 Union Territories, with 4,649 branches, 3,629 ATMs, 1 extension counters and 10 satellite offices. Multiple delivery channels and large distribution infrastructure has resulted in giving us access to a large customer base spread across the country. As on June 30, 2020, we have covered 22,706 villages through our 6,387 Business Collaborator Agents ("**BC Agents**") under the financial inclusion scheme of the Government of India. Moreover, we opened 156 Urban Financial Inclusion centres under this scheme. As on June 30, 2020, our branches are spread across metropolitan cities as well as rural, semi urban and urban areas, with 888, 1,606, 1,336 and 819 branches, respectively.

We offer a user-friendly internet banking facility that allows our customers to conduct a comprehensive range of banking transactions online without visiting our branches or ATMs. We also offer debit and credit cards to our customers in association with Visa, MasterCard and RuPay. These cards provide customers with 24-hour access to their funds through our ATMs as well as any Visa, MasterCard and RuPay-enabled ATMs and merchant establishments in India, as well as outside India. In order to complement our existing core banking solution platform of branches and ATMs, we have also developed a multi - channel electronic banking system that we believe enables us to acquire new customers and strengthen our relationship with existing customers. Our electronic banking system includes internet banking, phone banking, mobile banking through our mobile apps being CentMobile and Cent m-Passbook, kiosk banking, Unified Payment Interface app BHIM Cent UPI, in accordance with the UPI guidelines issued by the NPCI. Our multi-channel network is diversified and so reduces dependence on any single distribution channel, and also enables us to access a broad range of customers across industries, geographic locations, income groups and customer demographics.

Robust credit portfolio

We offer wide range of products that generate both interest and non-interest income. We are engaged in wide variety of wholesale and retail banking products and services customized to cater the needs of our retail and corporate customers, small and medium enterprises, micro small and medium enterprises and agricultural sectors identified by the Government of India as priority sector. We also cater to the needs of corporate and SME Banking services offering working capital, short term credit, cash management, forex loan products such as export import credit, Letter of Credit and Guarantee and buyers credit. Our retail banking services include consumer lending and deposit services. We offer a wide range of consumer credit products, including personal loans, home loans, vehicle loans, education loans, mortgage loans, gold loans, etc. Our deposit products include saving accounts, time deposits, demand deposits. Further, we have been implementing various Government sponsored schemes such as Differential Rate of Interest (DRI), Prime Minister Employment Generation Programme (PMEGP), National Urban Livelihood Mission (NULM), National Rural Livelihood Mission (NRLM) etc., benefitting all sections of society. We believe that our combination of diverse product offerings and a relationship-driven approach has enabled us to structure solutions to meet our customers' needs, resulting in sustained revenue generation.

Retail, agricultural and micro small and medium enterprises ("**RAM**") sectors comprised an increasingly larger share of our total advances from 63.62% as of March 31, 2018 to 68.77% as of March 31, 2019 to 63.73% as of

March 31, 2020 and further to 62.04% as of June 30, 2020. Our asset mix is well diversified over our key strategic growth customer segments of RAM, with 25.72%, 19.20% and 17.12%, of our total domestic loans to retail, agriculture and micro small and medium enterprises sectors, respectively, as of June 30, 2020.

In Fiscal 2018, 2019 and 2020, the advances in the retail segment were ₹48,123.02 crore, ₹48,666.11 crores and ₹46,106.03 crores, respectively, accounting for 27.11%, 29.01% and 26.77% of gross credit. Within our retail credit portfolio, our housing loan grew at a CAGR of 9.87% from ₹21,392.00 crore as of March 31, 2018 to ₹25,821.00 crores as of March 31, 2020. The housing loan portfolio constituted 63.58% of the total retail portfolio as on March 31, 2020. Our agriculture loan portfolio represented 19.54% of our adjusted net bank credit in Fiscal 2020. Our agriculture loans registered a year on year growth of (3.47)% to ₹34,419.40 crore as of March 31, 2020 from ₹35,655.00 crores as of March 31, 2019. Our MSME advances decreased from ₹31,037.00 crores in Fiscal 2019 to ₹29,250.00 crores in Fiscal 2020. Our diversified loan products are well designed to suit and cater to the financing needs of our customers across geographic locations, varied businesses segments as our branches are well spread across metropolitan cities, urban, semi urban and rural areas. We believe that the combination of diverse product offerings and a relationship-driven approach has enabled us to structure solutions to meet our customers' needs, resulting in sustained revenue generation.

Technology infrastructure

Our Bank believes that it is well-positioned to build its digital capabilities, and has made significant investments in technology and digital analytics to underwrite and manage risks and optimize costs. By establishing an IT system that effectively integrates customer service channels, internet banking, customer service systems and telephone banking including personalized mobile banking and information platforms, we are able to provide our management team with relevant financial and operational data on a real-time basis and serve our customers in an efficient and effective manner.

We have continuously invested in key technological platforms like mobility, artificial intelligence and other new-age technologies that provide an edge in its offerings to customers. In addition, we have leveraged artificial intelligence and machine learning to increase operating efficiencies and customer experience.

We have implemented several RBI-led technology projects designated to facilitate greater inter-bank connectivity and faster clearing and settlement. We have implemented Real Time Gross Settlement ("**RTGS**") and National Electronic Funds Transfer ("**NEFT**") in all our branches. We have also implemented image based Cheque Truncation System ("**CTS**") in all the three grids, namely, Delhi, Chennai and Mumbai. All the branches of our Bank including the extension centre and the financial inclusion centres have implemented Core Banking Solution ("**CBS**") software platform.

Our Bank has a robust in-house software development team which effectively handles software requirements of our Bank thus avoiding outsourcing of software development activities, wherever possible. More than 40 portals have been developed and made live. Many of our portals are used for data collection from branches. We have also setup a disaster recovery centre and conduct a regular disaster recovery drills as per our business continuity policy. Our data centre and disaster recovery site are ISO 27001:2013 and ISO 22301:2012 certified. We have implemented Near Site software to ensure business continuity with zero data loss and constant monitoring is undertaken for maintaining 100% uptime of the information technology systems during branch working hours.

A centralised data warehouse under the Single Data Repository project has also been setup, for providing information / reports to the Board and Senior Management of our Bank and aid them in decision making. The objective of the Single Data Repository is to ensure consistency in reporting of the data from different departments and business verticals of our Bank to the Board and Senior Management of our Bank. Static asset liability management, dynamic asset liability management, fund transfer pricing, analytical customer relationship management and corporate performance management (planning & budgeting) modules have been implemented under Single Data Repository project.

We are also in the process of implementing End to End (E2E) Loan Lifecycle Management System (LLMS) for better monitoring of loans and advances and to increase the effectiveness of early warning systems. Our Bank have also started on boarding technologies to provide services such as Cash Recycler, which will enable the customer to deposit and withdraw cash from the same ATM terminal; and interoperable card less cash withdrawal from ATM using UPI.

Robust risk management practices and recovery mechanisms with improved credit management procedures

We have a comprehensive risk management system in place. These are reviewed from time to time and suitably amended to address the guidelines issued by Reserve Bank of India. A committee of Board of Directors regularly oversee our Risk Management policies/practices under various risks viz. credit, operational, market etc. We also have separate committees for each risk comprising of top executives headed by Managing Director & CEO and Executive Directors such as Asset Liability Management committee, Credit Risk Management Committee, Operational Risk committee. These committees meet at regular intervals throughout the year to assess and monitor the level of risk under various bank operations and initiate appropriate mitigation measures wherever necessary. The Risk Management Department at central office level is headed by Chief Risk Officer (General Manager) who measures, control and manages risk within the limits set by the Board and enforces compliance with risk parameters set by various committees. The General Manager is assisted by Deputy General Manager and a team of Assistant General Managers, Chief Managers, Senior Managers and Managers. At all Zonal offices and Regional office, Risk Managers are posted who act as an extended arm of the Risk Management Department of Central Office.

We have in place various policies such as Credit Risk Management Policy, Credit Risk Mitigation and Collateral Management Policy, ICAAP and Stress Testing Policy, Market Discipline and Disclosure Policy, Operational Risk Policy, ALM Policy, Market Risk Management Policy etc. Besides these, we also have a Loan Policy prescribing broad parameters governing loan functions, guidelines on appraisal and evaluation of credit proposals, lending powers of delegated authorities' exposure norms, prudential limits and measures, monitoring and controlling the credit portfolio. Our prudent credit evaluation processes, together with effective monitoring systems, have enabled us to contain our NPA levels, restructured standard asset and special mention account ("**SMA**") levels. Our risk management function is described in further detail under "*Business—Risk Management*".

We are focused on maintaining a high level of asset quality. Our gross NPAs as a percentage of gross advances stood at 18.92% in Fiscal 2020, 19.29% in Fiscal 2019 and 21.48% in Fiscal 2018. Our net NPAs as a percentage of net advances stood at 7.63% in Fiscal 2020, 7.73% in Fiscal 2019, 11.10% in Fiscal 2018. Our NPA increase in Fiscal 2018 was due to weak economy conditions, which affected the asset quality of India's banking industry in general. As of June 30, 2020, our gross NPAs were ₹31,946.00 crore, or 18.10% of our gross advances, and net NPAs were ₹10,469.00 crore, or 6.76% of our net advances. Our cash recovery (including sale of NPA) reduced to ₹3,326.00 crore in the financial year ended March 31, 2020 as compared to ₹5,161.00 crore in the previous financial year ended March 31, 2019. Over a period of time, we have addressed these issues by strengthening our recovery mechanisms and improving our credit management procedures. Further, we have also implemented a SMA-NPA Tracker solution facilitating the field functionaries to ensure better monitoring of loan portfolio and tracking their conduct of account on regular basis. This solution is deployed on centralized server and can be accessed by the staff from Mobile Apps, browser of desktop or laptop or tablets or phones. This product has been awarded as innovative product by Finnoviti-2019 and IBA Awards- 2019. Our concerted efforts to identify stressed assets at an early stage have resulted in a reduction in our NPAs.

Professional and highly experienced board of directors and senior management team

We have a professional and experienced management team with extensive experience in the banking and other industries. We are guided by Pallav Mohapatra, Managing Director and Chief Executive Officer of our Bank has over 37 years of experience in the banking industry. We also benefit from strategic guidance from our Executive Directors, Bajrang Singh Shekhawat and Alok Srivastava who have experience in banking and finance sector. In addition, we are supported by representatives of RBI and the GoI on our Board.

Our Board is also supported by a team of senior management professionals with significant knowledge of banking operations, including credit management, risk management and treasury operations. We believe that the experience of our Board and professionalism of the senior management team has enabled us to develop a strong understanding of industry-specific aspects of our business and operations. We continue to be supported by an experienced employee base. We believe that our management's capabilities, strong reputation, extensive network of industry relationships and wide-ranging experience in the finance and banking industry will continue to help us to grow, modernize, make timely strategic and business decisions in response to evolving customer needs and market conditions and develop further. We believe in continuous development and have invested in our employees through regular training programs to improve skills and service standards, enhance loyalty, reduce attrition rates and increase productivity. For additional details see section titled *"Board of Directors and Senior Management"* beginning on page 157.

OUR STRATEGIES

We continuously evaluate our growth strategy, with the aim of expanding our operations. The objectives that form our business strategies are described below:

Sustained credit growth with focus on retail, agriculture and MSME ("RAM") lending

We have identified the growth of RAM sectors as a priority business initiative. Our retail loans portfolio amounted to ₹45,392.00 crores or approximately 25.72% of our total advances, as of June 30, 2020. Further our agriculture loans and MSME loans portfolio amounted to ₹33,886.00 crores or approximately 19.20% and ₹30,209.00 crores or approximately 17.12% of our total advances, respectively. Further in order to take new business transformation initiatives in retail, agriculture, MSME credit and fee based income through CASA for propelling business growth and to reinvent the business processes for better efficiency and sustainability, we have taken initiative under "Project DISHA". This is built on analytical capabilities and digital tools with robust risk mitigation measures in the change processes. We aim to focus on increasing our share of retail, agriculture and MSME loans in total advances by leveraging our branch network for sourcing retail loans, expanding the distribution network for retail assets and diversifying its retail loan product portfolio.

We have identified the retail loan segment as a key area for increasing our credit portfolio wherein we have 20 retail loan products on offer to general public catering to the distinctive requirements of the potential customer with clear differentiation. In our retail business, we intend to increase our retail lending profile by increasing focus on products such as housing loans, personal loans and loans against property, by simplifying our current processes, launching new products and services and developing our distribution channels. We have reengineered our approach from asset / security coverage to cash flow estimation particularly in the working capital / trade loans and mortgage based loans. Further, we intend to focus more on mortgage based loans with low risk weighted assets ratio including more particularly on housing loans with the loan to value percentage being less than 80%. We believe the aforementioned approaches will help us spread risk, increase our interest income and achieve better efficiency in capital utilization. Further, this will enhance our customer base and provide us business opportunities through relationship banking and cross selling.

With an increased retail base, we believe that we will be able to generate significant opportunities for cross-selling. We intend to organize focused campaigns for vehicle and housing loans in festive seasons and other region specific occasions and outcomes of such campaigns organized in the past were highly encouraging. Our strategy is to also establish stronger banking relationship with our existing customers by incentivizing them by offering discount on availing a combination of one or more of our products. In order to continuously improve our retail lending profile, we endeavour to constantly revisit our retail loan product range to improve our offerings as per changing need of our customers.

Further, we also aim to have a continued focus on the MSME segment by offering a wide suite of products and services. In order to increase and improve quality of lending, the share of MSME portfolio, we have planned to set up 50 MSME processing hubs at identified locations. Agriculture lending is also a key focus area in order to position our Bank for capitalizing on the emerging rural opportunities in India as well as to achieve the sizeable priority sector commitment as mandated by the RBI. Further, we intend to deepen our rural distribution through branches as well as business correspondents, thereby providing deposit, remittance and loan products (Agri input financing, farming and processing activities) to rural customers. As of June 30, 2020, we have 1,606 branches in rural areas and 1,336 branches in semi urban areas, constituting 34.54% and 28.74%, respectively, of our total branch network. We believe that there is a potentially large business opportunity from unbanked segments in rural India that it plans to tap by offering simple products customized to suit the needs of this previously unbanked segment.

As part of our overall RAM strategy, we intend to invest in further strengthening our brand, which may include changes to our brand identity, augmenting our technology capabilities, selectively upgrading our branch infrastructure, enhancing capabilities across alternate delivery channels, and by migrating certain operational activities from the branches to a central unit. We intend to increase marketing and sales resources at our branches, launch new products, invest in technology for speedier credit processing and improved monitoring, and cross sell products like life insurance to our existing customers.

Reduction in cost of deposits by focusing on growth of CASA deposits

CASA is the prime source of low cost funds for our Bank. We have and continue to seek to augment our CASA deposits in order to reduce our cost of funds and improve our core capital. Our share of CASA deposits to total deposits have increased from 46.21%, as of March 31, 2019 to 46.83% as of March 31, 2020. Our aggregate CASA deposits increased at a CAGR of 7.72% from ₹1,25,196.00 crores as of March 31, 2018 to ₹1,37,234.00 crores as of March 31, 2019, and were at ₹1,45,279.00 crores as of March 31, 2020. In order to increase our CASA deposits from the current levels, we intend to focus more on introducing deposit products, through marketing efforts, at our rural and semi urban branches. We further propose to increase our CASA by launching deposit products across business, enhancing our brand presence, attracting new retail customers, appointing relationship managers for high net worth customers, acquisition of salary accounts from corporate customers, growing our multi-channel distribution network (including by adding more branches subject to the conditions laid down by RBI), improving our business mix, introducing new products and improving the service quality and efficiency of our non-branch delivery channels.

With the objective to reduce our cost of deposits, we have adopted the strategy of low dependence on bulk deposits except in exceptional cases to meet liquidity mismatches. We intend to constantly align our deposit interest rates with market dynamics for keeping cost of deposits under control without compromising with competitiveness of deposit products. We believe that by leveraging of CBS, internet and mobile banking systems will enable us to increase our customer base, thereby increasing CASA deposits.

Increase focus on improving asset quality and containing NPA levels by building effective risk management systems

We have constantly focused on reducing our impaired assets and improving the quality of our assets. We intend to continue to focus on this with the objective of reducing our NPA levels while upgrading the quality of our assets. The share of gross NPAs as a percentage of gross advances improved to 18.92% as of March 31, 2020 from 19.29% as of March 31, 2019. Our gross NPA was ₹32,589.08 crores and net NPA was ₹11,534.46 crores as of March 31, 2020. We intend to contain our NPA levels by improving the quality of credit. We propose to achieve this by ensuring that our documented loan sanction policies and procedures are complied with and by actively monitoring our loan accounts (particularly Special Mention Accounts (SMA) and evaluating their credit ratings on a frequent basis. In order improve the asset quality and to check the NPA level, we have taken various step to standardise the loan assessment and processing. We have set-up a central processing centre in 49, and propose to set-up more such centres across India.

We are committed to efficiently managing and reducing our NPAs, as well as the stressed assets, and are implementing measures to manage and reduce our NPAs. In relation to origination and appraisal of our loans, we propose to continuously review and upgrade our rating models, scorecards and credit approval process, including training and enhancing our resources. We also intend to implement latest technology/ analytical tools for effective operational and process controls, credit evaluation and implementation of advanced approaches of Basel III guidelines. Further, we have taken several initiatives to contain slippages and continue to proactively address recoveries from overdue loan accounts including identification of stressed accounts for restructuring, revising need based credit limits, carrying out regular follow-up of over dues in loan accounts, conducting auctions for the sale of seized assets to asset reconstruction companies and initiation of stringent recovery measures against wilful defaulters. We have introduced special OTS scheme for agricultural and micro and small enterprises borrowers. In addition, we intend to formulate methods for enforcing the SARFAESI, the Recovery of Debts Due to Bank and Financial Institutions Act, 1993 and the RBI's corporate debt restructuring ("**CDR**") mechanism and Bankruptcy Code more strictly and stringently.

Focus on developing fee based income including treasury operations

Our integrated branch and electronic banking network and our increasingly diversified product and service portfolio have enabled us to develop our fee and commission-based business. We intend to focus on increasing our fee-based income by expanding our third-party product offerings like cross selling of mutual funds and insurance products. We intend to achieve this by increasing our fee-based services and alliances and by cross selling our offerings to our existing as well as new customers. We have also obtained a corporate insurance agency license from Insurance Regulatory and Development Authority under the Insurance Act, 1938 for acting as a corporate agent and have tied up with various insurance companies for distribution of life and non life insurance products to our customers.

Further, we would also like to focus on strengthening the treasury with adequate trained manpower for increasing our trading volume and to improve trading profit. Our treasury profit from trading was ₹1,214.85 crore, ₹215.18 crore and ₹576.67 crore in Fiscal 2020, 2019 and 2018, respectively. The same was ₹336.82 crore in the three months period ended June 30, 2020. We believe that our increased focus on retail and SME customers, integrated branch network, technology led channels and increasingly diversified product mix will enable us to increase our fee and non-fund based revenues.

To our existing SME customers, we aim to market, fee and non-fund based products such as letters of credit, bank guarantees, foreign exchange services and insurance products. We also intend to acquire new SME customers who specifically require such fee and non-fund based products. For our retail customers, we intend to follow a relationship based approach by providing and expanding our third party product offerings including mutual fund and insurance products, wealth management services, money transfer and foreign exchange services.

Banking Operations

We offer products and services to corporate and commercial customers, as well as agricultural and retail customers. As of June 30, 2020 we had total (gross) outstanding loans of ₹1,76,496.03 crores. In Fiscals 2020, 2019 and 2018, we had total outstanding total (gross) loans amounting to ₹1,72,243.75 crores, ₹1,67,728.91 crores and ₹1,77,484.05 crores, respectively.

The table below sets forth the composition of our loan assets by business divisions for three months period ended June 30, 2020 and Fiscals 2020, 2019 and 2018:

(₹ in crores, except percentage)

Particulars	As of June 30, 2020		As of March 31					
			2020		2019		2018	
	Amount	% of total credit	Amount	% of total credit	Amount	% of total credit	Amount	% of total credit
Retail	45,392.05	25.72	46,106.03	26.77	41,042.00	29.01	48,123.02	27.11
MSME	30,208.74	17.12	29,249.80	16.98	31,037.10	18.50	34,025.15	19.17
Agriculture	33,886.07	19.20	34,419.03	19.98	35,655.42	21.26	30,776.12	17.34
Corporate/wholesale/ others	67,009.12	37.96	62,469.01	36.27	59,994.48	31.23	64,560.10	36.38
Gross Advances	**1,76,495.98**	**100.00**	**1,72,243.87**	**100.00**	**1,67,729.00**	**100.00**	**1,77,484.00**	**100.00**

PRODUCTS AND SERVICES

We offer a variety of products and services to corporate and commercial customers, including MSMEs, and as well as retail and agricultural customers. We provide a full range of financial products (fund based and non-fund based) and services to our customers. We provide housing, automobile, education, and other personal loans and deposit services. We also provide products such as remittance services, mobile banking, and internet banking services, and tax filing services.

The following is a description of our principal products that we offer to our customers:

Retail Banking

Retail banking plays a pre-dominant role in increasing the total business of our bank. We offer a broad range of services and products through our multi-channel distribution network to meet the needs of individuals across urban and rural India. Our retail banking operations are targeted primarily at individuals (salaried, self-employed professionals and other self-employed individuals) for meeting their personal financial requirements. Retail banking services include housing loans, education loans, vehicle loans, personal loans, loan against term deposit, and debit card services and constitute a significant portion of our operating income. We offer these services and products to our retail customers through our branch outlets as well as our multichannel electronic banking system that includes 3,629 ATMs as of June 30, 2020 comprising 2,744 onsite and 885 offsite ATMs, internet banking and mobile banking (available 24 hours a day / 7 days a week). Our Retail Loans increased to ₹46,106.03 crores as on March 31, 2020 from ₹41,042.00 crores as on March 31, 2019.

Our CASA ratio (Domestic), comprised primarily of retail demand and savings deposits, was at 42.46% as of March 31, 2018, 46.21% as of March 31, 2019, 46.83% as of March 31, 2020 and 45.77% as of June 30, 2020. As a percentage of total deposits, core deposits accounted for 99.71%, 99.98%, 99.98% and 99.98% as of March 31, 2018, March 31, 2019, March 31, 2020 and June 30, 2020, respectively. As a percentage of total net advances, retail advances accounted for 27.11%, 29.01%, 26.77% and 25.72% as of March 31, 2018, March 31, 2019, March

31, 2020 and June 30, 2020.

The following table sets forth details on our retail credit across segments:

(₹ in crores)

Particulars	As of June 30, 2020	As of March 31		
		2020	2019	2018
Housing Loans	26,007.00	25,821.00	23,301.00	21,392.00
Vehicle Loans	2,684.00	2,768.00	2,789.00	2,885.00
Personal Loans	2,381.00	2,474.00	2,448.00	2,760.00
Education Loans	3,738.00	3,783.00	3,894.00	3,965.00
Other Retail Loans	10,582.05	5,768.00	8,610.00	17,121.00
Total Retail Loans	**45,392.05**	**46,106.00**	**41,042.00**	**48,123.00**

Housing Loans

Our Bank extends housing loans under various schemes such as Cent Home Loan Scheme ("**CHL Scheme**"), Cent Combo Scheme, Cent Home Loan to permanent employees and Cent Home Double Plus Scheme ("**CHD Plus Scheme**"). The brief features of the schemes, *inter alia*, provided by us are as follows:

1. CHL Scheme extends credit facility to individuals and group of individuals including cooperative societies, having legal, identified and regular source of income and NRIs for construction, acquiring new home or flat, acquiring existing home or flat that has remaining life of applied loan tenure plus 10 years. The CHL Scheme also provides loans for the purpose of repairing or renovation or altering existing home or flat. The credit facility under this scheme is provided with a maximum tenor of 30 years, including the moratorium period of 36 months. The rate of interest offered by us is one year MCLR irrespective of quantum and tenor of the housing loan.

2. The Cent Combo Scheme extends credit facility to those applicants whose average annual income of last two years as per IT Return is minimum ₹0.04 crores. The Cent Combo Scheme provides for availing concession in Home Loan and Vehicle Loan if taken together. The applicable rate of interest offered by us is one year MCLR.

3. The Cent Home Loan to permanent employee's scheme extends credit facility to all the permanent employees of Central and State Government and PSUs of Central Government ("**Government Employees**") for the purpose of construction or acquiring of new or existing home or flat. This scheme also grants credit facility to the Government Employees for purchase of plot after obtaining declaration from them that they undertake to construct the house on the plot within the period of two years.

4. The CHD Plus Scheme is divided into two part being (a) home loan with overdraft facility and (b) term loan for other purpose (like repairs, renovation of house, refurbishing or furnishing of house, purchase of new vehicle, purchase of consumer durable or furniture, solar energy equipment, children marriage/ expenses etc). This scheme extends credit facility to individuals viz. salaried employees, self-employed person, professional and any other person having a legal, identified and regular source of income with a maximum tenor of 30 years, including the moratorium period of 36 months.

Further, we cover all eligible credit linked subsidy home loans under Pradhan Mantri Awas Yojana scheme to economically weaker sections / low income groups and middle income group. Our housing loan portfolio constitutes 63.58% of the total Retail Portfolio as on March 31, 2020. Further housing loan portfolio increased at CAGR of 9.87% from ₹21,392.00 crore as of March 31, 2018 to ₹25,821.00 crore as of March 31, 2020 and stood at ₹26,007.00 crore as of June 30, 2020.

Vehicle Loans

We offer loans for the purchase of all variants of new and pre owned four wheelers and two wheelers under the Cent Vehicle Scheme. This scheme extends credit facility to individuals viz. permanent salaried employees or self-employed persons and independent entrepreneurs who have regular source of income, Farmers irrespective of land holding engaged in production oriented agricultural activities and in other allied activities and non-resident Indians. We offer a number of automobile loan products to meet the requirements of diverse customer segments with a maximum tenure of 84 months. Our vehicle loan portfolio decreased at CAGR of 2.05% from ₹2,885.00 crore as of March 31, 2018 to ₹2,768.00 crore as of March 31, 2020 and stood at ₹2,684.00 crore as of June 30, 2020.

Personal Loans

We offer number of schemes such as Cent Personal Loan Scheme, Cent Personal Gold Loan and Cent Liquid Scheme (loan against shares and debentures) to meet various personal and domestic expenses during their service or after retirement. Personal loan portfolio decreased at CAGR of 5.32% from ₹2,760.00 crore as of March 31, 2018 to ₹2,474.00 crore as of March 31, 2020 and stood at ₹2,381.00 crore as of June 30, 2020.

Education Loans

We offer education loan under various schemes to a student, who has secured admission in recognized institutions in India or abroad after completion of higher secondary or equivalent course to pursue graduation and post-graduation courses. Education loan portfolio decreased at CAGR of 2.32% from ₹3,965.00 crore as of March 31, 2018 to ₹3,783.00 crore as of March 31, 2020 and stood at ₹3,738.00 crore as of June 30, 2020.

Other Retail Loans

We also offer loans for which we accept gold ornaments as security, loans for which customers may pledge securities in our favour, personal loan for pensioners, offer business purpose loans against residential and commercial property as collateral. In addition to above, we offer other banking services to our retail customers such as utilities and lockers. We offer customers a means to pay their electricity and other utility bills such as mobile phone bills and credit card bills. Our lockers are available in different sizes, are protected by advanced security systems and may be nominated to others

MSME

With a view to enlarge our credit exposure in the MSME sector, we have initiated several sector friendly measures at highly competitive interest rates based on the enactment of the government on Micro, Small & Medium Enterprises Development (MSMED) Act, 2006. Our Bank has formulated various schemes to suit the specific needs of MSME borrowers and these schemes extends credit facilities, both term loan and working capital, to MSME involving manufacturing and service /trade activities. Our MSME portfolio consist primarily of loans and advances to manufacturing and food processing enterprises, educational institutions, healthcare providers, the services sector, traders and professionals.

We have introduced various products to cater to the needs of various segments of MSME borrowers. Few such products are Cent Ceramic, Cent Hosiery Textiles, Cent Contractor, Cent Doctor, Cent Warehouse Receipt scheme, Cent Standup India, Cent Mudra Yojana etc. We also have a dedicated product 'Cent Kalyani', to take care of the needs of women entrepreneurs, wherein interest, margin, CGTMSE guarantee fee are allowed at certain concessions. Recently, we also introduced a new product, Cent Business Loan for providing cash flow based lending to business community with liberalized collateral norms and low rate of interest.

As on June 30, 2020, we have 510 MSME branches and deployed specialized officers at MSME centric locations. We propose to strengthen our relationship with these sectors by tying up with various manufacturers and giving them various facilities at competitive terms and thereby expand our business. We also offer loan under the new Scheme named "Mukhya Mantri Krishak Udyami Yojana" launched by MSME Department, Government of Madhya Pradesh for financing son/daughter of agriculturists for setting up units in industry (manufacturing) or service or trade sectors having project size of maximum ₹2.00 crores.

During the Fiscal 2020, we have issued 93,628 cards to farmers to meet their credit requirement for crop production, repairing of agricultural machinery and equipment, working capital for allied activities, to repay their old debts taken from non-institutional money lenders and consumption needs. The total amount of loan sanctioned through these cards during the year ended March 31, 2020 was ₹1,222.19 crore and as of June 30, 2020 was ₹56.56 crore. We have issued ATM cards to all eligible KCC holders.

The following table represents our total revenue advance in MSME sector:

(₹ in crores, except percentage)

Particulars	As on June 30, 2020		As of March 31, 2020		As of March 31, 2019		As of March 31, 2018	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Micro Enterprises	13,114.00	43.41	10,597.00	36.23	10,735.00	34.59	10,724.00	32.35
Small Enterprises	13,545.00	44.84	15,137.00	51.75	16,487.00	53.12	18,779.00	54.01
Total (MSE)	26,659.00	88.24	25,734.00	87.98	27,222.00	87.71	29,503.00	86.36
Medium Enterprises	3,549.00	11.76	3,515.80	12.02	3,815.00	12.29	4,522.00	13.64
Total MSME	**30,208.74**	**100.00**	**29,249.80**	**100.00**	**31,037.00**	**100.00**	**34,025.00**	**100.00**

Our MSME loan portfolio decreased at a CAGR of 7.28% from ₹34,025.15 crore as of March 31, 2018 to ₹29,249.80 crore as of March 31, 2020 and stood at ₹30,208.74 crore as of June 30, 2020.

AGRICULTURE BANKING

We offer a wide variety of products and schemes under agricultural banking, including both direct and indirect advances to individual farmers, groups of farmers and corporates. We have various area-specific schemes suitable to different agro-climatic conditions and agricultural practices, including credit for tea plantation, short term credit for seasonal agricultural operations and working capital limits to allied activities of agriculture. The amount of funding available is based on the land holding, the crops the farmer cultivates, cropping pattern and the area of operations.

Further, in order to boost Agriculture lending, our bank organises awareness campaign for farmers under "Krishak Sandya" by all Rural & Semi urban branches. We have proposed to open 20 Agri Credit Processing Centres initially to give boost to Quality Agriculture Advances for which Board has already approved. Recently, we have also launched "Cent Saral Business Loan" Scheme for PMJDY / BSBD account holders to fulfill their credit requirements under Financial Inclusion Programme of Government of India.

The short term crop cultivation credit needs of farmers are met by our Cent Kisan Credit Card ("**CKCC**"), which is a farmer friendly flexible credit product, wherein limits are sanctioned for a period of 5 years, subject to annual review. For small and marginal farmers who have minimum land holding and no access to banks are financed by us through tie up facility with NGO, MFI, wherein the credit facilities are delivered at their door step through business correspondent model. We have disbursed 16,13,476 CKCC to the framers with an amount of ₹19,166.70 crores against the total Agriculture Advances of ₹33,886.00 crores which constitutes 56.56% of the amount.

As of June 30, 2020, we had an outstanding loan portfolio to the agriculture sector of ₹33,886.00 crore of our total outstanding loans and advances as of that date. Further, as of March 31, 2020, we had an outstanding loan portfolio to the agriculture sector of ₹34,419.00 crore of our total outstanding loans and advances as of that date, compared with ₹35,655.00 crore as of March 31, 2019 registering an year on year growth of (3.47)%. Our agriculture finance portfolio helps us to meet our priority sector lending obligations, where we are required to lend 40% of our adjusted net bank credit or credit equivalent amount of off balance sheet exposure, whichever is higher, towards priority sectors and 18.00% of our adjusted net bank credit or credit equivalent amount of off balance sheet exposure, whichever is higher, towards agriculture.

CORPORATE/ WHOLESALE BANKING

We provide our corporate and institutional clients, both in public and private sector, a wide array of commercial banking products and transactional services ranging from large corporates, multi-national corporates and other financial institutions. Our principal commercial banking products include a range of financing products, documentary credits (primarily letters of credit) and bank guarantees, foreign exchange and derivative products, investment banking services and corporate deposit products. Our financing products include loans, overdrafts, bill discounting and credit substitutes, such as commercial papers, debentures, preference shares and other funded products. Our foreign exchange and derivatives products assist corporations in managing their currency and interest rate exposures. We also offer infrastructure/ project finance, trade loans, bridge financing and foreign currency loans and finance to corporates through the syndication of loans.

For our commercial banking products, our customers include companies that are part of private sector business houses, public sector enterprises 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 also provide non-fund facilities, such as letters of credit and guarantees. All proposed loans and advances are subject to our internal credit rating procedures, and internal ratings for facilities of ₹2.00 crore and above must be reviewed and approved by our risk management department before the loans are sanctioned.

Our segmental revenue from corporate / wholesale banking advances business was ₹8,335.47 crore for Fiscal 2018, ₹7,115.12 crore for Fiscal 2019, ₹7,212.85 crore for Fiscal 2020 and ₹1,731.65 crore for three months period ended June 30, 2020.

OTHER BANKING SERVICES

Treasury Operations

Treasury Department performs the crucial function of interacting with dynamic market forces, understanding them and transforming such understanding into profits. Treasury maintains the statutory reserves of CRR and SLR prescribed by RBI, meets our short term liquidity requirements in domestic and foreign currencies effectively, manages our SLR and Non-SLR investment book, trades in interest rate, equity and forex instruments, utilizes arbitrage opportunities available across markets and also provides crucial market related inputs in our asset liability management.

Forex dealing room of treasury provides market views to its exporter / importer customers and also executes forex transactions on their behalf, in addition to doing proprietary forex trading activities. Treasury conducts its operations in accordance with the Board approved investment policy which sets limits, controls, accounting policies and general guidelines for the treasury operations, including the parameters of investments in securities. Our investment portfolio is managed with a view to capitalize on the market movements in interest rates and credit spread, to maintain a balanced portfolio, to minimize risk, to ensure deployment of surplus cash in securities at attractive yields while maintaining adequate liquidity. The overall objective of Treasury activities is to earn optimal return on deployed investments and to minimize credit risks assumed in its investment/ trading activities.

Our revenue from treasury segment was ₹10,239.35 crore, ₹10,016.80 crore, ₹12,252.52 crore and ₹3,295.01 crore for as of March 31, 2018, March 31, 2019, March 31, 2020 and June 30, 2020, respectively. Our non-interest income from our treasury segment, consisting of profit and loss from the sale of investments (net) and profit on exchange/ derivative transactions (net) was ₹717.58 crore, ₹335.63 crore, ₹1,445.32 crore and ₹371.79 crore for Fiscals 2018, 2019, 2020 and June 30, 2020, respectively.

Bancassurance

In order to provide a wide range of finance and investment products to its customers as a value addition, and also to augment its non-interest income, we have entered into agreements with various insurance companies for distribution of life insurance and non-life insurance products to our customers. We have obtained a corporate insurance agency license from Insurance Regulatory and Development Authority under the Insurance Act, 1938 for acting as a corporate agent and tied up with Life Insurance Corporation of India Limited and TATA AIA Life Insurance Company Limited for providing life insurance products and The New India Assurance Company Limited, Baja Allianz General Insurance Company Limited and HDFC ERGO Health Insurance Co. Limited (erstwhile known as Apollo Munich Health Insurance Company Limited) for providing non-life insurance products. During Fiscal 2020, we have sold 74,447 life policies and 2,23,167 non-life policies. Our income from bancassurance was ₹21.00 crores, ₹23.00 crores, ₹40.00 crores and ₹9.00 crores for the Fiscal 2018, 2019, 2020 and the three months ended June 30, 2020, respectively.

Government Business

We have agency function for collection of Central Government Revenue viz. direct and indirect taxes through physical mode by authorized branches and through e-mode by all branches of our Bank. We also act for various state governments and the Government of India on numerous matters including the collection of state revenue and taxes, mobilization of Government deposits. We are authorized for collection of Direct taxes and Indirect taxes (Excise Duty & Service Tax). Bank is also authorized for collection of Commercial Taxes (Govt. Revenue/ e-payment of Govt. Taxes) in the state of Tamil Nadu, Andhra Pradesh, Karnataka, Madhya Pradesh, Maharashtra and West Bengal. We have implemented a new centralized processing system for payments of all types of pension. We are also authorized to mobilize business under different Government Small Saving Schemes viz PPF, SCSS, SSA and KVP.

Mutual Funds

We also distribute various mutual fund products through select branches.

Cash Management Services

We have implemented Cash Management system which facilitates corporate customers to manage liquidity, account balances, payments and other Cash Management functions. The application has two main modules viz. Payments and Collections. We have also introduced Door Step Banking Service (DSBS) Senior Citizens, for visually blind & differently abled customers for pick up & delivery of cash / cheque from and at the doorstep of our customers.

Capital Markets Services

We are registered with SEBI as self – certified syndicate bank for providing Application Supported by Blocked Amount (ASBA) services to our customers. This scheme aims at providing the facility of blocking of amount to the extent of the bid amount of the customers investing in shares and bonds through the initial public offering / further public offering. We also offer other capital market facilities such as Demat, Clearing Bank, Payment of Dividend Warrants and Credit/Guarantee facilities to Brokers etc.

Depository Services

Our Bank is registered with SEBI as a depository participant which enables our customers to keep their capital market services in electronic form. The facility comprises of the CASA account, demat account and trading account enabling our customers to trade in shares online, using the funds in the CASA account and dematerialized securities in the depository participant account. As on June 30, 2020, we have around 30,274 demat account holders.

Card Services

As on March 31, 2020, we have credit card base of 87,470 and prepaid card base of 3,99,387. We offer credit cards in association with VISA, MasterCard and Rupay and prepaid cards in association with MasterCard. We also offer debit cards in association with VISA and Master Card such as global debit cards and with higher transaction limits. Further, we have an arrangement with SBI Cards for marketing of Co- Branded credit cards since July 2019. In Fiscal 2020, 24,517 credit cards have been issued and our Bank has earned a commission of ₹0.15 crore through this business.

Deposits

Our deposits are broadly classified into current (also known as demand) deposits, savings deposits and term deposits, which are briefly discussed as under:

Term deposits: We accept term deposits giving a fixed return, for periods ranging from 7 days to 10 years. Term Deposits are also known as fixed deposits or time deposits. Such deposits can be withdrawn before maturity in accordance with applicable rates by paying penalties. Term deposits include recurring deposits, which enable the customer to make deposits over a fixed term at regular intervals. We also offer overdraft facility against the term deposits to our customers. Term deposits provide us with a cost efficient and stable funding source, and remain a key focus area for us.

Savings accounts: We offer savings accounts, which are interest bearing on-demand deposit accounts designed primarily for individuals and trusts.

Current Accounts: We also offer current accounts which are non-interest-bearing accounts, designed primarily for businesses. Customers have a choice of regular and premium product offerings with different minimum average quarterly account balance requirements.

The average cost of term deposits was 5.24% for three months period ended June 30, 2020, 6.81% in Fiscal 2020, 6.75% in Fiscal 2019 and 6.98% in Fiscal 2018. The average cost of total deposits was 4.70% for three months period ended June 30, 2020, 5.11% in Fiscal 2020, 5.21% in Fiscal 2019 and 5.53% in Fiscal 2018.

The following table sets forth our outstanding deposits and the percentage composition on consolidated basis by each category of deposits for the periods indicated therein:

(₹ in crores, except percentage)

Particulars	As on June 30, 2020		Fiscal 2020		Fiscal 2019		Fiscal 2018	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
I. Demand Deposits								
- From Banks	1,675.36	0.52	334.84	0.11	1,321.45	0.44	430.38	0.15
- From Others	14,823.37	4.61	15,072.66	4.80	15,087.86	5.02	14,247.80	4.82
Total Demand Deposits	**16,498.73**	**5.13**	**15407.50**	**4.90**	**16,409.31**	**5.46**	**14,678.18**	**4.97**
II. Saving Bank Deposits	**1,35,670.84**	**42.18**	**1,30,199.99**	**41.44**	**1,22,138.87**	**40.67**	**1,10,509.29**	**37.42**
III. Term Deposits								
- From Banks	1,592.42	0.50	3,698.94	1.18	3,182.91	1.06	4,230.63	1.43
- From Others	1,67,914.40	52.20	1,64,894.70	52.48	1,58,580.29	52.81	1,65,936.39	56.18
Total Term Deposits	**1,69,506.82**	**52.69**	**1,68,593.64**	**53.66**	**1,61,763.21**	**53.87**	**1,70,167.01**	**57.61**
Total Deposits	**3,21,676.39**	**100.00**	**3,14,201.13**	**100.00**	**3,00,311.39**	**100.00**	**2,95,354.49**	**100.00**

In addition to our conventional deposit products, we offer a variety of special value-added products and services thereby increasing product offerings and providing greater convenience for customers, such as higher rate deposit accounts for senior citizens. We offer deposit for NRIs, which gives the convenience of variable monthly recurring deposit instalments and special NR deposits with higher return by way of forward-booking of underlying foreign currency.

Foreign Exchange

Our foreign exchange and derivative product offering to our customers covers a range of products, including forward foreign exchange contracts. These transactions enable our customers to transfer, modify or reduce their foreign exchange and interest rate risks. Our foreign exchange business is carried out through 71 authorised dealer ("B" category).

Deposits for Non-Resident Indians

In addition to providing remittance and portfolio investment services to NRIs, we allow them to open various types of deposit account. As of June 30, 2020 and in Fiscals 2020, 2019 and 2018, our total NRI deposit portfolio was ₹8,085.69 crores, ₹7,840.81 crores, ₹5,553.07 crores and ₹5,676.90 crores, respectively.

We offer the following deposit products to NRIs:

Foreign Currency Non-Resident Deposits: We offer foreign currency deposits in ten currencies, including the U.S. dollar, the Pound Sterling, the Euro and the Japanese yen. The principal as well as the interest on these deposits are fully repatriable outside of India and interest and principal are repaid in the currency of deposit. The terms of these deposits range from a minimum of one year to a maximum of five years.

Non-Resident External Fixed Deposits: These deposits are established in Rupees and are maintained for periods from a minimum of one year to a maximum of ten years. The principal and interest from these accounts are fully repatriable outside India. Loans can be granted against these deposits for up to 90% of the deposit amount.

Non-Resident External Savings Accounts: Non-Resident External Savings Accounts are maintained in Rupees. The balances in these accounts are fully repatriable outside India. We also offer zero interest bearing current account for NRI customers.

Non-Resident Ordinary Deposits: These products are offered primarily to NRIs who also derive income from India. These products are offered as savings bank deposits as well as fixed deposits. The interest rates and terms are structured along the same lines as domestic deposits.

DELIVERY CHANNELS

We cater to our customer base of over 7.29 crore customers across metropolitan and rural areas through a range of delivery channels in order to enable them to access our products and services, including physical branches and extension counters. In addition, our customers have access to select banking services offered through ATMs, internet banking and mobile banking.

Branch Network

As of June 30, 2020, we had 4,649 branches (including overseas branch) across all states and union territories in India, 10 zonal offices and 90 regional offices.

The following table sets forth the number of our branches in metro, urban, semi-urban and rural locations:

Particulars	June 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
Metropolitan	888	889	881	897
Urban	819	817	828	832
Semi-Urban	1,336	1,340	1,345	1,347
Rural	1,606	1,605	1,605	1,609
Total	4,649	4,651	4,659	4,685

Population group – wise composition of total branch network:

Particulars	June 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
Northern Region	657	658	657	659
North Eastern Region	161	161	161	161
Eastern Region	975	975	977	981
Central Region	1,223	1,224	1,218	1,226
Western Region	964	964	969	975
Southern Region	669	669	677	683
Total	4,649	4,651	4,659	4,685

The following table represents the number of branches and offices in each state and union territory as of June 30, 2020:

State / UTs	Metro	Urban	Semi - Urban	Rural	Total
Northern Region	**17**	**144**	**179**	**156**	**657**
Chandigarh (UT)	0	12	0	0	12
Haryana	6	53	38	42	139
Himachal Pradesh	0	2	15	38	55
Jammu & Kashmir (UT)	1	7	7	2	17
Ladakh (UT)	0	0	1	0	1
Delhi (UT)	100	0	4	3	107
Punjab	31	37	55	30	153
Rajasthan	40	33	59	41	173
North Eastern Region	0	40	52	69	161
Arunachal Pradesh	0	0	6	2	8
Assam	0	31	32	59	122
Manipur	0	2	2	4	8
Meghalaya	0	4	4	0	8
Mizoram	0	1	1	0	2
Nagaland	0	1	4	2	7
Tripura	0	1	3	2	6
Eastern Region	104	187	275	409	975
Andaman and Nicobar (UT)	0	1	0	0	1

State / UTs	Metro	Urban	Semi - Urban	Rural	Total
Bihar	33	67	138	200	438
Jharkhand	17	19	27	26	89
Orrisa	0	29	38	38	105
Sikkim	0	2	2	12	16
West Bengal	54	69	70	133	326
Central Region	194	189	347	493	1,223
Chhattisgarh	14	16	40	51	121
Madhya Pradesh	57	44	136	228	465
Uttar Pradesh	123	108	158	206	595
Uttarakhand	0	21	13	8	42
Western Region	255	116	248	345	964
Dadra & Nagar Haveli (UT)	0	0	1	0	1
Daman & Diu (UT)	0	0	2	0	2
Goa	0	0	18	13	31
Gujarat	92	55	75	100	322
Maharashtra	163	61	152	232	608
Southern Region	158	144	238	128	669
Andhra Pradesh	21	33	46	31	131
Karnataka	38	29	33	10	110
Kerala	0	33	81	6	120
Puducherry (UT)	0	2	1	0	3
Tamil Nadu	54	34	58	62	208
Telangana	45	13	19	19	97
Total	889	820	1,339	1,600	4,649

ATM Network

As on June 30, 2020, we have 3,629 ATMs across India. The table below represents the number of onsite and offsite branches:

State/ Union Territory	Offsite	Onsite	Total
Andhra Pradesh	22	62	84
Arunachal Pradesh	0	5	5
Assam	15	63	78
Bihar	70	265	335
Chandigarh (UT)	1	10	11
Chhattisgarh	19	74	93
Dadra and Nagar Haveli & Daman and Diu (UT)	-	2	2
Delhi (UT)	4	80	84
Goa	1	22	23
Gujarat	32	213	245
Haryana	2	41	43
Himachal Pradesh	6	35	41
Jammu & Kashmir (UT)	2	8	10
Jharkhand	10	29	39
Karnataka	31	62	93
Kerala	8	55	63
Madhya Pradesh	187	293	480
Maharashtra	194	399	593
Manipur	2	4	6
Meghalaya	1	6	7
Mizoram	1	0	1
Nagaland	2	3	5
Odisha	11	68	79
Pondicherry (UT)	-	1	1
Punjab	13	76	89

State/ Union Territory	Offsite	Onsite	Total
Rajasthan	46	105	151
Sikkim	2	6	8
Tamil Nadu	41	89	130
Telangana	9	50	59
Tripura	1	2	3
Uttaranchal	6	16	22
Uttar Pradesh	105	421	526
West Bengal	41	179	220
Grand Total	885	2,744	3,629

Below are the details of classification of our ATMs as on June 30, 2020:

Classification	No of ATMs	Classification	No of ATMs
Metro	653	Urban	652
Rural	1,297	Semi urban	1,027

DIGITAL CHANNELS

Internet Banking

We offer our customers internet banking facilities which can be used seamlessly from any part of the world. Our internet banking facility offers a wide range of products and facilities which include online password generation for retail & corporate customers, introduction of multiple 2FA (OTP, GRID, & Digital Signature) options for customers to make transactions using their choice and convenience. Funds transfer, online tax credit view, utility bill payments, online tax payment for various government, airlines/ movie ticketing, shopping, temple donations, Prime Minister's National Relief fund donations, Fees collection for various institutions/ universities, government e-payments/ receipts, customized account statements in addition to regular statement of account, online time deposits including NRE/ NRO deposit creation. Online sovereign Gold Bond request through INB, Facility of card control through INB to enable, disable and control limits for cards, NEFT Scheduling, Fund transfer through IMPS, etc.

Customers can also open RD account/FD account and request for Demand draft, Social Security schemes such as Pradhan Mantri Jeevan Bima Yojana (PMJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Atal Pension Yojana (APY). The authorized customers can view their various accounts anytime (24x7) and anywhere besides making all the above transactions. Currently Internet Banking Services are offered free of cost to the customers and can be availed by any saving/ current/ CC/ OD account holders. The Internet Banking URL is www.centralbankofindia.co.in.

Unified Payment Interface (UPI) – BHIM Cent UPI App

UPI is a system that powers multiple bank accounts into a single mobile application (of any participating bank) and allows for immediate money transfer through mobile device round the clock 24x7 and 365 days. Fund transfer limit is ₹1,00,000. Through UPI, User can send money using recipient's Virtual Payment Address (VPA), Account Number & IFSC, Aadhaar Number or QR code. Customer can initiate a collect transaction for asking money from someone using his VPA. User can pay by scanning the QR (Quick Response) code of recipient. User can check transaction history and also pending UPI collect requests (if any) and approve or reject. User can also raise complaint for the declined transactions by clicking on Report issue in transactions. User can see the bank account linked with his/her UPI App and set/change the UPI PIN. User can also change the bank account linked with UPI App by clicking Change account provided in Menu and can also check Balance of his/her linked Bank Account.

Real Time Gross Settlement System ("RTGS")

RTGS is a modern, robust, integrated payment and settlement system. RTGS is a system whereby the banks and Financial Institutions maintaining accounts with RBI can transfer funds to one another on an immediate, final and irrevocable basis during business hours. The facility can be used for fund transfer to other Bank on behalf of the customers. This is R41 transaction and funds are transferred by debiting customer's account to the destination account of other participating bank directly without any manual intervention. For this purpose correct destination account number and IFSC code of the destination bank/ branch is required from the customer availing this facility.

National Electronic Funds Transfer ("NEFT")

Reserve Bank of India has introduced a system called the Reserve Bank of India National Electronic Funds Transfer System which is an electronic payment system to facilitate transfer of funds by customers from one bank to another bank in India. It is a secured, economical, reliable and efficient system of funds transfer between banks. For this purpose correct destination account number and IFSC code of the destination bank/ branch is required from the customer availing this facility. Our bank is one of the participants in the above system. Presently, all the service outlets of our Bank are enabled to offer NEFT facilities to their customers.

Mobile Banking (CentMobile App)

Our Bank's Mobile Banking Application – CentMobile is available on IOS, android, windows and blackberry platforms and provides the customer with host of financial and non-financial services such as Account Summary of Saving accounts & Loan accounts, DEMAT accounts, change in nominee, account statement, intra-bank and inter-bank fund transfers through NEFT/IMPS/UPI including quick fund transfers for instant fund remittances, real time notification, alerts regarding new schemes, option to control debit card and credit card etc. Customers can also do online investments in mutual funds. Further, CentMobile also facilitate in payment of mobile bills, DTH recharges and other utility bills such as electricity, gas, insurance etc. Lastly, all service requests like request for credit card issuance, new account opening, availing of loan, loan account statement and request for new online cheque book.

Risk Management

A robust and comprehensive risk management framework is established by our Bank. The Board of Directors our Bank manages the risk management function with assistance of The Risk Management Committee of the Board of Directors ("**Committee**") which regularly oversees our Risk Management policies/practices under Credit, Market and Operational Risks & Pillar II Risks. The Committee reviews the policies and procedures for pricing of products and assessing the risk models relative to market developments and also identifies and controls new risks. The Committee also regularly monitors compliance of various risk parameters by the concerned departments at the corporate level.

The risk management structure of our Bank is constantly updated to be in compliance with guidelines received from RBI, SEBI and Ministry of Finance. At operational level, various Committees like Asset Liability Management Committee (ALCO) for Market Risk, Credit Risk Management Committee (CRMC) for Credit Risk and Operational Risk Management Committee (ORCO) for Operational Risk have been constituted comprising of members from the top management team. These Committees meet at regular intervals throughout the year to assess and monitor the levels of risks under various Bank operations and initiate appropriate mitigation measures wherever necessary.

We have also identified officers in the rank of Senior Managers or Managers to act as 'Risk Managers' at all the Zonal or Regional Offices. The Risk Managers act as the 'Extended Arms' of the Risk Management Department of the Central Office at the Zonal or Regional Level. Our Bank has also identified officers at the senior levels in various functional departments of Central Office to act as 'Nodal Officers' to look into various aspects of control and management of risk in our Bank.

Implementation of Basel III

Our Bank is Basel III compliant in terms of the Basel III-capital regulations issued by RBI. In terms of the Pillar-1 norms under Basel III, Bank has computed its capital requirements for Credit, Market and Operational risk as on March 31, 2020. The Capital Adequacy Ratio (CAR) of the Bank stood at 11.50% and Total Tier I ratio at 9.22% as on June 30, 2020 as against minimum regulatory requirement of 10.875% and 8.875%, respectively

In order to identify and assess other risks which are not covered under Pillar I, our Bank has a policy on Internal Capital Adequacy Assessment Process (ICAAP). In order to integrate the Bank's Business Planning and Business performance with Capital and Risk, Capital Assessment process under Internal Capital Adequacy Assessment Process (ICAAP) is reviewed annually. Further, we are in the process of implementation of IRMS (Integrated Risk Management Solution) for moving to Advanced Approaches.

The disclosures required in terms of Pillar-3 norms of Basel III form part of the annual report of our Bank and have made available on our Bank's website.

Capital Adequacy and Liquidity Coverage

As of June 30, 2020, our capital adequacy ratio under the RBI Basel III Capital Regulations was 11.50% and our Tier I capital adequacy ratio was 9.22% and our Common Equity Tier 1 ("**CET1**") capital adequacy ratio was 9.22%. As of March 31, 2020, our capital adequacy ratio under the RBI Basel III Capital Regulations was 11.72% and our Tier I Capital Adequacy Ratio was 9.33% and our Common Equity Tier I (CET1) capital adequacy ratio was 9.33%.

Our liquidity coverage ratio ("**LCR**") was 376.72% as of June 30, 2020, compared to the minimum requisite LCR of 100%. In addition, our leverage ratio was 3.78% as of March 31, 2020 and 3.83% as of June 30, 2020 compared to the requisite RBI indicative ratio of 3.50%.

Priority sector lending

Commercial banks in India are required by the RBI to lend, through advances or investments, 40.00% of their Adjusted Net Bank Credit or credit equivalent amount of off-balance sheet exposures, whichever is higher, subject to certain exemptions permitted by RBI from time to time. Priority sector advances include advances to the agriculture sector, MSME sector, vulnerable groups in society, housing and education finance. Any shortfall in the amount required to be lent to the priority sectors may be required to be deposited with the Rural Infrastructure Development Fund established by NABARD or funds with other financial institutions as specified by the RBI.

Advances to weaker sections, consisting of beneficiaries belonging to scheduled castes/scheduled tribes, small and marginal farmers, landless labourers, rural artisans, beneficiaries under Government Sponsored schemes are ₹30,592.80 crore as on March 31, 2020. The percentage of advances to weaker sections is 19.39% of Adjusted Net Bank Credit on average basis, against stipulated norm of 10%. As of March 31, 2020, our gross lending to Priority Sectors was ₹79,987.91 crore, which constituted 50.70% of our Adjusted Net Bank Credit of ₹1,57,750.49 crore.

The following table sets out a breakdown of our priority sector lending in the form of advances for the periods indicated:

(₹ in crore, except the percentage)

Sector	June 30, 2020		March 31, 2020		March 31, 2019		March 31, 2018	
	Advances	% of total PSL	Advances	% of total PSL	Advances	% of total PSL	Advances	% of total PSL
Agriculture	33,886.09	42.11	34,419.40	43.03	35,655.00	42.85	30,776.00	42.00
MSME	30,208.73	37.54	29,250.15	36.57	31,036.00	37.30	33,223.00	45.33
Education	2,310.56	2.87	2,341.42	2.93	2,522.00	3.03	2,773.00	3.78
Housing	14,040.36	17.45	13,939.37	17.43	13,956.00	16.77	13,392.00	18.27
Others	29.21	0.03	37.57	0.04	32.00	0.04	121.00	0.17
Total PSL	**80,474.95**	**100.00**	**79,987.91**	**100.00**	**83,201.00**	**100.00**	**73,284.00**	**100.00**

Lead Bank Responsibility

As on March 31, 2020, our Bank is performing the functions of Lead Bank in 51 Districts spread over in 7 States viz. Madhya Pradesh, Bihar, Maharashtra, Uttar Pradesh, West Bengal, Rajasthan and Chhattisgarh. More than 50% and about 25% of our total branches are located in these States and the Lead Districts, respectively.

Information Technology

We have adopted modern technology towards automation and enhanced customer experience by implementing large scale technological reforms for long term sustainability. The objective of our IT strategy is to streamline the transaction lifecycle, from sourcing to processing to servicing. We continue to focus on developing technology-based products relating to core banking application, internet banking, ATMs, payment systems and trade finance, as well as other products, services and systems relating to its internal operational infrastructure and customer-interface.

We have undertaken several measures to protect critical data including Data Redaction and Transparent Database Encryption ("**TDE**"). Oracle Data Redaction masks sensitive data in database, which enables to hide actual data from unintended users whereas TDE technology encrypts data files. Our data centre and disaster recovery centre are certified with ISO 27001:2013 ISMS Standard for Information Security and ISO 22301:2012 for Business continuity. Along with Cyber Security Operation Centre (C-SOC), various security tools such as Firewall, Intrusion Prevention System (IPS), Data Leak Prevention (DLP), Network Access Control (NAC), Web Access Firewall (WAF), Host Based Intrusion Prevention System (HIPS), Antivirus and Ant-spam solutions etc. have been implemented to secure and safeguard our Banks Critical assets.

Subsidiaries

As at June 30, 2020, the Bank had two subsidiaries, Centbank Financial Services Limited and Cent Bank Home Finance Limited. A summary description of the Bank's subsidiaries is set forth below:

Centbank Financial Services Limited ("**Centbank Financial**") is engaged in the business of providing Trusteeship Services including Debenture/Security Trustee, Executor Trustee and Managing Charitable Trusts. Centbank has obtained a certificate of registration dated December 8, 2014 bearing reference no. 252 from SEBI to undertake Debenture Trusteeship activities.

Cent Bank Home Finance Limited ("**Cent Bank HF**") is engaged in the business of providing housing finance on the basis of prudential norms laid down by National Housing Bank. Cent Bank HF has obtained a certificate of registration dated July 31, 2001 bearing reference no. 01.0004.01 from National Housing Bank to undertake the business of housing finance institution under Section 29A of the National Housing Bank Act, 1987.

Our Joint Venture

We have an overseas joint venture bank formed in Zambia named Indo-Zambia Bank Limited and is promoted jointly by Government of Zambia and three India banks being our Bank, Bank of Baroda and Bank of India. Each of the Indian banks including us hold 20% equity ownership interest in this joint venture and the Government of Zambia hold balance 40% equity ownership in this joint venture. Indo-Zambia is formed for carrying on the business Banking.

Regional Rural Banks ("RRBs")

Regional Rural Banks ("**RRBs**") were established under the Regional Rural Banks Act, 1976. They are sponsored jointly by the GoI, a sponsor bank and state governments. RRBs provide credit primarily to small farmers, artisans, small entrepreneurs and agricultural labourers. They have predominant presence in rural and semi-urban areas. Sponsor banks are responsible for managing the RRBs. The GoI has undertaken consolidation of RRBs in two phases to optimize their efficiency. As on March 31, 2020, we have sponsored 2 RRBs in collaboration with the state governments of Bihar, and West Bengal covered a total of 23 districts with a network of 1,174 branches.

Recovery of NPA's

NPA management is the core focus area of our Bank. Our thrust is on reduction of NPAs through Cash Recovery, Upgradation, Compromise Settlement and other recovery measures. We have well-defined Recovery Policy containing detailed guidelines for NPA management. It encompasses all areas of NPA management, monitoring and follow-up measures, compromise settlements, staff accountability, SARFAESI Act, appointment of recovery/ enforcement agencies, sale of assets to ARCs, wilful defaulters and one time settlement scheme. The policy is reviewed from time to time to incorporate the latest changes/ developments in the economic trends in NPA resolution/ management. The movement of NPA is monitored closely by our executives on daily basis. The recovery in NPA accounts through legal actions and action under SARFAESI are being reviewed during review meetings on regular basis and video conferences are being held with regional managers and zonal managers on monthly basis. Our Bank has also launched a Non Discretionary and No Discriminatory OTS Scheme. Our gross NPA level has increased from ₹32,356.04 crore as on March 31, 2019 to ₹32,589.08 crore as on March 31, 2020. Our gross NPA as on June 30, 2020 stood at 31,946.17 crore. Our cash recovery has decreased from ₹5,161.00 crore in March 31, 2019 to ₹3,326.00 crore in March 31, 2020.

Legal Proceedings

We are a party to legal proceedings, including criminal cases, which are pending before various courts and other forums in the ordinary course of our business. Certain of these proceedings could, if adversely determined, have a material adverse effect on the Bank's financial condition or results of operations. For more information, see "*Legal Proceedings*" and "*Risk Factors - Any adverse decisions in any of the legal and regulatory proceedings in which we are involved could adversely affect our reputation and financial condition"* on pages 207 and 52, respectively.

Competition

We face competition in all our principal lines of business. Our primary competitors are public sector banks and private sector banks, including foreign banks. Many of our competitors have, over time, built extensive branch networks, providing them with the advantage of a low cost deposit base, and enabling them to lend at competitive rates. In addition, the extensive geographic reach of many of these institutions enables product delivery in remote parts of the country. Further, the Indian banking sector has undergone significant reforms over the last few years; there has been a significant increase in competition from the emergence of FinTech companies, payment banks due to technological advancement and tech-savvy human resources. We seek to compete with these banks through value added services, faster customer service response, quality of service, a growing inter – connected branch network and delivery capabilities based on enhanced technology. Other private sector banks also compete in the corporate banking market on the basis of pricing, efficiency, service delivery and technology. We also face competition from foreign banks, which have traditionally been active in providing trade finance, fee-based services and other short-term financing products to large Indian corporations. Additionally, we also face competition from small finance banks and payment banks.

Insurance

We maintain ongoing insurance policies in respect of our premises, ATMs, office automation, furniture and fixtures, electronic equipment, other valuables and documents. These assets are insured against burglary, theft, fire, perils and terrorism. Additionally, we maintain machinery breakdown policy for insuring the generators, of our Bank. We believe that we maintain all material insurance policies commonly required by a bank in India.

Human Resource

As of June 30, 2020, we had 32,920 permanent employees. Business per employee of our Bank stood at ₹14.06 crore in Fiscal 2020 as compared to ₹12.78 crore in Fiscal 2019. Our employees include those with wide experience in the areas of risk management, credit analysis, treasury, relationship management, retail products, information technology as well as general banking professionals. In Fiscal 2020, approximately 30,497 of our employees and officers were members of the 13 unions.

We also provide our employees regular training to enable them to effectively address regulatory and market developments in the banking and financial services industry. We also provide specialized training on certain operational areas such as credit management, foreign exchange related issues, treasury management, risk management, as well as sales and marketing skills, systems and procedures and security. Considering the large scale retirements and developing skills, we have undertaken process of revamping our training to the employees by arranging special executive development programmes.

Intellectual Property

Our logo, " " under class 36 bearing number 1553996 dated April 30, 2007, has been registered with the Trademarks Registry, Mumbai. However, our present logo " " and brand name "Central Bank of India" that we use along with our logo, are not registered with the Trademarks Registry and nor have we made an application for registering the same. For risk relating to our intellectual property, please refer to section titled "*Risk Factors*" beginning on page 52.

Properties

Our head office and corporate office is located at Chandermukhi, Nariman Point, Mumbai – 400 021, Maharashtra, India. Our principal network consisted of 4,649 branches, 1 extension counter and 3,629 ATMs as of June 30, 2020. Of the properties used by us, some are held by us on a freehold basis and some are held on a leasehold basis.

KEY REGULATIONS AND POLICIES IN INDIA

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 the Bank and its Subsidiaries. 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, 1949 (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, 1949 are applicable to corresponding new banks constituted under the Bank Acquisition Act. In turn, section 51 of the Banking Regulation Act makes some of its sections applicable to corresponding new banks. The Bank, as a corresponding new bank, is governed primarily by the provisions of the Bank Acquisition Act, 1970. The Nationalised Bank Scheme and the Bank Regulations also governs our operations. Other important laws governing banking companies including the Reserve Bank of India Act, 1934, the Negotiable Instruments Act the SARFAESI Act, the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, Foreign Exchange Management Act, 1999 and the Bankers' Books Evidence Act. Additionally, the RBI, from time to time, issues guidelines, regulations, policies, notifications, press releases, circulars, etc. to be followed by us and supervises our compliance with these guidelines. Our Bank is listed on a Stock Exchange in India and therefore, our Bank will be governed by various regulations of the SEBI.

Reserve Bank of India Act, 1934

RBI may, subject to certain conditions, direct the inclusion or exclusion of any bank from the second schedule of the RBI Act. Scheduled banks are required to maintain cash reserves with RBI. In this regard, RBI may stipulate an average daily balance requirement to be complied with, by such banks and may direct that such banks regard a transaction or class of transactions as a liability. RBI has the power to impose penalties against any person for inter-alia failure to produce any book, account or other document or furnish any statement, information or particulars which such person is duty-bound to produce or furnish under the RBI Act, or any order, regulation or direction thereunder.

Banking Regulation Act, 1949

Commercial banks in India are required to obtain a license from RBI to carry on banking business in India as per Section 22 of the Banking Regulation Act. Such license is granted to a bank subject to compliance with certain conditions including (i) that the bank has the ability to pay its present and future depositors in full as their claims accrue; (ii) that the affairs of the bank will not be or are not likely to be conducted in a manner detrimental to the interests of present or future depositors; (iii) bank has adequate capital structure and earnings prospects; (iv) that public interest will be served if such license is granted to the bank; (v) that having regard to the banking facilities available in the proposed principal area of operations of the company, the potential scope for expansion of banks already in existence in the area and other relevant factors the grant of the license would not be prejudicial to the operation and consolidation of the banking system consistent with monetary stability and economic growth; (vi) that the general character of the proposed management of the company will not be prejudicial to the public interest or the interest of its depositors; and (vii) any other condition, the fulfilment of which would, in the opinion of RBI, be necessary to ensure that the carrying on of banking business in India by the company will not be prejudicial to the public interest or the interest of its depositors. RBI may cancel the license if the bank fails to meet the qualifications/ conditions imposed on it or if the bank ceases to carry on banking operations in India. Additionally, RBI has issued various reporting and record-keeping requirements for commercial banks. Further, the appointing, re-appointing or removing of auditor or auditors of the bank requires prior approval of RBI.

The Banking Regulation Act confers power on RBI (in consultation with the central government) in the public interest, interest of banking policy and to secure the interest of the depositors of the bank and the banking company, to pass orders to supersede the board of directors of a banking company for a period of up to six months, which period shall not exceed up to 12 months.

When a bank fails to or omits to comply with the provisions of the Banking Regulation Act, RBI may impose fine within prescribed limits on banks and its officers or punish with imprisonment for the term provided in the law, on the basis of the nature of the violation.

The Banking Regulation (Amendment) Act, 2017 had been enacted by the Parliament 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**"). RBI has also been granted the discretion to set up one or more advisory committees to advise banks on resolution of stressed assets.

Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 ("Nationalised Banks Scheme")

In terms of the powers conferred under the Banking Companies Act, the Central Government, in consultation with the RBI framed the Nationalised Banks Scheme which governs the management of corresponding new banks incorporated under the Banking Companies Act, defined as the nationalised banks under the Nationalised Banks Scheme. The Nationalised Banks Scheme confers power on the Central Government to constitute the board of directors and designate the chairman and managing director of the board, in consultation with the RBI from a panel of names recommended by the bureau. Further, the Central Government has the right to decide the term and remuneration of the directors of the nationalised banks. The scheme also provides for constitution of different committees of the board including, inter alia, the management committee of the board, credit approval committee and advisory committees.

Central Bank of India (Shares and Meetings) Regulations, 1998 ("Central Bank of India Regulations")

Our Bank is governed by Central Bank of India Regulations which regulates matters including, inter alia, the transfer of shares, issuance of share certificates, voting rights and manner of voting of the shareholders of the Bank. Every shareholder registered on the register of shareholders prior to a general meeting has one vote on show of hand and in case of a poll has one vote for every share held by him. Further, the Central Bank of India Regulations also govern the manner of elections of the Directors on the Board of the Bank. Every shareholder on the register of shareholders, except the Central Government, has the right to elect the Directors from amongst themselves.

Regulatory reporting and examination procedures

RBI is empowered under the Banking Regulation Act to call for certain information from a bank as well as to inspect a bank. RBI monitors prudential parameters at periodic basis. RBI has introduced a system of off-site monitoring and surveillance, with the primary objective of monitoring the financial condition of banks in between two on-site examinations. To this end and to enable off-site monitoring and surveillance by RBI, banks are required to report to RBI on various aspects of their business. This system of off- site monitoring and surveillance has been migrated to a secured Online Returns Filing System ("**ORFS**") in which data collection and consolidation has been streamlined. RBI also conducts on-site supervision of selected branches with respect of their general operations and foreign exchange related transactions.

RBI also conducts periodical on-site inspections on matters relating to the bank's portfolio, risk management systems, internal controls, credit allocation and regulatory compliance, at intervals ranging from one to three years.

Maintenance of records

The Banking Regulation Act requires banks to maintain books and records in the manner specified therein and file the same with the Registrar of Companies on a periodic basis. The provisions for production of documents and availability of records for inspection by shareholders as stipulated under the Companies Act and the rules thereunder would apply to our Bank as in the case of any company. The "Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016 issued by RBI dated February 25, 2016 as updated from time to time, also provide for certain records to be maintained for a minimum period of five years from the date on which the transaction/ business relationships have ended.

Storage of payment system data

RBI on April 6, 2018 issued a notification on storage of information relating to the payment ecosystem as not all system providers store the payments data in India. In accordance with the notification, all system providers shall ensure that data relating to payment systems operated by them are stored in a system only in India. Data should include the full end-to-end transaction details, information collected, carried, processed as part of the message or payment instruction. For the foreign leg of the transaction, if any, the data can also be stored in the foreign country, if required.

Capital adequacy requirements

Sr. No.	Regulatory Capital	As % of Risk Weighted Assets
1.	Minimum Common Equity Tier I Ratio	5.50%
2.	Capital Conservation Buffer (comprised of Common Equity)	2.50%
3.	Minimum Common Equity Tier I Ratio plus Capital Conservation Buffer (1)+(2)	8.00%
4.	Additional Tier I Capital	1.50%
5.	Minimum Tier I Capital Ratio (1) +(4)	7.00%
6.	Tier II Capital	2.00%
7.	Minimum Total Capital Ratio (MTC) (5)+(6)	9.00%
8.	Minimum Total Capital Ratio plus Capital Conservation Buffer (7)+(2)	11.50%

To ensure smooth transition to Basel III, appropriate transitional arrangements have been provided for meeting the minimum Basel III capital ratios, full regulatory adjustments to the components of capital etc. Consequently, in accordance with the master circular on "Basel III Capital Regulations" dated July 1, 2015, Capital Ratios and deductions from Common Equity will be fully phased-in and implemented as on March 31, 2019. In view of the gradual phase-in of regulatory adjustments to the common equity component of Tier I Capital under Basel III, certain specific prescriptions of Basel II capital adequacy framework (e.g. rules relating to deductions from regulatory capital, risk weighting of investments in other financial entities etc.) continued to apply to the remainder of regulatory adjustments not treated in terms of Basel III rules, till March 31, 2017.

However, RBI, *vide* its notification dated January 10, 2019, has deferred the implementation of the last tranche of 0.625% of capital conservation buffer ("CCB") from March 31, 2019 to March 31, 2020. Accordingly, minimum capital conservation ratios as applicable from March 31, 2018 (1.875%) will also apply from March 31, 2019 till the CCB attains the level of 2.50% on March 31, 2020. Further, the pre- specified trigger for loss absorption through conversion / write-down of Additional Tier 1 instruments (PNCPS and PDI) shall remain at 5.50% of RWAs and will rise to 6.125% of RWAs on March 31, 2020.

RBI has thereafter issued revisions to the Master Circular - Basel III Capital Regulations dated July 1, 2015 *vide* its notifications, namely, (i) Master Circular – Basel III Capital Regulations – Clarification dated January 14, 2016 (bearing number RBI/2015-16/285 DBR.No.BP.BC.71/21.06.201/2015-16) in relation to payment of coupons under criteria for inclusion of perpetual debt instruments in additional tier 1 capital; (ii) Master Circular – Basel III Capital Regulations – Revision dated March 1, 2016 (bearing number RBI/2015-16/331 DBR.No.BP.BC.83/21.06.201/2015-16) in relation to treatment of revaluation reserves, treatment of foreign currency translation reserves, treatment of deferred tax assets, etc.; (iii) Basel III Capital Regulations - Additional Tier 1 Capital dated February 2, 2017 (bearing number RBI/2016-17/222 DBR.BP.BC.No.50/21.06.201/2016-17) in relation to coupon discretion under the criteria for inclusion of perpetual debt instruments in additional tier 1 capital.

Liquidity coverage ratio

In June 9, 2014, RBI issued guidelines in relation to Liquidity Coverage Ratio ("**LCR**"), liquidity risk monitoring tools and LCR disclosure standards pursuant to the publication of the 'Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools' in January 7, 2013 and the 'Liquidity Coverage Ratio Disclosure Standards' in January 12, 2014 by the Basel Committee which provided enhanced guidance on liquidity, risk governance, measurement, monitoring and reporting to RBI on liquidity positions. The guidelines stipulate that banks were to ensure an LCR of 60% for the calendar year 2015 with effect from January 1, 2015 and were expected to make a transition to an LCR of 100% in January 1, 2019. The LCR measures a bank's ability to manage and survive for 30 days under a significant stress scenario that combines idiosyncratic as well as market-wide shock situations that would result in accelerated withdrawal of deposits from retail as well as wholesale depositors, partial loss of secured funding, increase in collateral requirements and unscheduled drawdown of unused credit lines. At least 60% of the net cash outflows in the next 30 days, computed with these assumptions of a stressed scenario, are required to be supported by High Quality Liquid Assets ("**HQLA**"). Banks were required to maintain HQLA of minimum 90% with effect from January 1, 2018, and the same was increased to 100% with effect from January 1, 2019.

Further, the Basel Committee on Banking Supervision issued the final rules on 'Net Stable Funding Ratio' in 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.

Prudential framework for resolution of stressed assets

RBI has, pursuant to its circular dated June 7, 2019 established a new regulatory framework for resolution of stressed assets ("Revised Framework"). Pursuant to the Revised Framework, existing guidelines and schemes for debt resolution such as revitalising distressed assets, corporate debt restructuring scheme, flexible structuring of existing long term project loans, strategic debt restructuring ("**SDR**"), change in ownership outside SDR, and scheme for sustainable structuring of stressed assets have been withdrawn. In addition, the guidelines /framework for joint lenders' forum have also been discontinued. According to the Revised Framework, the lenders must identify incipient stress in loan accounts immediately on default by classifying stressed assets as special mention account.

Under the Revised Framework, RBI has introduced a revised framework for resolution of stressed assets, where banks are required to put in place a board approved policy for resolution of stressed assets. 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. Depending on the aggregate exposure (including fund based and non-fund based) of the borrower towards the lender, the Review Period is required to commence by a specified date, as set out below:

1. ₹2,000 crore and above– June 7, 2019;
2. ₹1,500 crore and above but less than ₹2,000 crore– January 1, 2020; and
3. Less than ₹1,500 crore– To be announced.

The Revised Framework further clarifies that in the event a viable resolution plan in respect of the borrower is not implemented within the aforementioned timelines, all lenders (whether party to the inter-creditor agreement or not) are required to make additional provisions as set out below:

Timeline for implementation of viable resolution plan	Additional provisions to be made as a percentage of total outstanding, if resolution plan not implemented within the timeline
180 days from the end of Review Period	20%
365 days from the commencement of Review Period	15% (i.e. total additional provisioning of 35%)

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 ("Moratorium Period") during which period the entity shall be revived. The Insolvency and Bankruptcy (Amendment) Act, 2019 has provided a relief to the creditors wherein it has been stipulated that the corporate insolvency resolution process has to be mandatorily completed within 330 days from the insolvency commencement date, including the time taken in legal proceedings in relation to such resolution process. 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 Central Government vide notification dated November 15, 2019 has notified the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019 rating to insolvency proceedings for personal guarantors to corporate debtors, under the IBC. This will enable initiation of insolvency proceedings against the corporate debtor and the personal guarantor simultaneously thus resulting in better recovery for creditors from insolvency proceedings.

Further, pursuant to the notification dated March 24, 2020 the threshold of one lakh rupees has been increased to one crore rupees as minimum amount of default to initiate any matter under IBC.

The Recovery of Debts and Bankruptcy Act, 1993 as amended by the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 ("RDB Act")

The RDB Act was enacted for adjudication of disputes pertaining to debts due to banks and financial institutions exceeding ₹10 lakhs or such other amount exceeding ₹1 lakh, as may be specified by the Central Government. The RDB Act provides for the constitution of debt recovery tribunals, before which banks and financial institutions may file applications for recovery of debts. Further, no court or other authority, except the Supreme Court of India or a high court exercising jurisdiction under Articles 226 and 227 of the Constitution of India, shall have, or is entitled to exercise, any jurisdiction, powers or authority in relation to the aforementioned matter. The tribunals may pass orders for directions including inter- alia recovery of such dues by the bank as may be deemed fit along with a recovery certificate to such effect from the presiding officer of the respective tribunal; attachment of the secured properties towards the dues to the bank; appointment of receivers and/or commissioners with respect to such secured properties and distribution of proceeds from sale of such secured properties towards dues. Pursuant to the recovery certificate being issued, the recovery officer of the respective debt recovery tribunal shall effectuate the final orders of the debt recovery tribunal in the application. Unless such final orders of the debt recovery tribunal have been passed with the consent of the parties to an application, an appeal may be filed against such final orders of the debt recovery tribunal before the debt recovery appellate tribunal, which is the appellate authority constituted under the RDB Act.

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 as amended by the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 ("SARFAESI Act")

The SARFAESI Act provides for the enforcement of security interest without the intervention of the courts. Under the provisions of the SARFAESI Act, a secured creditor can recover dues from its borrowers by taking any of the measures as provided therein. Rights, with respect to the enforcement of security interest, under the SARFAESI Act cannot be enforced unless the account of the borrower has been classified as an NPA in the books of account of the secured creditor in accordance with the directions or guidelines issued by RBI or any other applicable regulatory authority. The secured creditors must serve a 60-days' notice on the borrower demanding repayment of the amount due and specifying the borrower's assets over which the bank proposes to exercise remedies. If the borrower still fails to pay, the secured creditors, on expiry of the 60-days' notice period, can: (i) take possession of the secured assets; (ii) take over the management of the secured assets along with the right to transfer by way of lease, assignment or sale of the secured assets; (iii) appoint any person to manage the secured assets; and (iv) require any person who has acquired any of the secured assets from the borrower to pay amounts necessary to satisfy the debt. The security interests covered by the SARFAESI Act are security interests over immovable and movable property, existing or future receivables, certain intangible assets (such as know-how, patents, copyrights, trademarks, licenses, franchises) and any debt or any right to receive payment of money, or any receivable, present or future, and in which security interest has been created. Security interests over ships and aircraft, any statutory lien, a pledge of movables, any conditional sale, hire purchase or lease or any other contract in which no security interest is created, rights of unpaid sellers, any property not liable to attachment, security interest for securing repayment of less than ₹1,00,000, agricultural land and any case where the amount due is less than 20% of the principal amount and interest are not enforceable under the SARFAESI Act. In the event that the secured creditor is unable to recover the entire sum due by exercise of the remedies under the SARFAESI Act in relation to the assets secured, such secured creditor may approach a debt recovery tribunal or the relevant court for the recovery of the balance amounts. A secured creditor may also simultaneously pursue its remedies under the SARFAESI Act as well as a debt recovery tribunal.

The SARFAESI Act provides for sale of financial assets by banks and financial institutions to asset reconstruction companies. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in case of default. The Prudential Norms issued by RBI describe the process to be followed for sales of financial assets to asset reconstruction companies. The banks may not sell financial assets at a contingent price with an agreement to bear a part of the shortfall on ultimate realisation. However, banks may sell specific financial assets with an agreement to share in any surplus realised by the asset reconstruction company in the future. Consideration for the sale may be in the form of cash, bonds or debentures or security receipts or pass through certificates issued by the asset reconstruction company or trusts set up by it to acquire the financial assets.

Priority sector lending

The Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2016 ("Master Direction") dated July 7, 2016 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 Master Direction, the priority sector lending targets are linked to adjusted net bank credit ("ANBC") or credit equivalent amount of off-balance sheet exposure, whichever is higher, as on the corresponding date of the preceding year. Currently, the total priority sector lending target for domestic banks is 40% of ANBC or credit equivalent amount of off-balance sheet exposure, whichever is higher. It also prescribed sub-targets for small and marginal farmers, micro-enterprises and weaker sections.

Exposure norms

As a prudent measure aimed at better risk management and avoidance of concentration of credit risk, RBI advised the banks to fix limits on their exposure to specific industry or sectors and has prescribed credit exposure limits for banks in respect of their lending to individual borrowers and to all borrowers belonging to a single group. In addition, banks are also required to observe certain statutory and regulatory exposure limits in respect of advances against / investments in shares, convertible debentures /bonds, units of equity-oriented mutual funds and all exposures to venture capital funds ("VCFs").

RBI pursuant to Master Circular on Exposure Norms dated July 1, 2015 has prescribed exposure ceiling for a single borrower as 15% of capital funds and group exposure limit as 40% of capital funds comprising of Tier I and Tier II capital. Relaxations are permitted in exceptional circumstances, with the approval of their boards or lending to infrastructure sector or lending to oil companies who have been issued oil bonds by Government of India. The total exposure (both lending and investment) to a single NBFC, NBFC-AFC (Asset Financing Companies) and infrastructure finance companies should not exceed 10%, 15% and 15%, respectively, of the bank's capital funds as per its last audited balance sheet. The limit may be increased by another 5% provided that the excess exposure is on account of funds on- lent to the infrastructure sector.

Section 19(2) of the Banking Regulation Act, 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, RBI released guidelines on 'Enhancing Credit Supply for Large Borrowers through Market Mechanism' with the objective of mitigating the risk posed to the banking system on account of large aggregate lending to a single corporate. As per the framework, exposure to corporate with large borrowing from banking system beyond the prescribed limit would attract additional provisions and higher risk weights.

On December 1, 2016, RBI released guidelines on Large Exposures Framework to align the exposure norms for Indian banks with the Basel Committee on Banking Supervision standards. From April 1, 2019, exposure limits to single and group borrowers will be 20% and 25% of our Tier 1 Capital funds as against the current norm of 15% and 40% of the Total Capital funds Limits. On June 3, 2019, RBI amended these guidelines. 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 single and group borrowers will be 20% and 25% of our Tier 1 Capital funds, respectively. Exposure limits to single and group NBFC's will be 15% and 25% of our Tier 1 Capital funds, respectively. However, by way of a circular dated September 12, 2019 RBI mandated that banks' exposure to a single NBFC (excluding gold loan companies) will be restricted to 20 percent of that banks' eligible capital base. Banks' finance to NBFCs predominantly engaged in lending against gold will continue to be governed by limits prescribed in circular dated May 18, 2012.

Prevention of Money Laundering Act, 2002 ("PMLA")

In order to prevent money laundering activities, the Government enacted the PMLA which seeks to prevent money laundering and to provide for confiscation of property derived from, or involved in money laundering, and for incidental matters connected therewith. Section 12 of the PMLA casts certain obligations on, inter alia, banking companies in regard to preservation and reporting of customer account information.

RBI has advised all banks to go through the provisions of the PMLA and the rules notified thereunder and to take all steps considered necessary to ensure compliance with the requirements of Section 12 of the PMLA.

Regulations relating to Know Your Customer ("KYC") and anti-money laundering

RBI issued the Reserve Bank of India (Know Your Customer (KYC) Directions, 2016 on February 25, 2016, which was updated on August 9, 2019, prescribing the guidelines for KYC and anti-money laundering procedures. Banks are required to formulate a KYC policy which shall include (i) customer acceptance policy, (ii) customer identification procedures, (iii) monitoring of transactions and (iv) risk management. In relation to each of the above, the master direction also specifies minimum procedures required to be followed by banks. Banks are not permitted to make payment of cheques/drafts/pay orders/banker's cheques, if they are presented beyond the period of three months from the date of such instrument. Banks have been advised to ensure that systems and procedures are in place to control financial frauds, identify money laundering and suspicious activities and monitor high value cash transactions. Such monitoring includes cross border transactions. Further, banks have also been advised to ensure that adequate policies are formulated and adopted in relation to KYC and Anti Money Laundering.

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 RBI. At present the required CRR is 4%. RBI does not pay any interest on CRR balances. The CRR has to be maintained on an average basis for a fortnightly period and the minimum daily maintenance of the CRR should be 90% effective from the fortnight beginning April 16, 2016. RBI may impose penal interest at the rate of 3% above the bank rate on the amount by which the reserve falls short of the CRR required to be maintained on a particular day and if the shortfall continues further, the penal interest charged shall be increased to a rate of 5% above the bank rate in respect of each subsequent day, during which the default continues. In case of default in the maintenance of CRR, on average basis during the fortnight, penal interest will be recovered as envisaged under Section 42(3) of the RBI Act.

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 RBI from time to time, pursuant to Section 24 of the Banking Regulation Act. RBI requires banks to maintain SLR, which shall be reduced every quarter by 25 basis points from 19.50% of their net demand and time liability as follows:

a. 18.50% from October 12, 2019;
b. 18.25% from January 4, 2020;
c. 18% from April 11, 2020.

Further, in December 21, 2011, RBI had permitted banks to avail funds from RBI on an overnight basis, under the Marginal Standing Facility, against their excess SLR holdings. Additionally, they can also avail themselves of funds, on an overnight basis below the stipulated SLR, up to 1% of their respective NDTL outstanding at the end of the second preceding fortnight.

Further, Section 17(1) of the Banking Regulation Act and RBI circular dated September 20, 2006 requires every banking company to create a reserve fund to which it must transfer not less than 20% of the profits of each year before declaring dividends. If there is an appropriation from this account, the bank is required to report the same to RBI within 21 days, explaining the circumstances leading to such appropriation.

Regulatory measures on account of COVID-19

The RBI has issued circulars, the Statement of Developmental and Regulatory Policies dated May 22, 2020 and Monetary Policy Statement, 2020-2021: Resolution of Monetary Policy Committee dated May 22, 2020 announcing certain additional regulatory measures with an aim to revive growth and mitigate the impact of COVID-19 on business and financial institutions in India, including:

i. restriction from declaring any further dividend payouts from the profits pertaining to the Financial Year ended March 31, 2020 until further instructions;

ii. deferring the implementation of the NSFR guidelines by six months from April 1, 2020. The NSFR guidelines will be effective from October 1, 2020;

iii. modifying the Prudential Framework to provide that all accounts which were within the review period as on March 1, 2020, the period from March 1, 2020 to August 31, 2020 is to be excluded from the calculation of the 30-day timeline for the review period and accordingly, for all such accounts, the residual review period shall resume from September 1, 2020, upon the expiry of which, the lenders shall have the usual 180 days for resolution. The accounts for which the 180 days resolution period has not expired as on March 31, 2020, the timeline for resolution shall get extended by 180 days from the date on which the 180-day period was originally set to expire;

iv. permitting banks to grant a moratorium of six months on all term loan instalments and working capital facilities sanctioned in the form of cash credit/overdraft ("CC/OD"), falling due between March 1, 2020 and August 31, 2020, subject to the fulfilment of certain conditions;

v. permitting the recalculation of 'drawing power' of working capital facilities sanctioned in the form of cash/ credit overdraft facilities by reducing the margins till the extended period, being August 31, 2020, and permitting lending institutions to restore the margins to the original levels by March 31, 2021;

vi. permitting the increase in the bank's exposures to a group of connected counterparties from 25% to 30% of the eligible capital base of the bank, up to June 30, 2021;

vii. deferring the recovery of the interest applied in respect of all working capital facilities sanctioned in the form of cash/credit overdraft facilities during the period from March 1, 2020 to August 31, 2020;

viii. permitting lending institutions to convert the accumulated interest on working capital facilities up to the deferment period (up to August 31, 2020) into a funded interest term loan which shall be repayable not later than the end of the current financial year (being, March 31, 2021);

ix. permitting the lending institutions to exclude the moratorium period wherever granted in respect of term loans as stated in (iv) above, from the number of days past-due for the purpose of asset classification under the IRAC norms, in respect of accounts classified as standard as on February 29, 2020, even if overdue;

x. permitting the lending institutions to exclude deferment period on recovery of the interest applied, wherever granted as stated in (vii) above, for the determination of out of order status, in respect of working capital facilities sanctioned in the form of CC/OD where the account is classified as standard, including SMA, as on February 29, 2020;

xi. requiring lending institutions to make general provisions of not less than 10% of the total outstanding of accounts in default but standard as on February 29, 2020 and asset classification benefit is availed, to be phased over two quarters as provided: (i) not less than 5% for the quarter ended March 31, 2020; and (ii) not less than 5% for the quarter ended June 30, 2020, subject to certain adjustments.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended ("**Banking Acquisition Act**") and the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, as amended ("**Nationalized Banks Scheme**"), since all the Directors are appointed/ nominated pursuant to Banking Acquisition Act and the Nationalized Banks Scheme.

As per sub-section 3 of section 9 of the Banking Acquisition 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 Acquisition Act shall include:

a) not more than four whole-time directors to be appointed by the Central Government after consultation with RBI;
b) one director who is an official of the Central Government to be nominated by the Central Government; provided that no such director shall be a director of any other corresponding new bank;
c) one director, possessing necessary expertise and experience in matters relating to regulation or supervision of commercial banks, to be nominated by the Central Government on the recommendation of the RBI;
*d) *** (omitted with effect from October 16, 2006)*
e) one director, from among such of the employees who are workmen to be nominated by the Central Government;
f) one director, from among the employees who are not workmen to be nominated by the Central Government after consultation with the RBI;
g) one director who has been a chartered accountant for not less than 15 years to be nominated by the Central Government after consultation with the RBI;
h) subject to provisions of clause (i), not more than six directors to be nominated by the Central Government;
i) where the capital issued is:

    I. not more than 16.00% of the total paid-up capital, one director;
    II. more than 16.00% but not more than 32.00% of the total paid-up capital, two directors; and
    III. more than 32.00% of the total paid-up capital, three directors, to be elected by the shareholders, other than the Central Government, from amongst themselves.

As on the date of this Placement Document, we have nine (9) directors on our Board. Our Board is headed by Non-Executive Chairman. Our Board has one (1) Managing Director and Chief Executive Officer and three (3) Executive Directors appointed in accordance with Section 9(3)(a) of the Banking Acquisition Act. Other than four (4) whole-time Directors, we have four (4) Non-Executive and Independent Directors on our Board. The Board meets regularly in accordance with the requirements of the Nationalized Bank Scheme, with a minimum of six (6) meetings per year. The Board held 17 meetings during the Fiscal 2020 and the three months ended June 30, 2020.

The Non-Executive Directors who are on the Board of our Bank as on the date of this Placement Document are mentioned below:

- One (1) Director (who is an official from the Central Government) nominated under section 9(3)(b) of the Banking Acquisition Act by the Government;
- One (1) Director (possessing necessary expertise and experience in matters relating to regulation or supervision of commercial banks) nominated under section 9(3)(c) of the Banking Acquisition Act by the Government on the recommendation of the RBI;
- Two (2) Director in the position as part time non-official director nominated under section 9(3)(h) of the Banking Acquisition Act by the Government; and
- One (1) Director elected under section 9(3)(i) of the Banking Acquisition Act by the shareholders (other than the Government).

The current composition of our Board is not in compliance with the provisions of the Banking Acquisition Act since 1 position each under section 9(3)(e) and 9(3)(f) to be nominated by the Central Government and 1 position under section 9(3)(g), to be nominated by the Central Government in consultation with the Reserve Bank are vacant.

The following table sets forth details regarding our Board as on the date of this Placement Document:

Name, Address, Occupation, Term	Clause (as per Section 9(3) of the Banking Acquisition Act) under which appointed / nominated / elected	Age (in years)	Designation
Tapan Ray **Address**: C-1/25, Pandara Park, Pandara Road, Central Delhi, Delhi-110003 **Occupation**: Retired Indian Administrative Service (IAS) Officer **Term**: Three (3) years with effect from May 23, 2018 or until further orders, whichever is earlier **Nationality**: Indian	Clause (h)	62	Non-Executive Chairman and Part-time Non-official Director
Pallav Mohapatra **Address**: A-26, Sterling Apartment, Peddar Road, VTC, PO: Cumbala Hill, Mumbai-400026 **Occupation**: Service **Term**: With effect from September 21, 2018 till superannuation (i.e. February 28, 2021) or until further orders, whichever is earlier. **Nationality**: Indian	Clause (a)	59	Managing Director and Chief Executive Officer
Bajrang Singh Shekhawat **Address**: B-702, Ekta Bhoomi CHS LTD. Mahavir Nagar, Dahanukar Wadi, Kandivli (West), Mumbai- 400067 **Occupation**: Service **Term**: Three (3) years with effect from October 9, 2017 or until further orders, whichever is earlier **Nationality**: Indian	Clause (a)	58	Executive Director
Alok Srivastava **Address**: Flat no. 502, PNB Residential Complex, Station Road, Kingsway, Nagpur, Maharashtra- 440001 **Occupation**: Service **Term**: Three (3) years with effect from January 23, 2019 or until further orders,	Clause (a)	57	Executive Director

Name, Address, Occupation, Term	Clause (as per Section 9(3) of the Banking Acquisition Act) under which appointed / nominated / elected	Age (in years)	Designation
whichever is earlier. **Nationality**: Indian			
Dr. Bhushan Kumar Sinha **Address**: A-43, Nivedita Kunj, Sector-10, R.K. Puram, New Delhi- 110022 **Occupation**: Service (Indian Economic Service Officer) **Term**: With effect from May 14, 2018 until further orders. **Nationality**: Indian	Clause (b)	56	Government of India Nominee Director
Thomas Mathew **Address**: 106/2, Trikuta Nagar Jammu-180012 **Occupation**: Service **Term**: With effect from April 26, 2019 until further orders. **Nationality**: Indian	Clause (c)	54	RBI Nominee Director
Prof. (Dr.) Atmanand **Address**: Flat No. B-104, The Residency, Adree City, Gate no. 2, Sector-52, Gurgaon-122 011 **Occupation**: Service **Term**: Three (3) Years with effect from December 27, 2017 or until further orders, whichever is earlier. **Nationality**: Indian	Clause (h)	61	Part Time Non-Official Director
Mini Ipe **Address**: A-G, Jeevan Jyot, Setalwad Lane, Off. Napean Sea Road, Mumbai- 400026 **Occupation**: Service **Term**: Three (3) years with effect from July 1, 2018 till June 30, 2021. **Nationality**: Indian	Clause (i)	57	Shareholder Director

Brief Profiles of our Directors

Tapan Ray, aged 62, is the Non – Executive Chairman and part-time non-official director of our Bank. He has been a Director on our Board since May 23, 2018. He was the Managing Director of Gujarat State Petroleum Corporation Limited.

Pallav Mohapatra, aged 59, is the Managing Director and Chief Executive Officer of our Bank. He has been a Director on our Board since September 21, 2018.

Bajrang Singh Shekhawat, aged 57, is the Executive Director of our Bank. He has been a Director on our Board since October 9, 2017.

Alok Srivastava, aged 57, is the Executive Director of our Bank. He has been a Director on our Board since January 23, 2019. He was working as General Manager with Punjab National Bank.

Dr. Bhushan Kumar Sinha, aged 56, is the Government of India nominee director of our Bank. He has been a Director on our Board since May 14, 2018. He has also served as an Economic Advisor in the Department of Financial Services, Ministry of Finance, Government of India.

Thomas Mathew, aged 54, is the Reserve Bank of India nominee director of our Bank. He has been a Director on our Board since April 26, 2019. He holds a bachelor's degree in Arts from Gandhiji University

Prof. (Dr.) Atmanand, aged 60, is the part time non-official director of our Bank. He has been a Director on our Board since December 27, 2017. He holds a degree of master of Arts from Jawaharlal Nehru University. He also holds a degree of Doctor of Philosophy in Arts from Patna University and degree of Master of Philosophy from Jawaharlal Nehru University.

Mini Ipe, aged 56, is the shareholder director of our Bank. She has been a Director on our Board since July 1, 2018. She holds a master's degree in commerce from Andhra University.

Relationship between our Directors

None of our Directors are related to each other as on the date of this Placement Document.

Remuneration details of our Directors

(i) Remuneration details of our executive Directors

The details of the remuneration paid by our Bank to our present Executive/ whole-time Directors including all allowances, provident fund contribution for the period ended August 31, 2020 and for the Fiscals 2020, 2019 and 2018, respectively are set forth below:

(₹ in crore)

Name of the Director	Remuneration			
	For the period April 1, 2020 up to August 31, 2020	For Fiscal 2020	For Fiscal 2019	For Fiscal 2018
Pallav Mohapatra	0.13	0.32	0.15	Not applicable
Bajrang Singh Shekhawat	0.11	0.28	0.25	0.11
Alok Srivastava	0.11	0.26	0.05	Not applicable

(ii) Remuneration details of our non-executive Directors and Independent Directors

As per Government of India's directive dated January 18, 2019, all the directors other than the executive directors, Government's nominee director and RBI's nominee director, are to be paid a sitting fees amounting to ₹40,000 for attending each meeting of the board, ₹20,000 for attending each meeting of the sub-committee of the board, additional ₹10,000 for chairing the meeting of the Board and ₹5,000 for chairing the meeting of sub-committee of the Board.

Accordingly, the details of the sitting fees paid by our Bank to our present Non-Executive Directors for the period ended August 31, 2020 and for the Fiscals 2020, 2019 and 2018, respectively are set forth below:

(₹ in crore)

Name of the Director	Sitting fees paid*			
	For the period April 01, 2020 up to August 31, 2020	For Fiscal 2020	For Fiscal 2019	For Fiscal 2018
Tapan Ray(1)	0.05	0.13	0.06	Not Applicable
Bhushan Kumar Sinha	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Thomas Mathew	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Prof. (Dr.) Atmanand	0.06	0.15	0.10	#
Mini Ipe(2)	0.04	0.04	0.06	Not Applicable

(1) Tapan Ray has been on our Board with effect from May 23, 2018.
(2) Mini Ipe has been on our Board with effect from July 1, 2018.
#Denotes ₹60,000/-

**the sitting fees include fees (after deducting applicable taxes) paid for attending the meetings of the Board, meetings of the sub-committee of the Board and additional fees for chairing the meeting of the Board and sub-committees, if any.*

Bonus or profit-sharing plan for our Directors

Government of India, Ministry of Finance, Department of Financial Services *vide* notification number 16/65/2011 – BO – I dated May 29, 2012 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 shall evaluate the performance of the bank's whole time directors in terms of their implementation of the six-point action plan stated in the PSB Reforms Agenda.

Shareholding details of our Directors in our Bank

Our Directors are not required to hold any qualification shares of our Bank in terms of the Banking Regulation Act. However, the directors elected under section 9(3)(i) of the Banking Acquisition Act by the shareholders (other than the Government), are required to hold a minimum of 100 shares of our Bank in terms of regulation 65 of the Central Bank of India (Shares and Meetings) Regulations, 1998, as amended.

The following table sets forth details of shareholding of our Directors in our Bank, as on the date of this Placement Document:

Name of the Director	No. of Equity Shares (pre-Issue)	Percentage shareholding (%)
Pallav Mohapatra	13,000	Negligible
Alok Srivastava	12,000	Negligible
Bajrang Singh Shekhawat	12,133	Negligible
Mini Ipe	100	Negligible

Loans taken by our Directors

No loans have been availed by our Directors from our Bank as on the date of this Placement Document.

Interest of our Directors

Our executive Directors may be deemed to be interested to the extent of salary and remuneration paid to them for services rendered as Directors of our Bank, perquisites and reimbursement of expenses, if any, payable to them, as allowed in the ordinary course of business in terms of Central Government guidelines and RBI Guidelines, as may be applicable. For details of remuneration paid to our executive Directors, see "*-Remuneration details of our executive Directors*" above.

Further, our non-executive Directors and Independent Directors other than the Government's nominee director and RBI's nominee director, are entitled to receive sitting fees for attending each meeting of our Board and Committee thereof and are also entitled to reimbursement of expenses to attend such meeting, allowed in terms of the Government and RBI Guidelines, as may be applicable, details of which have been provided under the heading "*-Remuneration details of our Non-executive Directors and Independent Directors*" above.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Bank and dividend payable to them, if any. For details of Equity Shares held by our Directors in our Bank, see "*Shareholding details of our Directors in our Bank*" above.

Except as disclosed in this Placement Document, and except to the extent of shareholding in our Bank, our Directors do not have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Except as stated in "*Related Party Transactions*" in *"Financial Information"* on page 218, our Directors do not have any other interest in the business of our Bank.

Other Confirmations

Our Directors have not been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

Neither our Bank nor any of our Directors have been debarred from accessing capital markets under any order or direction made by SEBI.

Corporate Governance

Our Bank has in place adequate processes and systems for maintaining the corporate governance requirements and to ensure compliance with the Act for operational reasons to facilitate the decision making process. Our Bank has been complying with the requirements of corporate governance under applicable laws, including the SEBI Listing Regulations, as amended, to the extent applicable, Central Government Guidelines and RBI Guidelines, including constitution of the Board and committees thereof.

Committees of our Board

Our Board has constituted the following key Committees in accordance with the requirement of SEBI Listing Regulations, Government of India Directives and the RBI Guidelines:

1. Audit Committee;
2. Stakeholders' Relationship Committee;
3. Risk Management Committee;
4. Nomination and Remuneration Committee; and
5. Capital Raising Committee.

Other Committees

Further, our Bank has also constituted various additional committees for smooth functioning, quick decision-making, proper monitoring, follow-up as well as supervision of various aspects of business. Some of these committees constituted by our Bank are Management Committee, Credit Approval Committee, IT Strategy Committee, Special Committee of Board for monitoring of Large Value Frauds, Customer Service Committee, Human Resource Committee, Sub-Committee of Board for Monitoring of Recovery, Capital Raising Committee, Review Committee of the Board on Non-Cooperative Borrowers, Committee to review Identification of Wilful Defaulters, Vigilance Committee, Performance Evaluation Committee.

Details of each of these key Committees are as follows:

1. Audit Committee

Our Audit Committee was constituted in accordance with the RBI Guidelines and complies with the provisions of SEBI Listing Regulations, as amended, to the extent that such provisions do not violate the directives and guidelines issued by the RBI. Our Audit Committee was last reconstituted on August 6, 2019 and comprises of the following members:

Name of Director	Designation
Prof. (Dr.) Atmanand	Chairman
Bhushan Kumar Sinha	Member
Thomas Mathew	Member
Bajrang Singh Shekhawat	Member

2. *Stakeholders' Relationship Committee*

Our Stakeholders' Relationship Committee was constituted pursuant to Regulation 20 read with Clause B of Part D of Schedule II of the SEBI Listing Regulations as amended, with the objective of specifically looking into the redressal mechanism of grievances of shareholders, debenture holders and other security holders and to consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends etc. Our Stakeholders' Relationship Committee was last reconstituted on April 17, 2020 and comprises of the following members:

Name of Director	Designation
Tapan Ray	Chairman
Pallav Mohapatra	Member
Bajrang Singh Shekhawat	Member
Alok Srivastava	Member
Prof. (Dr.) Atmanand	Member
Mini Ipe	Member

3. *Risk Management Committee*

Our Risk Management Committee has been constituted pursuant to RBI directives and complies with the provisions of SEBI Listing Regulations, as amended, to the extent that such provisions do not violate the directives and guidelines issued by the RBI. It has been formed for successful implementation of proper risk management systems in our Bank and devises the policies and strategies for integrated risk management containing various risk exposures of our Bank. Our Risk Management Committee was last reconstituted on December 17, 2019 and comprises of the following members:

Name of Director	Designation
Tapan Ray	Chairman
Pallav Mohapatra	Member
Bajrang Singh Shekhawat	Member
Alok Srivastava	Member
Bhushan Kumar Sinha	Member
Prof. (Dr.) Atmanand	Member
Mini Ipe	Member

4. *Nomination and Remuneration Committee*

Our Nomination and Remuneration Committee was constituted in terms of RBI's Master Direction RBI/DBR/2019-20/71 dated August 2, 2019 to evaluate the performance of Managing Director and Chief Executive Officer and Executive Directors and undertake the process of due diligence to determine the 'fit and proper' status of the persons to be elected as directors clause (i) of sub-section (3) of Section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. Our Nomination and Remuneration Committee was constituted on September 30, 2019 and comprises of the following members:

Name of Director	Designation
Prof. (Dr.) Atmanand	Chairman
Tapan Ray	Member

Name of Director	Designation
Mini Ipe	Member

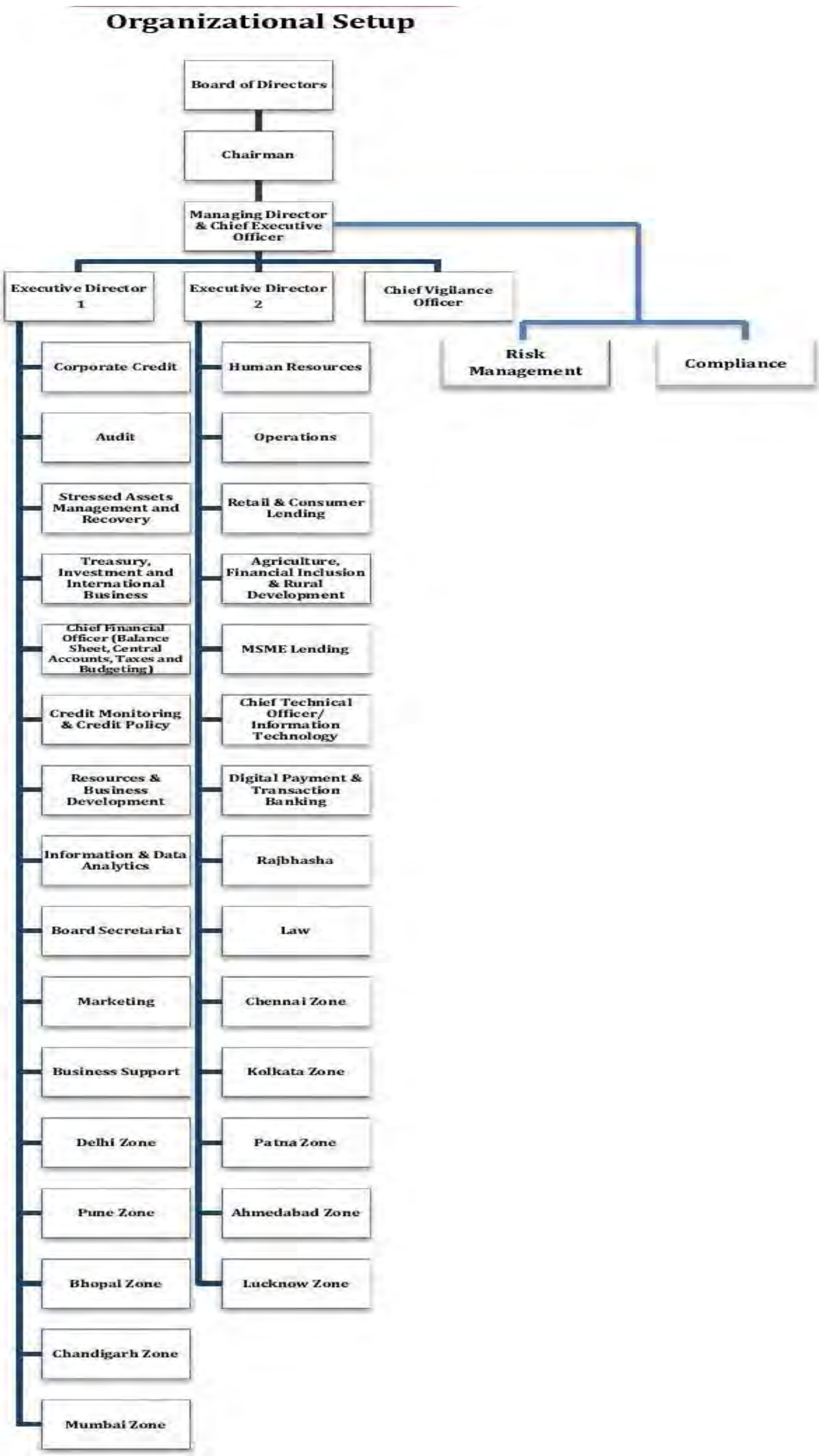
5. Capital Raising Committee

Our Capital Raising Committee was constituted by the Board of Directors at their meeting held on December 21, 2012 *vide* Agenda No. BM/600/2012-13/10/2.32 *inter alia* to have the authority to explore the possibility of raising capital (both Tier I and Tier II Capital) by different mode(s) and take appropriate decisions in this regards. Our Capital Raising Committee was re-constituted on September 28, 2018 and comprises of the following members:

Name of Director	Designation
Pallav Mohapatra	Chairman
Bajrang Singh Shekhawat	Member
Alok Srivastava	Member

Management Organization Structure

Set forth is the organization structure of our Board and our senior management team:



Our Key Managerial Personnel

The details of the Key Managerial Personnel of our Bank are as follows:

Mukul N. Dandige, aged 54 years, is the Chief Financial Officer of our Bank. He holds a bachelor's degree of Science from the University of Indore. He is also a certified associate member of the Indian Institute of Bankers.

Anand Kumar Das, aged 40 years, is the Deputy General Manager, Company Secretary and Compliance Officer of our Bank. He holds a bachelor's degree in Commerce from Magad University. He has passed the CAIIB examination and Certified Banking Compliance Professional examination of the Indian Institute of Banking and Finance. He is also a Company Secretary and is a fellow member of the Institute of Company Secretaries of India. He holds a bachelor's degree in law from the University of Delhi. He has undergone the following training programmes 1) CDSL's Compliance Training Programme organized by Central Depository Services (India) Limited 2) Stakeholder Engagement training programme organized by CII-ITC Centre of Excellence for Sustainable Development 3) Management Development Programme for Board and Senior Level Executives organized by Institute of Public Enterprises and 4) Compliance Management Programme organised by Indian School of Business. Prior to joining the Bank, he was working as a Company Secretary in JK Agri- Genetics Limited. He has been associated with our Bank since November 9, 2010

All our above mentioned Key Managerial Personnel are permanent employees of our Bank.

Relationships between Key Managerial Personnel and with Directors

None of our Key Managerial Personnel are related to each other or with our Directors.

Bonus or a profit sharing plan to our Key Managerial Personnel

Our Bank does not have a performance linked bonus or a profit sharing plan for the Key Managerial Personnel.

Shareholding of our Key Managerial Personnel

The following table sets forth details of shareholding of our Key Managerial Personnel's in our Bank, as on the date of this Placement Document:

Name of the Key Managerial Personnel	No. of Equity Shares (pre-Issue)	Percentage shareholding (%)
Mukul N. Dandige	16,427	Negligible
Anand Kumar Das	9,000	Negligible
Total	**25,427**	Negligible

Loans taken by our Key Managerial Personnel

Other than as disclosed in this section, no loans have been availed by our Key Managerial Personnel from our Bank as on the date of this Placement Document.

(in crores)

Name of the Key Managerial Personnel	Net Amount Outstanding
Mukul N. Dandige	0.08
Anand Kumar Das	0.69
Total	**0.77**

Interests of our Key Managerial Personnel

None of our Key Managerial Personnel have any interest in our Bank except to the extent of their, remuneration, benefits and reimbursement of expenses incurred by them in the ordinary course of business, which they receive from our Bank, their shareholding in our Bank, if any, and loans availed from our Bank, if any.

Our Key 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 in our Bank, see "*Shareholding details of our Key Managerial Personnel*" above.

None of our Key Managerial Personnel have any financial or other material interest in the Issue and there is no effect of an interest by virtue of having shareholding in the Bank, so far as it is different from the interests of other persons.

Other than as disclosed in this Placement Document, there were no outstanding transactions other than in the ordinary course of business undertaken by our Bank in which the Key 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 applies to the Bank and its employees and requires the Bank to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with. The Bank has implemented a code of conduct for prevention of insider trading in accordance with the SEBI Prohibition of Insider Trading Regulations, 2015.

Employee Stock Option Scheme/Employee Stock Purchase Scheme

As on the date of this Placement Documents, our Bank does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme.

PRINCIPAL SHAREHOLDERS AND OTHER INFORMATION

The following table presents information regarding the ownership of Equity Shares by the Shareholders as of June 30, 2020:

Summary statement holding of Equity Shares

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. 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 Rights	No. of locked in shares		No. of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	
(A) Promoter and Promoter Group	1	5,27,50,14,715	5,27,50,14,715	92.39	5,27,50,14,715	92.39	3,72,88,75,536	100.00	5,27,50,14,715
(B) Public	1,76,708	43,47,48,009	43,47,48,009	7.61	43,47,48,009	7.61	0	0	43,46,21,244
(C1) Shares underlying DRs	0	0	0	0	0	0	0	0	0
(C2) Shares held by Employee Trust	0	0	0	0	0	0	0	0	0
(C) Non Promoter – Non Public (C = C1+C2)	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	1,76,709	5,70,97,62,724	5,70,97,62,724	100.00	5,70,97,62,724	100.00	3,72,88,75,536	65.31	5,70,96,35,959

Statement showing shareholding pattern of the Promoter and Promoter Group

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of locked in shares		No. of equity shares held in dematerialized form
					No. (a)	As a % of total Shares held (b)	
A1) Indian						0.00	
Central Government/ State Government(s)	1	5,27,50,14,715	5,27,50,14,715	92.39	3,72,88,75,536	70.69	5,27,50,14,715
President of India	1	5,27,50,14,715	5,27,50,14,715	92.39	3,72,88,75,536	70.69	5,27,50,14,715
Sub Total A1	1	5,27,50,14,715	5,27,50,14,715	92.39	3,72,88,75,536	70.69	5,27,50,14,715
A2) Foreign				0.00		0.00	
A=A1+A2	1	5,27,50,14,715	5,27,50,14,715	92.39	3,72,88,75,536	70.69	5,27,50,14,715

Statement showing shareholding pattern of the Public shareholders

Category and name of the shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of locked in shares		No. of equity shares held in dematerialized form
								As a % of total Shares held (b)	
B1) Institutions	0	0	-	0.00	-	0.00	-	0.00	-
Mutual Funds/	4	11,02,920	11,02,920	0.02	11,02,920	0.02	-	0.00	11,02,920
Foreign Portfolio Investors	14	1,18,93,845	1,18,93,845	0.21	1,18,93,845	0.21	-	0.00	1,18,93,845
Financial Institutions/ Banks	7	24,73,59,572	24,73,59,572	4.33	24,73,59,572	4.33	-	0.00	24,73,59,572
Insurance Companies	4	65,31,875	65,31,875	0.11	65,31,875	0.11	-	0.00	65,31,875
Sub Total B1	**29**	**26,68,88,212**	**26,68,88,212**	**4.67**	**26,68,88,212**	**4.67**	**-**	**0.00**	**26,68,88,212**
B2) Central Government/ State Government(s)/ President of India	0	0	-	0.00	-	0.00	-	0.00	-
Central Government/ State Government(s)/ President of India	1	700	700	0.00	700	0.00	-	0.00	700
Sub Total B2	**1**	**700**	**700**	**0.00**	**700**	**0.00**	**-**	**0.00**	**700**
B3) Non-Institutions	0	0	-	0.00	-	0.00	-	0.00	-
Individual share capital up to ₹2 Lacs	1,70,558	12,15,23,505	12,15,23,505	2.13	12,15,23,505	2.13	-	0.00	12,15,18,430
Individual share capital in excess of ₹2 Lacs	243	1,52,30,245	1,52,30,245	0.27	1,52,30,245	0.27	-	0.00	1,52,30,245
NBFCs registered with RBI	2	6,464	6,464	0.00	6,464	0.00	-	0.00	6,464
Any Other (specify)	5,875	3,10,98,883	3,10,98,883	0.54	3,10,98,883	0.54	-	0.00	3,09,77,193
Sub Total B3	1,76,678	16,78,59,097	16,78,59,097	2.94	16,78,59,097	2.94	-	0.00	16,77,32,332
B=B1+B2+B3	1,76,708	43,47,38,009	43,47,48,009	7.61	43,47,48,009	7.61	-	0.00	43,46,21,244

Statement showing shareholding pattern of the Non Promoter – Non Public shareholder

Category & Name of the Shareholders (I)	No. of shareholders (III)	No. of fully paid up equity shares held (IV)	Total no. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	No. of locked in shares (XII)		No. of equity shares held in dematerialised form (XIV) (Not Applicable)
					No	As a % of total Shares held	
C1) Custodian/DR Holder	0	0	-	0.00	-	0.00	-
C2) Employee Benefit Trust	0	0	-	0.00	-	0.00	-

Details of disclosure by Trading Members (TM) holding 1% or more of the total number of shares

Sl. No.	Name of the Trading Member	Name of the Beneficial Owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
-	NIL	NIL	NIL	NIL	NIL

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and investors are assumed to have apprised themselves of the same from our Bank or the Book Running Lead Manager. Prospective Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Also see "Selling Restrictions" and "Transfer Restrictions" on pages 185 and 186, respectively.

Our Bank, the Book Running Lead Manager and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates 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. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single 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, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the Takeover Regulations, the Insider Trading Regulations, and other applicable laws.

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.

This Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations through the mechanism of a qualified institutions placement ("**QIP**"). Under Chapter VI of the SEBI ICDR Regulations, our Bank, being a listed entity in India may issue Equity Shares to Eligible QIBs, provided that:

- the shareholders have adopted a special resolution approving the Issue. Such special resolution must specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the QIP and (b) the Relevant Date;

- 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 Stock Exchanges, 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., thePreliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made;

- our Bank shall not make any subsequent qualified institutions placement until the expiry of six months from the date of this Issue;

- our Bank shall have completed allotments with respect to any offer or invitation made by our Bank or has withdrawn or abandoned any such invitation or offer, however, our Bank may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- the Directors are not fugitive economic offenders;

- prior to circulating the private placement offer- cum-application (i.e., the Preliminary Placement Document), our Bank must prepare and record a list of Eligible QIBs to whom the offer will be made. The offer must be made only to such Eligible QIBs whose names are recorded by our Bank prior to the invitation to subscribe; and

- our Bank acknowledges that issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited.

At least 10% of the equity shares issued to Eligible QIBs shall 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.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under 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 may be 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 August 7, 2020, our Bank has offered a discount of 4.94% on the Floor Price.

The "Relevant Date" referred to above means the date of the meeting in which the Board or the Capital Raising 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 August 7, 2020 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 180.

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 do 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 or this Placement Document uploaded on the website of the Stock Exchanges or our Bank for making an application to subscribe to Equity Shares pursuant to the Issue.

This Issue was authorized and approved by the Board on June 29, 2020 and approved by the Shareholders in the AGM held on August 7, 2020. 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 ₹250 crore; and

b. five, where the issue size is greater than ₹250 crore.

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 176.

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 them, including in relation to lock-in requirements. 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 of the Stock Exchanges 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 will file a copy of this Placement Document with the Stock Exchanges.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue procedure

1. Our Bank in consultation with the Book Running Lead Manager shall circulate 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 will be specifically addressed to each such Eligible QIB. Our Bank shall maintain records of the Eligible QIBs to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form is delivered will be determined by our Bank in consultation with the Book Running Lead Manager, at their sole discretion.

2. 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 is 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 shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid and shall be rejected.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Bid Amount and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Issue Period to the Book Running Lead Manager 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 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;
- a representation that it is outside the United States and it has agreed to certain other representations set forth in the "*Representation by Investors*" on page 3 and "*Transfer Restrictions*" on page 186 and certain other representations made in the Application Form; and
- Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form.

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 **"*CENTRAL BANK OF INDIA–QIP ESCROW ACCOUNT*"** with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Bank shall keep a record of the bank account from where such payment has been received. Bid Amount payable on Equity Shares to be held by joint holders shall 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 is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Bid Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 180.

6. Once a duly completed Application Form is submitted by a Bidder and the Bid Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or

revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date.

7. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI.

8. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, after the Issue Closing Date, our Bank shall, in consultation with the Book Running Lead Manager, determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Manager will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. Please note that the Allocation will be at the absolute discretion of our Bank and will be in consultation with the Book Running Lead Manager.

9. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Manager, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

10. 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. We will inform the Stock Exchanges of the details of the Allotment.

11. 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 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.

12. 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.

13. Our Bank will then apply for the final trading approvals from the Stock Exchanges.

14. 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.

15. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Bank may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Bank and the Book Running Lead Manager 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.

Qualified Institutional Buyers

Only Eligible QIBs who have not been prohibited by the SEBI or under the FEMA Rules from buying, selling or dealing in securities are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs, FVCIs and non-resident multinational and bilateral development financial institutions are not permitted to participate in the Issue.. Accordingly, Eligible QIBs for the purposes of this Issue shall comprise:

- Eligible FPIs;
- insurance companies registered with the Insurance Regulatory and Development Authority 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.
- Mutual Funds, VCFs and AIFs and eligible FVCIs.;
- pension funds with minimum corpus of ₹25 crore;
- provident funds with minimum corpus of ₹25 crore;
- public financial institutions as defined in Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- systemically important non-banking financial companies; and
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India.

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEM NON-DEBT RULES IN THIS ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMIT AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) should not exceed 10% of post-Issue Equity Share capital of our Bank. Further, in terms of the FEM Non-Debt Rules, the total holding of each FPI shall be below 10% of the total paid-up Equity Share capital of our Bank on a fully diluted basis and the total holdings of all Eligible FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Bank. The aggregate limit of 24.00% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Bank.

As of June 30, 2020, the aggregate FPI shareholding in our Bank is 0.21% 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 168.

Further, with effect from April 1, 2020, the limit of total holdings of all Eligible FPIs put together shall be the sectoral cap applicable to our Bank. Prior to March 31, 2020, the aggregate limit may be decreased by our Bank to certain prescribed lower threshold limits with the approval of our Board and our Shareholders through a special resolution. Further, in case our Bank decreases its aggregate limit, it may increase such aggregate limit to the prescribed limits with the approval of our Board and our Shareholders through a special resolution. However, our Bank shall not be allowed to reduce the aggregate limit to a lower threshold once such limit has been increased.

In case the holding of an FPI including its investor group increases to 10% or more of the total paid-up equity capital, 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 reclassified 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.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEM Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

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. 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 promoters or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on the board of the issuer.

Provided, however, that a QIB which does not hold any shares in our Bank and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoter.

Our Bank, the Book Running Lead Manager and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations, and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: Affiliates or associates of the Book Running Lead Manager who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are specifically addressed to them) supplied by our Bank and the Book Running Lead Manager in either electronic form or by physical delivery 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 the Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 3, 185 and 186, respectively:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India and is eligible to participate in this Issue;

2. The Eligible QIB confirms that 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 promoters;

3. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

4. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI;

5. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

6. The Eligible QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

7. The Eligible QIB confirms that its Bid would not result in triggering an open offer under the Takeover Regulations;

8. The Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period, our Bank reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Manager. The Eligible QIB further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

9. The Eligible QIB acknowledges that, upon Allocation, our Bank will be required to disclose names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and consents of such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of the Bank, in consultation with the Book Running Lead Manager.

10. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    a. QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB ; and

    b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations;

11. The Eligible QIB confirms that:

    a. It will make payment of its Bid Amount along with submission of the Application Form within the Bidding Period;
    b. it is outside the United States, it is purchasing the Equity Shares in an offshore transaction in reliance upon Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate; and

12. The Eligible QIBs acknowledge that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

13. The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to their beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

ELIGIBLE QIBs MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, BANK

ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGER TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Bank in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must 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 shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Manager either through electronic form or through physical delivery at either of the following addresses:

Name of BRLM	Address	Contact person	Email	Phone
ITI Capital Limited	Naman Midtown, 21st Floor, 'A' Wing, Senapati Bapat Marg, Elphinstone (West), Mumbai, Maharashtra, India	Pranav Mahajani / Pallavi Shinde	project.shakti@iticapital.in	Tel: +91 22 40313300

The Book Running Lead Manager shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Payment of Bid Amount

Our Bank has opened the Escrow Account in the name of "*CENTRAL BANK OF INDIA – QIP ESCROW ACCOUNT*" with the Escrow Agent, in terms of the arrangement among our Bank, the Book Running Lead Manager and the Escrow Agent. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.

Pending Allotment, our Bank undertakes to utilise the amount deposited in "*CENTRAL BANK OF INDIA – QIP ESCROW ACCOUNT*" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Bank is not able to Allot Equity Shares in the Issue. In case of cancellations or default by the Bidders, our Bank and the Book Running Lead Manager have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. However, a discount of not more than 5% of the Floor Price may be offered by our Bank in accordance with the provisions of the SEBI ICDR Regulations.

The "Relevant Date" referred to above, for Allotment, will be the date of the meeting in which the Board or the Capital Raising 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 Issue Period to the Book Running Lead Manager. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Manager.

Price discovery and Allocation

Our Bank, in consultation with the Book Running Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Bank has offer a discount of 4.94% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our Shareholders pursuant to resolution dated August 7, 2020.

After finalisation of the Issue Price, our Bank shall update the Preliminary Placement Document with the Issue details and is filing the same with the Stock Exchanges as this Placement Document.

Method of Allocation

Our Bank shall determine the Allocation in consultation with the Book Running Lead Manager 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 shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR BANK IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR BANK, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR BANK NOR THE BOOK RUNNING LEAD MANAGER ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON- ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Bank, in consultation with the Book Running Lead Manager, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include 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 the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board or the Capital Raising Committee of the Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the Book Running Lead Manager.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section titled "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

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, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Bank shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Bank shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts, our Bank will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Bank.

7. After finalization of the Issue Price, our Bank shall update the Preliminary Placement Document with the Issue details and is filing it with the Stock Exchanges as this Placement Document. Pursuant to a circular 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 the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted (as set out in the Application Form), as indicated in the Refund Intimation Letter. Such Bidders to whom refunds shall be made will receive a Refund Intimation Letter from our Bank providing details of the refund. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN and the Refund Intimation Letter will be dispatched to such Bidders within two working days of the Escrow Bank confirming completion of the refund.

In the event that we are 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.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Release of Funds to our Bank

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Bank. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Other instructions

Permanent account number or PAN

Each Bidder should mention its PAN allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR Number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to reject applications

Our Bank, in consultation with the Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Bank in consultation with the Book Running Lead Manager in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Bank, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder. For details see "*Bid Process" – "Refund*".

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all

Eligible QIBs in the demat segment of the respective Stock Exchanges.

Our Bank and the Book Running Lead Manager 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 AND LOCK-UP

Placement Agreement

The Book Running Lead Manager has entered into a placement agreement with the Bank dated August 19, 2020 (the "**Placement Agreement**"), pursuant to which the Book Running Lead Manager has 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.

This Placement Document has not been, and will not be, registered as a prospectus with RoC and, no Equity Shares issued pursuant to the Issue will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

In connection with the Issue, the Book Running Lead Manager (or its affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may subscribe to Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. See "*Offshore Derivative Instruments*" on page 8.

The Book Running Lead Manager and its affiliates may engage in transactions with and perform services for the Bank and its Subsidiary 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

The Bank will not for a period commencing the date hereof and ending 90 days from the date of Allotment, without the prior written consent of the BRLM, directly or indirectly:

a. purchase, offer, issue, lend, sell, grant any option or contract to purchase, purchase any option or contract to offer, issue, lend, sell, grant any option, right or warrant to purchase, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned by the undersigned),or

b. enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or

c. deposit Equity Shares with any other depositary in connection with a depositary receipt facility, or

d. enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of the Equity Shares in any depository receipt facility; or

e. publicly announce any intention to enter into any transaction falling within (a) to (d) above or enter into any transaction falling within (a) to (d) above.

Provided, however, that the foregoing restrictions do not apply to (i) the issuance of any Issue Shares, and (ii) any issue or offer of Equity Shares by the Bank to the extent issue or offer is (a) required by Applicable Laws and/or (b) undertaken pursuant the instructions orders or such other guidelines as may be issued by the Central Government of India or undertaking of the Central Government of India or such other authority acting on its behalf

The Equity Shares held by the Promoter shall not be subject to any lock-up under the Placement Agreement.

SELLING RESTRICTIONS

The distribution of this Placement Document or any offering material and the offering, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

General

Except in India, no action has been or will be taken in any jurisdiction by our Bank or the Book Running Lead Manager that would permit an offering of the Equity Shares in any jurisdiction, or the possession, circulation or distribution of this Placement Document or any other material relating to offer of the Equity Shares in the Issue in any jurisdiction where action for such purpose is required. Accordingly, except in India, the Equity Shares offered in the Issue may not be offered or sold, directly or indirectly, and neither this Placement Document nor any other material or advertisements in connection with offer of the Equity Shares offered in 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 and will not impose any obligations on our Bank or the Book Running Lead Manager. The Issue will be made in compliance with the SEBI ICDR Regulations. Each subscriber of the Equity Shares offered in the Issue will be required to make, or will be deemed to have made, as applicable, the representations, warranties, acknowledgments and agreements as described under the sections "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 3, 185 and 186, respectively.

India

This Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares offered in the Issue 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 only and is not an offer to the public. This Placement Document is neither a public issue nor a prospectus under the Companies Act, 2013 or an advertisement and should not be circulated to any person other than those to whom the offer is made. This Placement Document has not been and will not be registered as a prospectus with the RoC. The offering of Equity Shares pursuant to the Preliminary Placement Document and this Placement Document by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public at large about this Issue is prohibited. The Issue will be made in compliance with the SEBI ICDR Regulations.

United States

The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered, sold or delivered in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable state securities laws. The Equity Shares are being offered and sold in the Issue only outside the United States in accordance with Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. To help ensure that the offer and sale of the Equity Shares in the Issue was made in compliance with Regulation S, each purchaser of Equity Shares in the Issue will be deemed to have made the representations, warranties, acknowledgements and undertakings set forth in "*Transfer Restrictions*" on page 186.

TRANSFER RESTRICTIONS

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the floor of the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. In addition to the above, allotments made to QIBs, including FVCIs, VCFs and AIFs, in this Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. Investors are advised to consult their legal counsel prior to making any resale, pledge or transfer of the Equity Shares.

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

If you purchase the Equity Shares in this Issue, by accepting delivery of the Placement Document, submitting a bid to purchase the Equity Shares and accepting delivery of the Equity Shares, you will be deemed to have represented to and agreed with our Bank and the Book Running Lead Manager as follows:

- you have received a copy of this Placement Document and such other information as you deem necessary to make an informed decision and that you are not relying on any other information or the representation concerning the Bank or the Equity Shares and neither the Bank nor any other person responsible for this document or any part of it or the Book Running Lead Manager will have any liability for any such other information or representation;

- you are authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;

- you will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Placement Document) which may be applicable in your jurisdiction and you have obtained or will obtain any consent, approval or authorization required for you to purchase and accept delivery of the Equity Shares, and you acknowledge and agree that none of our Bank, the Book Running Lead Manager or any of their 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 such Equity Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;

- you and the person, if any, for whose account or benefit you are acquiring the Equity Shares, were located outside the United States at the time the buy order for the Equity Shares was originated and continue to be located outside the United States and 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 any economic interest therein to any person in the United States;

- you are not an affiliate of our Bank or a person acting on behalf of such affiliate; and you are not in the business of buying and selling securities or, if you are in such business, you did not acquire the Equity Shares from our Bank or an affiliate thereof in the initial distribution of the Equity Shares;

- 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 and are located outside the United States (within the meaning of Regulation S) 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, and (ii) such customer is located outside the United States (within the meaning of Regulation S);

- you are aware of the restrictions on the offer and sale of the Equity Shares pursuant to Regulation S described in this Placement Document and that neither the BSE nor the NSE is a "designated offshore securities market" within the meaning of Regulation S of the Securities Act;

- the Equity Shares have not been offered to you by means of any "directed selling efforts" as defined in

Regulation S; and

- you acknowledge that our Bank, the Book Running Lead Manager and its affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, you will promptly notify our Bank, the Book Running Lead Manager, 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 the foregoing acknowledgements, representations and agreements on behalf of such accounts.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Bank or the Book Running Lead Manager 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 Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"). On October 9, 2018, SEBI, in exercise of its powers under the SCRA and the Securities and Exchange Board of India Act, 1992, as amended from time to time (the "**SEBI Act**"), notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Rules**"), 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 SCR (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, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, FPIs, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of a company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognised stock exchange.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) 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 commencement or fall, respectively, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above mentioned requirements.

Delisting

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges which were significantly modified in 2015. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Disclosures under the SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The Stock Exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the CNX NIFTY of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of up to 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available. The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, BSE is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005, BSE was incorporated as a company under the Companies Act, 1956 in 2005.

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.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Hours

Trading on both NSE and BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Takeover Regulations, which provides specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Insider Trading Regulations

SEBI had earlier notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 to prohibit and penalise insider trading in India. The regulations, among other things, prohibited an 'insider' from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("UPSI").

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the regulations of 1992. The Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Initial disclosures are required from promoters, key managerial personnel, directors as well as continual disclosures by every promoter, employee or director in case value of trade exceed monetary threshold of 10 lakh rupees over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. Further, SEBI framed regulations in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

Set forth below are certain provisions relating to the Bank's share capital and the Equity Shares, including brief summaries of certain provisions of the Central Bank of India (Shares and Meetings) Regulations, 1998. The Bank follows the RBI Dividend Circular in relation to declaration of dividends.

General

The authorized share capital of our Bank is ₹10,000.00 Crore divided into 10,00,00,00,000 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 ₹5,709.76 Crore divided into 5,70,97,62,724 Equity Shares. For further details, see "*Capital Structure*" on page 83.The Equity Shares are listed on NSE and BSE.

Kinds of Share Capital

The Bank may have two types of share capital: preference share capital and equity share capital. Preference share capital means the share capital which full fills both the following conditions:

i. As respects dividends, it carries a preferential right to be paid a fixed amount or an amount calculated at fixed rate, which may be either free of or subject to income tax; and

ii. As respect capital, it carries or will carry, on winding up to repayment of capital, a preferential right to be repaid the amount of the capital paid up or deemed to have been paid up, whether or not there is preferential right to the payment of either or both of the following amounts, namely

   (a) any money remaining unpaid, in respect of the amounts specified by the Board with the previous consent of the Central Government; and/or

   (b) any fixed premium or premium on any fixed scale, specified by the Board with the previous consent of the Central Government.

Issue of Shares

The Bank may raise capital by public issue or preferential allotment or private placement of equity shares or preference shares in accordance with the guidelines, rules or regulations of SEBI in this regard. For raising capital by public issue or preferential allotment or private placement of preference shares, the extent of issue of each class of such preference shares (whether perpetual or irredeemable or redeemable) and the terms and conditions subject to which each class of such preference shares that may be issued by the Bank is required to be determined in accordance with the guidelines framed by the RBI pursuant to the provisions contained in the proviso to Section 3(2B)(c) of the Banking Companies Act. The proposal has to be submitted to the RBI to take into account the views of the RBI before finalizing the proposal and the final proposal has to be thereafter submitted to the Central Government for its sanction. The raising of the capital should be in accordance with the sanction granted by the Central Government.

Register of Shareholders

The Bank is required to keep, maintain and update a share register in accordance with the subsection 2(F) of Section 3 of the Banking Companies Act. In addition to the above, the share register shall also include such particulars as the Board of Directors may specify. In the case of joint holders of any share, their names and other particulars has to be grouped under the name of the first of such joint holders. The Bank shall, unless the register is in such form as in itself to constitute an index, keep an index, which may be in the form of a card index of the names of shareholders and shall, within fourteen days after the date on which any alteration is made in the register of shareholders, make the necessary alteration in the index. Persons who are not competent to contract are not entitled to be registered as shareholders and the decision of the Board in this regard will be conclusive and final. In the case of partnership firms, shares may be registered in the name of individual partners and no firm as such, shall be entitled to be registered as shareholders. Any share which stands in the names of two or more persons, the person first named in the register will, as regards voting, receipt of dividends, service of notices and all or any other matters connected with the Bank except the transfer of shares, be deemed to be the sole holder thereof. After ensuring compliance of the applicable guidelines and after giving not less than seven days previous notice by advertisement in at least two newspapers circulating in India, the Bank can close the register of shareholders for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time as may in the option, be necessary.

Calls on Shares

The Board of Directors may, from time to time, make such calls as it thinks fit upon the shareholders in respect of all moneys remaining unpaid on the shares held by them, which are by the conditions of allotment not made payable at fixed times, and each shareholder is required to pay the amount of every call so made on him to the person and at the time and place appointed by the Board. A call may be payable by instalments. A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing such call was passed and may be made payable by the shareholders on the register on such date or at the discretion of the Board of Directors on such subsequent date as may be fixed by the Board of Directors. A notice of not less than thirty days of every call shall be given specifying the time of payment provided that before the time for payment of such call the Board of Directors may be notice in writing to shareholder revoke the same. The Board of Directors may, from time to time and at its discretion, extend the time fixed for the payment of any call to all or any of the shareholders having regard to distance of their residence or some other sufficient cause, but no shareholder shall be entitled to such extension as a matter of right. No shareholder shall be entitled to receive any dividend or to exercise any right of a shareholder until he shall have paid all calls for the time being due and payable on every share held by him, whether singly or jointly with any person, together with interest and expenses, as may be levied or charged.

Forfeiture of Shares

Our Bank can forfeit shares after giving notice, if the calls on shares are unpaid. The notice of forfeiture should name a day not being less than fourteen days from the date of the notice and the place or places on and at which such call or instalment or such part or other monies and such interest and expenses as aforesaid are to be paid. Such forfeiture will include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. Any share so forfeited will be deemed to be the property of the Bank and may be sold, re-allotted or otherwise disposed of to any person upon such terms and in such manner as the Board of Directors may decide.

Lien

The Bank has a first and paramount lien on (i) every share (not being a fully-paid share), for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share; (ii) on all shares (not being fully paid shares) standing registered in the name of a single person, for all moneys presently payable by him or his estate to the Bank; (iii) upon all the shares registered in the name of each person (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities, and engagements, solely or jointly with any other person to or with the Bank, whether the period for the payment, fulfillment, or discharge thereof shall have actually arrived or not and no equitable interest in any share should be recognised by the Bank over its lien. However, the Board of Directors may at any time declare any share to be wholly or in part exempt from the said provisions. The Bank’s lien, if any, on a share extends to all dividends payable thereon.

The Bank may sell, in such manner as the specified by the Board of Directors, any shares on which the Bank has a lien if a sum in respect of which the lien exists is presently payable and, after the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency to give effect to any such sale, the Board of Directors may authorise some officer to transfer the shares sold to the purchaser thereof.

Meetings of Shareholders

There are two types of general meetings of shareholders: annual general meetings and extraordinary general meetings. For convening an annual general meeting of the shareholders, a notice signed by the Chairman and Managing Director or Executive Director or any other officer not below the rank of scale VII or company secretary of the Bank should be published at least 21 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. The time and date of such meeting should be as specified by the Board. The meeting should be held at the head office of the Bank.

An extraordinary general meeting of shareholders can be convened by the Chairman and Managing Director or in his absence, the Executive Director of the Bank or in his absence anyone of the directors of the Bank, if so directed by the Board, or on a requisition for such a meeting having been received either from the Central Government or from other shareholders holding shares, carrying, in the aggregate, not less than 10% of the total voting rights of all the shareholders. The requisition should state the purpose for which extraordinary general meeting is required to be convened, but may consist of several documents in like form each signed by one or more of the requisitionists. Where two or more persons hold any shares jointly, the requisition or a notice calling a meeting, signed by one or more of them should, for the purpose of this regulation have the same force and effect as if it had been signed by all of them. The time, date and place of the Extra Ordinary General Meeting shall be decided by the Board of Directors. If the Chairman and the Managing Director or in his absence the Executive Director, as the case may be, does not convene a meeting as required by the Union Bank of India Regulations, within the forty five days from the date of receipt of the requisition, the meeting may be called by the requisitionist themselves within three months from the date of the requisition.

No business can be transacted at any meeting of the shareholders unless a quorum of at least five shareholders entitled to vote at such meeting in person are present at the commencement of such business. At any general meeting, a resolution put to the vote of the meeting shall, unless a poll is demanded, be decided on show of hands. Where a poll is to be taken, the Chairman of the meeting should appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. The chairman of the meeting has the power, any time before the result of the poll is declared, to remove scrutineers from the office and to fill the vacancy in the office of the scrutineers arising from such removal or from any other cause. One of the two scrutineers appointed will always be a shareholder (who is not an officer or employee of the Bank).

Election of Directors

A director under clause (i) of sub-section (3) of Section 9 of the Banking Companies Act is to be elected by the shareholders on the register, other than the Central Government, from amongst themselves in the general meeting of the 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.

Voting Rights of Shareholders

Subject to certain provisions of the Banking Companies Act, 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. Every shareholder entitled to vote who, not being a company, is present in person or by proxy or who being a company is present by a duly authorised representative, or by proxy shall have one vote on a show of hands and in case of a poll shall have one vote for each share held by him. A shareholder, being the Central Government or a company, may by a resolution, as the case may be, authorise any of its officials or any other person to act as its representative at any general meeting of the shareholders and the person so authorised, shall be entitled to exercise the same powers on behalf of the Central Government or company which he represents, as if he were an individual shareholder of the Bank.

No person is permitted to attend or vote at any meeting of the shareholders of the Bank as the duly authorised representative of a company unless a copy of the resolution appointing him as a duly authorised representative certified to be a true copy by the Chairman of the meeting at which it was passed has been deposited at the head office of the Bank not less loan four days before the date fixed for the meeting. Also, no instrument of proxy is considered valid unless, in the case of an individual shareholder, it is signed by him or by his attorney duly authorised in writing, or in the case of joint holders, it is signed by the shareholder first named in the register or his attorney duly authorised in writing or in the case of the body corporate signed, by its officer or an attorney duly authorised in writing.

Dividends

As per the RBI Dividend Circular and dividend policy of the Bank, from time to time, if any. The Bank is eligible to declare dividends without prior approval of RBI only if the Bank has a (i) CRAR of at least 9% 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%. In case the Bank does not meet the said CRAR norm, but has a CRAR of at least 9% 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%.

The Bank is required to comply with certain provisions of the Banking Regulation Act including Section 15; Section 10(7) of the Banking Companies Act and the prevailing regulations / guidelines issued by the RBI, including creating adequate provisions for impairment of assets and staff retirement benefits, transfer of profits to statutory reserves. See, "*Dividend Policy*" on page 85. The proposed dividend should be paid out of the current year's profit. Also, the RBI should not have placed any explicit restrictions on the Bank for declaration of dividends. The rate of dividend shall be determined by the Board of Directors.

STATEMENT OF POSSIBLE TAX BENEFITS

Date: 19th September 2020.

To,

The Board of Directors
Central Bank of India
Chander Mukhi, Nariman Point
Mumbai – 400 021

ITI Capital Limited
Naman Midtown, 21st Floor, A Wing
Senapati Bapat Marg
Elphinstone (West)
Mumbai - 400 013
Maharashtra, India

(ITI Capital Limited hereinafter referred to as the "**Book Running Lead Manager**" or "**BRLM**")

Re: Proposed qualified institutions placement of equity shares of face value of ₹ 10 each ("Equity Shares") of Central Bank of India ("Bank" or "Issuer") under Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI Regulations") (the "Issue").

Dear Sir(s),

This report is issued in accordance with the terms of our engagement letter with the Bank dated 11th March, 2020.

The accompanying Statement contain Possible Tax Benefits available to the Bank and its Shareholder (hereinafter referred to as "the Statement") under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2020 (hereinafter referred to as the "Income Tax Regulations") has been prepared by the management of the Bank in connection with the proposed Offer, which we have initialed for identification purposes only.

We, M/s Borkar & Muzumdar, M/s Mukund M. Chitale & Co., M/s AAJV and Associates and M/s S. Jaykishan, Chartered Accountants, central statutory auditors of the Bank and of the Issue, hereby consent to extracts of, or reference to, this certificate being used in the Preliminary Placement Document and the Placement Document and any supplements and amendments thereto (Offer Documents), in connection with the Issue to be submitted with the Securities and Exchange Board of India (SEBI) / BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") ("NSE" together with "BSE" referred to as "Stock Exchanges").

Management's Responsibilities

The preparation of the accompanying Statement is the responsibility of the Management of the Bank ("the Management"). This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation of the Statement, ensuring completeness of the disclosures in the Statement and compliance with the applicable accounting standards.

The Management is also responsible for ensuring that the Bank complies with the requirements of the SEBI Regulations, particularly Chapter VI of SEBI Regulations and for providing all relevant information to SEBI.

Auditor's Responsibilities

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the 'ICDR Regulations'), it is our responsibility to report whether the Statement prepared by the Bank, presents, in all material respects, the tax benefits available as of September 19, 2020 to the Bank and the shareholders of the Bank, in accordance with the Income Tax Regulations as at the date of our report.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the Regulations in connection with the Offering.

We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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.

We have no responsibility to update this report for events and circumstances occurring after the date of this report. Further, it should be clearly understood that we make no representations regarding questions of legal interpretation or regarding the sufficiency for your purposes of the information in the preceding paragraphs. Further, we have addressed ourselves solely to the above-mentioned data.

Inherent Limitations

We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

Several of the benefits mentioned in the accompanying statement are dependent on the Bank or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Bank or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive.

The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

Further, we give no assurance that the revenue authorities/ courts will concur with our 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**.**

Opinion

In our opinion, the Statement prepared by the Bank presents, in all material respects, the tax benefits available as of September 19. 2020, to the Bank and its shareholders, in accordance with the Income Tax Regulations as at the date of our report.

Considering the matter referred to in paragraph above, we are unable to express any opinion or provide any assurance as to whether:

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

Restriction on Use

This certificate is addressed to and provided to the Board of Directors of the Bank solely for the purpose of own retention by the Bank and further submission to the Book Running Lead Manager (ITI Capital Limited.) and legal advisors in relation to the Issue and should not be used by any other person or for any other purpose except to regulators, without our consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom this report is shown or into whose hands it may come without our prior consent in writing.

All capitalized terms not defined hereinabove shall have the same meaning as defined in the Offer Documents.

For BORKAR & MUZUMDAR Chartered Accountants F.R. No. 101569W **CA Richa Agarwal** Partner M.No. 140606 UDIN: 20140606AAAAAX4941	**For MUKUND M CHITALE & CO** Chartered Accountants F.R. No. 106655W **CA A.V. Kamat** Partner M.No. 039585 UDIN: 20039585AAAAHV1456
For AAJV AND ASSOCIATES Chartered Accountants F.R. No. 007739N **CA Deepak Garg** Partner M.No. 093348 UDIN: 2N93348AAAADD4616	**For S. JAYKISHAN** Chartered Accountants F.R. No. 309005E **CA Nemai Gorai** Partner M.No. 057892 UDIN: 20057892AAAAJN7002

Place: Mumbai
Date:19th September, 2020

CC to:
Crawford Bayley & Co
4th Floor, State Bank Buildings,
N. G. N Vaidya Marg, Fort,
Mumbai - 400023,
Maharashtra, India

ANNEXURE TO THE STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE BANK AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The information provided below summarizes the possible direct tax benefits available to the Bank and its Shareholders and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares under the Income-tax Act, 1961 (hereinafter referred to as the "Act") as amended vide Finance Act 2020 presently in force in India. This statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Several of these benefits are dependent on the equity shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the equity shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a shareholder faces, may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the Bank or its shareholders will continue to obtain these benefits in future.

Shareholders are advised to consult their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

1. SPECIAL TAX BENEFITS AVAILABLE TO THE BANK UNDER THE ACT

1.1 No Special Tax benefits are available to the Bank.

2. GENERAL TAX BENEFITS AVAILABLE TO THE BANK UNDER THE ACT

The following benefits are available to the Bank after fulfilling conditions as per the applicable provisions of the Act:

2.1 Applicable Income Tax Rate:

Currently, the Bank is subject to income-tax rate of 30% (plus 12% Surcharge and 4% Health & Education Cess) under the normal provisions of the Act. A new Section 115BAA was introduced in the Act vide the Taxation Laws (Amendment) Act, 2019 which provides for an option to domestic companies to opt for a reduced income-tax rate of 22% (plus 10% Surcharge and 4% Health & Education Cess) subject to the condition that they will not avail specified tax exemptions or incentives under the Act. The Bank is eligible to exercise the option for concessional income-tax rate u/s. 115BAA. However, once the Bank opts for paying income-tax as per Section 115BAA of the Act, such option cannot be subsequently withdrawn for the same or any other year. It may be noted that the provisions relating to Minimum Alternate Tax (MAT) u/s. 115JB shall not be applicable to the Bank if it decides to exercise the option of paying income-tax as per Section 115BAA of the Act. The Taxation Laws (Amendment) Act, 2019 has reduced the rate of MAT on book profits u/s. 115JB of the Act to 15% w.e.f. FY 2019-20 as against the earlier rate of 18.5%. Accordingly, even if the MAT provisions continue to apply to the Bank on account of not exercising the option provided u/s. 115BAA of the Act, the reduced rate of MAT u/s. 115JB of the Act of 15% will be applicable to the Bank.

2.2 Benefits available while computing Profits and Gains of Business or Profession:

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. Some of the important deductions available specifically to scheduled banks for computation of income of the Bank under the head "Profits and Gains of Business or Profession" as well as total income are detailed below:

2.2.1 Section 36(1)(vii) of the Act– Allowance of bad debts written off

Section 36(1)(vii) of the Act provides that the amount of bad debts, or part thereof, written off as irrecoverable in the accounts of the Bank for the previous year is allowable as deduction. However, the amount of the deduction relating to any such debt or part thereof shall be limited to the amount by which such debt or part thereof exceeds the credit balance in the provision for bad and doubtful debts account (including provisions towards rural advances) maintained u/s. 36(1)(viia) of the Act. The Bank shall continue to be entitled for this deduction even if it opts for the benefit of lower rate of tax u/s. 115BAA of the Act as discussed at para 2.1 above.

If the amount subsequently recovered on any such debt, or part thereof, written off is greater than the difference between the debt, or part of debt, so written off and the amount so allowed, the excess shall be deemed to be profits and gains of business or profession and accordingly, chargeable to tax in accordance with Section 41(4) in the year in which it is recovered.

2.2.2 Section 36(1)(viia) of the Act – Allowance of Provision for bad & doubtful debts

Section 36(1)(viia) of the Act provides that the Bank is entitled to claim deduction in respect of any provision for bad and doubtful debts made by the bank of an amount not exceeding 8.5% of the total income (computed before making any deduction under this clause and Chapter VIA of the Act) and an amount not exceeding 10% of the aggregate average advances made by rural branches computed in the manner prescribed under Rule 6ABA. The Bank shall continue to be entitled for this deduction even if it opts for the benefit of lower rate of tax u/s. 115BAA of the Act as discussed at para 2.1 above.

2.2.3 Section 36(1)(viii) of the Act – Deduction in respect of Special Reserve

Section 36(1)(viii) of the Act provides that the bank is allowed deduction in respect of any special reserve created and maintained by the Bank for an amount not exceeding 20% of the profits derived from the business of long term finance for industrial or agricultural development or development of infrastructure facility in India or development of housing in India. Further, if the aggregate amount carried to the Special Reserve account from time to time exceeds twice the paid-up capital and general reserves, no deduction shall be allowed on the excess amount under the said section. The amount withdrawn from such a Special Reserve Account would be chargeable to income tax in the year of withdrawal, in accordance with the provisions for Section 41(4A) of the Act. The Bank shall continue to be entitled for this deduction even if it opts for the benefit of lower rate of tax u/s. 115BAA of the Act as discussed at para 2.1 above.

2.2.4 Section 43D of the Act – Interest on bad & doubtful debts

Section 43D of the Act provides that interest on certain categories of bad and doubtful debts as specified in Rule 6EA of the Income-tax Rules, 1962, shall be chargeable to tax only in the year of receipt or credit to Profit and Loss Account, whichever is earlier.

2.2.5 Deduction 80LA of the Act – Deductions in respect of certain incomes of Offshore Banking Units and International Financial Services Centre

Section 80LA(1) of the Act provides that where the gross total income of an assessee, being a scheduled bank and having an Offshore Banking Unit in a Special Economic Zone, includes any income specified in Section 80LA(2), there shall be allowed subject to the fulfillment of the conditions specified in Section 80LA, a deduction from such income, of an amount equal to 100% of such income for five consecutive assessment years, beginning with the assessment year relevant to the previous year in which the Reserve Bank of India's permission, or permission/registration under SEBI Act/regulations or any other law was obtained, and after those five years, 50% of deduction of such income for the next five consecutive assessment years. It may be noted that a scheduled bank having an Offshore Banking Unit in a Special Economic Zone shall not be entitled for this deduction if it opts for the benefit of lower rate of tax u/s. 115BAA of the Act as discussed at para 2.1 above.

Section 80LA(1A) of the Act provides that where the gross total income of an assessee, being a Unit of an International Financial Services Centre, includes any income specified in Section 80LA(2), there shall be allowed subject to the fulfillment of the conditions specified in Section 80LA, a deduction from such income, of an amount equal to 100% of such income for any ten consecutive assessment years, at the option of the assessee, out of fifteen years, beginning with the assessment year relevant to the previous year in which the Reserve Bank of India's permission or permission/ registration under the SEBI Act/regulations or any other relevant law was obtained. It may be noted that a person having a unit in the International Financial Services Centre shall be entitled for this deduction even if it opts for the benefit of lower rate of tax u/s. 115BAA of the Act as discussed at para 2.1 above.

3. GENERAL TAX BENEFITS AVAILABLE TO SHAREHOLDERS OF THE BANK

The following income-tax benefits are generally available to the shareholders subject to the fulfillment of the conditions specified in the Act:

3.1 For resident shareholders:

3.1.1 Up to and including FY 2019-20, dividend income earned on shares of a domestic company (which includes the Bank) was exempt in the hands of shareholders u/s. 10(34) of the Act. Such dividend income was also to be excluded while computing the MAT liability u/s. 115JB where the recipient is a company.

The following amendments were made vide Finance Act 2020 w.e.f. FY 2020-21:

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.

b) A deduction of expenses u/s. 57 of the Act shall be allowed against such dividend income only in respect of interest expense up to a maximum of 20% of such dividend.

c) Section 115BBDA, providing for taxation of dividend income of more than Rs.10 lakhs for specified assessee, has been omitted.

d) The domestic company declaring/distributing/paying dividends shall be liable to withhold taxes @ 10% on dividend income paid to resident shareholders (TDS at the rate of 7.5% for the period from May 14, 2020 to March 31, 2021 as per CBDT press release dated May 13, 2020). The aggregate threshold of Rs.5,000 in a financial year applies in case of dividend income payable to a resident individual shareholder.

3.1.2 If the resident shareholder is a domestic company and its gross total income in any tax year includes any income by way of dividends from any other domestic company (which includes the Bank) or foreign company or a business trust, it shall be allowed a deduction u/s. 80M of the Act in computation of its total income, of an amount equal to so much of the amount of income by way of dividends received from domestic/foreign companies or business trust as does not exceed the amount of dividend distributed by it up to a date not exceeding one month prior to the due date of filing its return of income. This benefit would be available even if such resident shareholder being a domestic company opts for the benefit of lower rate of income-tax u/s. 115BAA of the Act.

3.1.3 Income arising from transfer of shares held for more than 12 months and subject to Securities Transaction Tax (STT), shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets. The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. The Central Board of Direct Taxes (CBDT) has clarified in a circular that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as "Capital Gains" unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income.

3.1.4 Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains exceeding Rs.1,00,000 arising on transfer of equity shares, if STT has been paid on both acquisition and transfer in case of equity shares. The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

As per section 112A(4) of the Act read with Notification No 60/2018 dated October 1, 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of payment of STT:

a) share acquisitions undertaken prior to October 1, 2004
b) share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

The benefit of indexation under the second proviso to Section 48 of the Act shall not be applicable for computing long term capital gains taxable u/s. 112A of the Act. As per section 55(2)(ac) of the Act cost of acquisition of equity shares (referred in aforesaid Section 112A of the Act) acquired prior to February 1, 2018, shall be higher of –

a) Cost of acquisition of asset; and

b) Lower of –
   (I) the fair market value of the asset [as defined in Explanation to Section 55(2)(ac)]; 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.

3.1.5 As per Section 112 of the Act the long-term capital gains arising to the shareholders from the transfer of shares held as investments, not covered under point 3.1.3 above, shall be chargeable to tax at the rate of 20% (plus applicable surcharge and cess) of the capital gains computed after indexing the cost of acquisition or at the rate of 10% (plus applicable surcharge and cess) of the capital gains computed without indexing the cost of acquisition, whichever is lower.

3.1.6 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 proviso to Section 112A(1) or proviso to Section 112(1) of the Act as the case may be.

3.1.7 Short-term capital gains arising on transfer of the shares will be chargeable to tax at the rate of 15% (plus applicable surcharge and cess) as per the provisions of Section 111A of the Act if such transaction is chargeable to STT. The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre 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 proviso to Section 111A(1) of the Act.

3.1.8 The rate of surcharge on capital gains u/s. 111A and u/s. 112A arising on sale of equity shares for all taxpayers will not exceed 15% on the income-tax.

3.1.9 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 utilised, 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 utilised for construction of a residential house within three years. If the whole of the net sale consideration is not so utilised, the exemption shall be allowed on a pro rata basis.

3.1.10 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, 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.

3.1.11 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 the business income as per the provisions of Section 36(1)(xv) of the Act.

3.1.12 Section 56(2)(x) of the Act provides that, subject to exception provided therein, if any person receives from any person, any property, including, inter alia, shares of a company, without consideration or for inadequate consideration, the following shall be treated as 'Income from other sources' in the hands of the recipient:

(i) where the shares are received without consideration, aggregate Fair Market Value ("FMV") exceeds

Rs.50,000/-, the whole FMV;

(ii) where the shares are received for a consideration less than FMV but exceeding Rs. 50,000/-, the aggregate FMV in excess of the consideration paid.

Rule 11UA of the Income-tax Rules, 1962 ("the Rules") provides for the method for determination of the FMV of various properties.

3.1.13 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. 115QA of the Act.

3.2 **<u>For non-resident shareholders including Foreign Portfolio Investors ('FPIs') / Foreign Institutional Investors ('FIIs')</u>**

3.2.1 Under the provisions of Section 90(2) of the Act a non-resident will be governed by the provisions of the Double Taxation Avoidance Agreement ("DTAA") between India and the country of tax residence of the non-resident [as modified by the Multilateral convention to implement Tax treaty related measures to prevent Base Erosion and Profit Shifting (MLI)] or the provisions of the Act to the extent they are more beneficial to the non-resident.

3.2.2 Up to and including FY 2019-20, dividend income earned on shares of a domestic company (which includes the Bank) was exempt in the hands of shareholders u/s. 10(34) of the Act. The following amendments were made vide Finance Act 2020 w.e.f. FY 2020-21:

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.

b) A deduction of expenses u/s. 57 of the Act shall be allowed against such dividend income only in respect of interest expense up to a maximum of 20% of such dividend.

c) The domestic company declaring/distributing/paying dividends shall be liable to withhold taxes at the rates in force on dividend income paid to non-resident shareholders. Thus, the non-resident shareholders are liable to tax on dividend income received from domestic company u/s. 115A 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).

3.2.3 Income arising from transfer of shares held for more than 12 months and subject to STT, shall be considered as long-term capital assets. Assets not considered as long-term capital assets shall be considered as short-term capital assets. The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. The Central Board of Direct Taxes (CBDT) in a circular has clarified that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as "Capital Gains" unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income.

3.2.4 Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs.1,00,000) arising on transfer of equity shares, if STT has been paid on both acquisition and transfer in case of equity shares. The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

As per section 112A(4) of the Act read with Notification No 60/2018 dated October 1, 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of payment of STT:

a) share acquisitions undertaken prior to October 1, 2004

b) share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

The benefit of indexation under the second proviso to Section 48 of the Act shall not be applicable for computing long term capital gains taxable u/s. 112A of the Act. As per section 55(2)(ac) of the Act cost of acquisition of equity shares (referred in aforesaid Section 112A of the Act) acquired prior to February 1, 2018, shall be higher of –

a) Cost of acquisition of asset; and
b) Lower of –
   (I) the fair market value of the asset [as defined in Explanation to Section 55(2)(ac)]; 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.

3.2.5 The long-term capital gains arising to the shareholders from the transfer of equity shares held as investments, not covered under point 3.2.4 above shall be taxable as follows:

Where the equity shares are acquired in convertible foreign exchange, the same shall be taxable at the rate of 10% on the amount of capital gains computed as per point 3.2.6 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 or at the rate of 10% on the amount of capital gains computed without indexing the cost of acquisition, whichever is lower.

3.2.6 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 3.2.4 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 utilised 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.

3.2.7 Short-term capital gains arising on transfer of the shares will be chargeable to tax at the rate of 15% (plus applicable surcharge and cess) as per the provisions of Section 111A of the Act if such transaction is chargeable to STT. The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

3.2.8 The rate of surcharge on capital gains u/s. 111A and u/s. 112A arising on sale of equity shares for all taxpayers and capital gains on securities u/s. 115AD(1)(b) for FIIs will not exceed 15% on the income-tax.

3.2.9 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 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.

3.2.10 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.

3.2.11 Section 56(2)(x) of the Act provides that, subject to exception provided therein, if any person receives from any person, any property, including, inter alia, shares of a company, without consideration or for inadequate consideration, the following shall be treated as 'Income from other sources' in the hands of the recipient:

(i) where the shares are received without consideration, aggregate Fair Market Value ("FMV") exceeds

Rs.50,000/-, the whole FMV;

(ii) where the shares are received for a consideration less than FMV but exceeding Rs. 50,000/-, the aggregate FMV in excess of the consideration paid.

Rule 11UA of the Rules provides for the method for determination of the FMV of various properties.

3.2.12 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.

3.2.13 In respect of foreign companies which are not exempt from MAT provisions as per point 3.2.10 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.

3.3 **<u>Specific Provisions Applicable to FPIs and FIIs:</u>**

3.3.1 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.

3.3.2 As per the amended provisions of Section 115AD of the Act:

(i) Income by way of short term capital gains arising to a FPI/FII on transfer of shares shall be chargeable at a rate of 30% (plus applicable surcharge and cess) where such transactions are not subjected to STT and at the rate of 15% (plus applicable surcharge and cess) if such transaction of sale is entered on a recognised stock exchange in India and is chargeable to STT;

(ii) Income by way of long-term capital gains arising to a FPI/FII from transfer of long term capital asset referred to in Section 112A of the Act shall be liable to tax at the rate of 10% (plus applicable surcharge and cess) on such income exceeding Rs.1,00,000;

(iii) Income by way of long term capital gains arising to a FPI/FII from the transfer of shares held in the Company (other than those taxable u/s.112A of the Act) shall be taxable at the rate of 10% (plus applicable surcharge and cess).

The benefits of foreign currency fluctuations and of indexation of cost as per first and second proviso to Section 48 of the Act are not available to FPIs/FIIs.

3.3.3 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. There is no provision u/s. 196D to apply the rates as per DTAA at the time of withholding tax on dividend income payable to FIIs.

3.4 **<u>Specific provisions applicable to non-resident shareholders being Non-Resident Indians (NRIs):</u>**

3.4.1 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 10% (plus applicable surcharge and cess) on long-term capital gains arising on sale of shares of the Company which are acquired in convertible foreign exchange.

b) Section 115F of the Act provides that, subject to the conditions and to the extent specified therein, long-term capital gains arising to NRIs from transfer of shares of the Company acquired out of convertible foreign exchange shall be exempt from capital gains tax if the net consideration is invested within 6 months of the date of transfer of the asset in any specified asset or in any saving certificates referred to in Section 10(4B) of the Act. In case the whole of the net consideration is not so invested, the exemption shall be allowed on a pro rata basis.

c) In accordance with the provisions of Section 115G of the Act, NRIs are not obliged to file a return of income u/s. 139(1) of the Act if their only source of income is income from investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

d) In accordance with the provisions of Section 115H of the Act when NRIs become assessable as resident in India, they may furnish a declaration in writing to the Assessing Officer along with their return of income for that year u/s. 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to them in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are transferred or converted into money.

e) As per the provisions of Section 115-I of the Act NRIs may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing their return of income for that year u/s. 139 of the Act declaring therein that the provisions of Chapter XII-A shall not apply to them for that assessment year and accordingly, their total income for that assessment year will be computed in accordance with the other provisions of the Act.

3.5 Specific provisions applicable to Mutual Funds:

3.5.1 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.

3.6 Specific provisions applicable to Venture Capital Companies/Funds:

3.6.1 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.

3.7 Specific provisions applicable to Investment Funds:

3.7.1 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.

3.7.2 The income chargeable under the head 'profits and gains of business and profession' shall be taxed in the hands of the Investment Fund depending on the legal status (i.e. a company, a limited liability partnership, body corporate or a Trust) of the Fund and at the rate or rates as specified in the Finance Act of the relevant year. However, income (other than income chargeable under the head "Profits and gains of business or profession) of the unit holder out of the investment made in such investment fund is chargeable to income-tax in the same manner as if it were income accruing or arising to, or received by, such unit holder had the investments, made by the Investment Fund, been made directly by him.

Further, the income accruing or arising to or received by the Investment Fund if not paid or credited to a person (who has made investments in an Investment Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

3.7.3 As regards income of an Investment Fund, being a Trust, Company, Limited Liability Partnership or a body corporate which has been granted a certificate of registration as Category III Alternate Investment Fund, and is regulated under SEBI (Alternative Investment Funds) Regulations, 2012 will be taxed in India depending on the legal status of the Fund. In case the Fund is set-up as a 'Trust', the principles of trust taxation should apply.

4. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS UNDER THE ACT

4.1 No Special Tax benefits are available to the shareholders.

5. REQUIREMENT TO FURNISH PAN UNDER THE ACT:

5.1 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.

5.2 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.

5.3 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.

Note:

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. 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 Central Bank of India

(Authorised Signatory)

LEGAL PROCEEDINGS

Our Bank and our Subsidiaries are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of tax disputes, recovery proceedings, consumer disputes, regulatory proceedings, criminal complaints and other civil proceedings, pending before various adjudicating forums.

*This section discloses outstanding legal proceedings considered material in accordance with our Bank's "Policy for Determination of Materiality of any Event/Information" framed in accordance with Regulation 30 of the SEBI Listing Regulations ("**Policy of Materiality**").*

*Additionally, solely for the purpose of the Issue, our Bank has also disclosed in this section, to the extent applicable, (i) all outstanding criminal proceedings involving our Bank and our Subsidiaries; (ii) all outstanding actions by statutory or regulatory authorities against our Bank and our Subsidiaries; (iii) any other outstanding litigation involving our Bank and our Subsidiaries, where the amount involved in such proceeding exceeds ₹1,365 crore (approximately 5% of the total income of our Bank based on the Audited Consolidated Financial Statements for the Fiscal 2020) ("**Materiality Threshold**"); and (iv) any other outstanding litigation involving our Bank and our Subsidiary 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. Further, all outstanding direct and indirect taxes proceedings involving our Bank and our Subsidiaries have been disclosed herein, where the amount involved in such proceedings exceeds the Materiality Threshold. Additionally, all outstanding litigations involving our Directors, an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of the Bank, have been disclosed herein, to the extent applicable.*

It is clarified that for the purposes of the above, pre-litigation notices received by our Bank from third parties (excluding show cause notices issued by statutory/regulatory/tax authorities) have not been disclosed in this Placement Document unless our Bank is impleaded as defendant in a litigation proceeding before any judicial forum, being a material litigation based on the aforesaid approach.

In the ordinary course of business, especially in relation to recovery of loans, our Bank initiates criminal proceedings under Section 138 of the Negotiable Instruments Act, 1881 and under Section 25 of the Payment and Settlement Systems Act, 2007, which have not been disclosed in this Placement Document separately unless such proceeding forms part of an outstanding material recovery proceeding by our Bank disclosed in this Placement Document based on the Materiality Threshold.

Other than as disclosed herein (i) there are no defaults in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon and (d) any loan obtained from any bank or financial institution and interest thereon by the Bank, as of the date of this Placement Document; (ii) there are no material frauds committed against our Bank and our Subsidiaries in the last three years.; and (v) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Bank and its future operations.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

A. Litigation against our Bank

(i) Criminal Cases:

1. Vincent D'souza ("C**omplainant**") had sought information pertaining to TDS, Form 26-A, P.G. nomination and on certain other issues from the Bank under the Right to Information Act, 2005. After receiving the desired information from the Bank, the Complainant filed eight (8) private complaints (Cri R.A. 55, 56, 59, 60, 63, 65, 66, 68 of 2019 C.R. no. 34) before the Metropolitan Magistrate court at Dadar, Mumbai under section 217, 218, 166, 166-A, 167, 405, 406, 409, 414, 415, 420 of Indian Penal Code seeking relief from the bank, as there was a delay of three (3) years in providing the above information. The Metropolitan Magistrate Court dismissed the matter stating it was purely a consumer issue and opined that there was no sufficient prima-facie case to proceed against the Bank. Thereafter the Complainant on May 30, 2019 appealed before the Sessions Court, Mumbai against the order of the Metropolitan Magistrate Court and the appeal is pending.

2. Tulshi Chandra Barman ("**Complainant**") has filed a criminal complaint against Kabita Kumari, Branch Manager, Central Bank of India and Umesh Chandra Gochhayat, Regional Manager, Central bank of India ("**Accused Persons**") before the Additional Chief Judicial Magistrate, Siliguri. The Complainant filed this complaint against the Accused Persons on the following grounds: a) that the Accused Persons threatened the suspension of the Complainant from his duty; b) that the Accused Persons did not permit the Complainant to withdraw ₹15,600/- from the Batashi Branch and made false allegations against the Complainant stating that there was a misappropriation of an amount by him from the OD Account which has been transferred to Complainant's Account; c) that the Accused Persons conspired with each other by making false and baseless allegations that he misappropriated an amount of ₹8,000/- and stopped the service of the Complainant and closed the PORT of the Complainant; d) that the Accused Persons sent notices through their email to various persons making false allegations about the integrity of the Complainant and also asked the Samvirdhi (authority of the Complainant) to discontinue the services of the Complainant without an opportunity of being heard and e) that the Complainant suffered immense agony and humiliation due to the acts of the Accused Persons. This case is pending before the Additional Chief Judicial Magistrate, Siliguri.

(ii) Material Civil Cases:

There is no outstanding material civil litigation against our Bank.

(iii) *Banking Ombudsman Complaints:*

Details of the complaints against the Bank and status of the complaints are as follows:

Resolution	Complaints Pending as on March 31, 2020	Total complaints received from April 01, 2020 to June 30, 2020	Number of complaints resolved from April 01, 2020 to June 30, 2020	Total complaints pending as on June 30, 2020
Ahmedabad Zone	18	22	26	14
Bhopal Zone	39	136	135	40
Chandigarh Zone	1	137	137	1
Chennai Zone	66	68	109	25
Delhi Zone	189	245	342	92
Kolkata Zone	62	54	66	50
Lucknow Zone	149	90	136	103
Mumbai Zone (MMZO)	163	171	130	204
Patna Zone	93	135	192	36
Pune Zone*	-	-	-	-
Total	**780**	**1,058**	**1,273**	**565**

* Data pertaining to Pune Zone is included in Mumbai Zone (MMZO) as there is no separate banking ombudsman for Pune Zone.

B. Litigation by our Bank

(i) Criminal cases

1. Baliram Pandurang Shinde and others ("**Petitioners**") filed a Special Leave Petition under Article 136 of the Constitution of India before the Supreme Court of India to appeal the judgement passed by the High Court of Judicature at Bombay in the matter of Baliram Pandurang Shinde and others vs. The Secretary, Law & Judiciary Department, Government of India & others. The Appeal was filed against the Secretary, Law and Judiciary Department, Government of India and others including our Bank ("**Respondents**").

   The brief facts of the case are reproduced herein. The Central Bureau of Investigation ("**CBI**") had filed a special case no. 91/2002 against the Appellants of allegedly entering into a criminal conspiracy to cheat

Hindustan Organic Chemicals Limited of ₹63,49,833. During its investigation and search, the CBI had seized various documents/investment certificates including bonds, shares, fixed deposits, passbook and cheque books of the Appellants. Thereafter in the trial, the CBI Special Judge, Greater Mumbai on April 29, 2011 convicted the Appellants under various sections of the Indian Penal Code and Prevention of Corruption Act, 1988. Moreover, the CBI Special Judge passed an order for realisation of the bonds and policies owned by the Appellants and their sons and the proceeds of the same to be invested by the CBI with a nationalized bank. The CBI Special Judge had also ordered to freeze the fixed deposits of the Appellants held with Nehru Nagar branch of our Bank. However, later the aforesaid fixed deposits were regularised pursuant to the court of Special Judge, Greater Mumbai order dated August 5, 2014 and the Appellants were paid the amounts due in respect of the fixed deposits. The Appellants stated that the interest paid on the fixed deposits were not as per the card rate prevalent at that time. The Bank had clarified to the Appellants that the interest on the fixed deposits could not be accrued at the card/contractual rate after the maturity of the fixed deposits. Moreover the Bank informed the Appellants that they had not received any communication from either the Appellants or the CBI for renewal of the fixed deposits and hence interest over and above the savings bank interest rate could not be paid on such fixed deposits. Aggrieved by this, the Appellants filed a criminal writ petition bearing no. 494/2016 before the Bombay High Court praying for the release of all investment amounts along with interest as per the card rate prescribed in the fixed deposit policy of the Appellants. The Bombay High Court dismissed the writ petition and held that the reliefs sought by the Appellants could not be granted in an exercise of a criminal writ jurisdiction. The Appellants then filed this Special Leave Petition before the Supreme Court of India against the impugned order of Bombay High Court dated April 19, 2017. The matter in the Supreme Court of India is pending.

2. Nirogi Giridha ("**Petitioner**") has filed a criminal petition dated November 14, 2014 before the High Court of Hyderabad against the State of Andhra Pradesh ("**Respondent No. 1**") and Central Bank of India ("**Respondent No. 2**") (together called "**Respondents**") challenging the criminal complaint of fraud instituted by the Respondent No. 2 against him. The Respondent No 2 had filed a complaint with the Palakole Rural Police Station, alleging that the Petitioner had opened fictitious FDR accounts and embezzled money from various account holders of the Bank. Subsequently a charge sheet was filed against the Petitioner and the criminal suit is pending before Additional Judicial 1st Class Magistrate, Palakole, West Godavari District. The Petitioner then filed the abovementioned quashing petition under section 482 of the Criminal Procedure Code before the High Court of Hyderabad for getting the criminal complaint, being tried before the Court of Additional Judicial 1st Class Magistrate, Palakole, West Godavari District, quashed. The quashing petition before the High Court of Hyderabad is pending.

3. Radhakrishna Textiles ("**Petitioner**"), has filed a criminal petition dated April 16, 2019 before the High Court of Telangana at Hyderabad against the State of Telangana ("**Respondent No. 1**") and Central Bank of India ("**Respondent No. 2**"), to quash the proceeding initiated against him by Respondent No. 2 in the Court of XIX Special Magistrate, Hyderabad ("**Court**") under section 138 of the Negotiable instrument Act, 1881 ("**NI Act**"). The Petitioner had approached the Respondent No. 2 for a business loan of an amount of ₹65,00,000/- and the same was sanctioned by Respondent No. 2. Subsequently, the Petitioner failed to repay the loan amount. After multiple demands for repayment of the loan and issue of a legal notice by the Bank, the Petitioner issued a cheque for ₹25,00,000/- to discharge the outstanding loan amount. The cheque was dishonoured and returned for insufficient funds in the account of the Petitioner. Thereafter the Respondent No. 2 filed a criminal case no. 528 of 2018 under section 138 of NI Act in the Court. The Petitioner filed various applications before the Court praying for summoning the then bank manager as a witness in the matter. The Court dismissed the petition. The Petitioner then approached the High Court for the State of Telangana at Hyderabad to quash the aforesaid proceedings. The present case before the High Court at Hyderabad is pending.

4. Sukhbir Singh ("**Revisionist**") has filed three (3) revision petitions before the Court of District & Sessions Judge, Shahdara, Karkardooma Courts, Delhi (**"Court"**) in the following criminal matters:

   a) The Revisionist has filed a revision petition before the District and Sessions Court, Delhi against 1) NCT of Delhi ("**Respondent No. 1**"), 2) Central Bank of India ("**Respondent No. 2 or the Bank**"), 3) M/s. Suman Enterprises ("**Respondent No. 3**"), 4) Ashok Kumar Sharma ("**Respondent No. 4**") and 5) Santosh Sharma ("**Respondent No. 5**") (together called "**Respondents**"). The Bank had filed a criminal complaint against Respondent No. 3 to 5 alleging that Respondent No. 4 had availed an overdraft limit facility of ₹12 lakhs from the Bank under the 'Cent Trade Scheme' and had mortgaged the property situated at 1/2260, Ram Nagar, East Gali no. 10, Shahdara, Delhi-11032

(**"Property"**) in favour of the Bank, by depositing the original title deeds with the Bank. However, the overdraft facility was not duly serviced by the Respondent No. 3. Subsequently the account of Respondent no. 3 was declared as NPA by the Bank. The total outstanding amount due to the Bank was ₹13 lakhs. Thereafter the Bank took the symbolic possession of the mortgaged property under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 and published the possession notice in the local newspaper. On further verification, it was found that Respondent No. 3 to 5 had taken a credit facility from Oriental Bank of Commerce, Bank of Maharashtra and Union Bank of India and had mortgaged the same Property with them. The Property mortgaged was already sold in the auction overseen by the Debt Recovery Tribunal, Delhi. The Bank claims that the Respondent No 3 to 5 had intentionally and deliberately misappropriated the loan amount and had criminally conspired against the Bank with the collusion of the Bank officials 1) Sukhbir Singh, Manager and 2) V K Chaturvedi, Senior Manager. Thereafter the Respondent No. 2 had filed the first information report against the Respondent No. 3 to 5, Revisionist and V K Chaturvedi. The A.C.M.M. Court, Karkardooma, Delhi framed the charge sheet against the Revisionist and Revisionist being aggrieved by the impugned order filed the above revision petition before the District and Sessions Court, Delhi. The revision petition before the District and Sessions Court, Delhi is pending.

b) The Revisionist had filed this revision petition before the District and Sessions Court, Delhi against 1) NCT of Delhi ("**Respondent No. 1**"), 2) Central Bank of India ("**Respondent No. 2 or the Bank**"), 3) Radhey Shyam Sharma ("**Respondent No. 3**") and Ramesh Chand ("**Respondent No. 4**") (together called "**Respondents**") on the grounds that the trial court had failed to exercise its judicial mind on the facts and circumstances of the case and had framed charges against the Revisionist without taking into consideration all the facts and circumstances of the case. The Bank had filed a criminal complaint against Respondent No. 3 and 4 alleging that the Respondents No. 3 and 4 had approached the Bank and availed a term loan facility of ₹8.50 lakhs and created an equitable mortgage on property bearing no. E-302, East Babarpur, Shahdara, Delhi- 110032 ("**Property**") by depositing the original title documents with the Bank. The Respondent no. 3 and 4 stopped the payment of instalments for the term loan availed by them and thereafter they were categorised as NPA by the Bank. On verification, the Bank came to know that the Property was mortgaged with Bharat Overseas Bank Limited and it was sold several times by the Respondent No. 3 and 4. The Respondent No. 3 and 4 with an intention to defraud the Bank availed the loan facility on the recommendation of Sukhbir Singh, Manager and V. K. Chaturvedi, Senior Manager. The total outstanding amount due to the Bank is ₹4,49,137.75/-. Hence the Respondent No. 2 had filed the first information report against the Respondent No. 3, 4 and the Revisionist. The A.C.M.M. Court, Karkardooma, Delhi framed the charge sheet against the Revisionist and Revisionist being aggrieved by the impugned order filed the above revision petition before the District and Sessions Court, Delhi.

c) The Revisionist has filed this revision petition before the District and Sessions Court, Delhi against 1) NCT of Delhi ("**Respondent No. 1**"), 2) Central Bank of India ("**Respondent No. 2 or the Bank**"), 3) M/s. Baleshwar Metals ("**Respondent No. 3**"), Ramesh Chand ("**Respondent No. 4**") and 5) Deepak Sharma ("**Respondent No. 5**") (together called "**Respondents**") on the grounds of failure of the trial court to exercise its judicial mind on the facts and circumstances of the case and the framing of charge against the Revisionist without taking into account all the facts and circumstances of the case as per material on record. The Bank filed a criminal complaint against the Respondent no. 3 to 5 alleging that Respondent No. 3 and 4 approached the Bank and availed the overdraft limit facility of ₹9.50 lakhs under Cent Trade Scheme ("**Scheme**"). Further, this Scheme was enhanced on December 24, 2003 and equitable mortgages were created on his properties 1) bearing No. C-34, East Babarpur, Shahdara, Delhi- 32 in Khasra No. 178 measuring 110 sq. yards and 2) property no. 5/170, Chhajju Singh gate, Babarpur, Shahdara, Delhi- 110032 by depositing original title documents with the Bank. The Respondent no. 5 stood as the guarantor for the loan facility availed by the Respondent no. 3. The above loan facility was recommended by Sukhbir Singh, Manager and V. K. Chaturvedi, Senior Manager ("**Bank officials**"). After a detailed enquiry conducted by the Bank, it was noticed that the Bank Officials in order to provide undue advantage to the Respondent No. 3 to 5 and with an intention to defraud the Bank, sanctioned the aforementioned credit facility in contravention with the norms of the Scheme. The Bank had filed the first information report against the Respondent No. 3 to 5 and also against Revisionist and V. K. Chaturvedi. The A.C.M.M. Court, Karkardooma, Delhi framed the charge sheet against the Revisionist and Revisionist being aggrieved by the impugned order, filed the above revision petition before the District and Sessions Court, Delhi and the same is pending.

5. Satish Kumar Gupta and Parminder Singh ("**Applicants**") has filed a criminal miscellaneous application before the High Court of Uttarakhand against the 1) Central Bureau of Investigation ("**Respondent No. 1**"), 2) Central Bank of India ("**Respondent No. 2**") and Assistant General Manager, Central Bank of India ("**Respondent No. 3**") for quashing of the proceedings initiated against the Applicants under the charge sheet dated November 23, 2010, cognizance order dated November 24, 2010 in the FIR dated July 23, 2009, and to stay the proceedings under the CBI criminal Case no. 16/2010 pending before the Special Judge, Anti-Corruption, (CBI). The Applicants approached the Roorkee Branch Office of the Respondent No. 2 for financial assistance in the account of M/s. Laxmi Auto Industries and availed cash credit limit of ₹30 lakhs along with term loan of ₹91 lakhs. The said loan amount was enhanced to 1.71 Crore on a request made by the applicants. The Applicants could not service the loan and the account was declared as NPA. The Respondent no. 3 filed a first information report against the Applicants, alleging that the loan was availed on the basis of fabricated documents and that the monies were applied in a transaction other than the business. On January 21, 2014 the Applicants and the Respondent no. 2 entered into a one-time settlement (OTS) scheme/compromise wherein the Respondent No. 2 accepted the OTS of ₹120 lakhs. The Applicants paid the full amount of ₹120 lakhs with interest and on August 27, 2014 the Bank issued a no-dues certificate. Therefore the Applicants had filed this application to quash the criminal proceedings initiated against them on the grounds of the outstanding amount having been paid by the Applicants under the OTS Scheme and this application is pending before the High Court of Uttarakhand.

6. Manoj Kumar Jain ("**Petitioner**") has filed a petition before the High Court of Calcutta, criminal revisional jurisdiction, against Himmat Singh Garsa, Assistant General Manager, Central Bank of India ("**Respondent No. 1**") and Central Bureau of Investigation ("**Respondent No. 2**") to quash the proceedings against him, alleging that the impugned proceedings against the Petitioner are clearly smack of malice and have been instituted only to harass and humiliate the Petitioner. The Petitioner herein is the promoter/director of Prakash Vanijya Private Limited ("**Accused Company**"). The Accused Company was initially sanctioned a Letter of Credit of ₹150 crore on December 22, 2008 and thereafter the limit was enhanced by the Bank to ₹300 crores on June 18, 2011. The said facility was secured by the personal guarantee of Rekha Mannoj Jain, wife of Petitioner and by the corporate guarantees of Global Scape Infrastructure Private Limited and Maroon Developers Private Limited. It was alleged that the Accused Company has misappropriated/ siphoned off funds from the Bank by forging road transport receipt and falsifying debtors' statements. On September 30, 2012 the account was classified as NPA. The outstanding from the Accused Company in devolved Letter of Credit facility as on January 11, 2014 was ₹2,34,57,28,701/-. The Respondent no. 1 had filed a criminal complaint with superintendent of police, Central Bureau of Investigation, and Bank Securities and Fraud Cell against the Petitioner, alleging that the Bank was defrauded by the directors of Accused Company in collusion with directors of its debtor companies. The Petitioner has filed this petition to set aside and quash the proceedings pending against him before the Learned Judge 3rd Special (CBI) Court, Calcutta and to stay all further proceeding in connection with the aforementioned case. This petition is pending before the High Court of Calcutta.

7. Jain Infraprojects Limited ("**Petitioner**") has filed a petition before the High Court of Calcutta, criminal revisional jurisdiction, against Vijaya Bhaskara Char, Assistant General Manager, Central Bank of India ("**Respondent No. 1**") and Central Bureau of Investigation ("**Respondent No. 2**") to quash the proceedings against them alleging that the impugned proceedings against the Petitioner is completely vexatious and has been filed after suppression of various facts. The Respondent no. 2 filed a criminal complaint against the Petitioner and other co-accused for diverting the funds for purposes other than for which it was sanctioned and availed as mentioned hereinafter: a) transfer of funds to the subsidiaries/group companies or other corporates; b) routing of funds through Banks other than the lender banks or members of consortium without prior permission of the lenders; c) awarding the contract for construction, erection of proposed manufacturing units to its related party and also to Murlidhar Vincom Private Limited and Bahar Commodeal Private Limited. The Bank on the request of the Petitioner had issued bank guarantee of ₹27.50 crore to Bahar Commodeal Private Limited and ₹5.50 crore to Murlidhar Vincom Private Limited. The above bank guarantees were invoked by the UCO bank and the Petitioner failed to reimburse the same; d) the contracts entered into by the Petitioner with its related party is not disclosed in its audited accounts; and e) the cumulative build-up of ₹584.12 crore in sundry debtors as on March 31, 2013, constituting 88% of the sales. The major increase in debtors is accounted by five parties who were its associated concerns. The Petitioner has filed this petition before High Court of Calcutta to quash the proceedings which are pending before the learned 3rd Special Judge,

CBI, Bankshal Court at Kolkata. This petition is pending before the High Court of Calcutta.

8. Zahir Hussain and Khurshid Gul Khan ("**Petitioners**") filed a criminal petition against 1) the State of Assam ("**Respondent No. 1**") and 2) Central Bank of India ("**Respondent no. 2/ the Bank**") before High Court of Assam, Nagaland for quashing the proceeding initiated under the general register case no. 1358/11 before the Chief Judicial Magistrate, Kamrup (M) against the Petitioners. A first information report was filed against the Petitioners by V. S. Katoch, Assistant General Manager, Central Bank of India alleging that the Petitioner had tactfully conspired against the Bank and had availed a loan of ₹50 lakhs from the Guwahati Branch of the Bank for business and misappropriated the said amount. On April 24, 2008 the accused also availed a car loan of ₹4,63,832/- from the Bank and the same was also misappropriated. Thereafter the Petitioner approached the High Court to quash the aforesaid proceedings initiated against the Petitioners. This petition is pending before the High Court of Assam, Nagaland.

9. Bengal India Global Infrastructure Limited ("**Petitioner**") had filed a criminal revision petition against 1) Central Bureau of Investigation ("**Respondent no.1**"), 2) Central Bank of India ("**Respondent No. 2**") and State of West Bengal Service ("**Respondent no. 3**") for quashing the proceedings initiated against the Petitioner by virtue of the FIR filed by the Respondent No. 2 alleging that the Respondent no. 1 did not have jurisdiction to investigate the alleged offences committed by the Petitioner within the State of West Bengal, as the consent of the State Government has not been obtained under section 6 of the Delhi Special Police Establishment Act, 1946. The Petitioner had initially started availing credit facilities in the form of DA LC (inland/foreign) limit of ₹25 crore and DP LC (inland/ foreign) limit of ₹25 crore aggregating to ₹50 crore from Respondent No. 2. The above limits were renewed/enhanced from time to time till 2013. In order to meet the increasing financial requirement of the Petitioner, a consortium of 7 banks was formed on July 21, 2011 and Respondent no. 2 was the leader of the consortium. The Respondent No. 2 had extended ₹100 crore to the Petitioner under the consortium. The Petitioner then *vide* its application dated December 12, 2011 sought enhancement of fund based facility from the existing ₹40 crore to ₹80 crore which was approved by the Bank on February 28, 2012. The Petitioner again sought enhancement of fund based facilities from the existing ₹80 crores to ₹135 crores which was approved by the bank on October 3, 2012. Further on December 19, 2012 the Petitioner requested the consortium of banks for conversion of the existing letter of credit facilities with cash credit with full inter changeability. On December 31, 2012, the consortium recommended conversion of the Non Fund Based limits into Fund Based limits as requested by the Petitioner. On January 7, 2013 the consortium considered conversion of LC limit into CC limit as requested by the Petitioner. The Petitioner on May 31, 2013 submitted to the consortium of banks, the proposal for restructuring and regularisation of the borrowings, which was rejected on August 20, 2013. On August 28, 2013 the account of the Petitioner was classified as NPA. On January 20, 2014, the Respondent No. 2 issued a legal notice for recalling the loan facility extended in favour of the Petitioner and on August 14, 2014 the Bank had filed the first information report against the Petitioner for colluding with others and fabricating the Balance Sheet for the year 2011-2012 and availing the loan facility from the Bank and thereby causing wrongful loss to Respondent No. 2. The Petitioner has filed this transfer petition under Article 139A(1) of the Constitution of India for transfer of the criminal revision petition filed by Petitioner pending before the High Court of Calcutta to Supreme Court of India for being heard and disposed with special leave petition filed by another party as in both matters the substantial question of law is same i.e. whether Central Bureau of Investigation is entitled to register and investigate offenses punishable under the provisions of Indian Penal Code, 1860 in absence of the consent under section 6 of the Delhi Special Police Establishment Act, 1946 in the absence of the consent from the State of West Bengal. This petition is pending before the Supreme Court of India.

10. Milin Vikhe ("**Appellant**") preferred an appeal before District & Session Court, Chittorgadh against Central Bank of India ("**Respondents/ Bank**"). The Appellant availed a loan from Chittorgadh branch of the Bank and had then issued cheque no. 962581 of ₹26,000/- dated 20.11.2008 towards repayment of the loan, which was presented for collection and was returned with endorsement "insufficient funds". The Bank served a legal notice dated November 22, 2008 to the Appellant, but the Appellant neither replied nor made any payment towards the loan to the Bank. Thereafter the Bank filed the case before the Court of ACJM, Chittorgadh and the Court passed its order on August 24, 2017, sentencing the Accused for 2 months and levying a penalty of ₹40,000/-. Thereafter the Appellant preferred this appeal before the District & Session Court, Chittorgadh and the same is pending.

11. Gyanchand Jain and Vimala Devi Burad ("**Revisionist/Complainant**") preferred a revision petition before the District & Session Court, Bhilwada against 1) State of Rajasthan ("**Respondent No. 1**") and

2) Central Bank of India ("**Respondent No. 2/ the Bank**") against the order of Civil Magistrate & ACJM-1 Court, Bhilwada. The Revisionist was a director of Girnar Minerals Limited and proprietor of M/s Chandana Chemicals and Vimala Devi Burad was the director of Girnar Minerals Limited and owner of the residential property no. 1-B24, Shashtri Nagar, Bhilwada. Both M/s Girnar Minerals Limited. and M/s Chandana Chemicals ("**Borrowers**") had availed financial assistance from the Bank, but their accounts slipped into NPA due to failure in servicing the loan. Thereafter the Bank had initiated recovery proceedings including action under Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("**SARFAESI Act**") and served demand notice dated December 1, 2012 upon the Borrowers and the Revisionists. The Bank took the possession of the property and factory of the Borrowers on February 26, 2013. Thereafter the Revisionists filed a Complaint before Court of Civil Magistrate & ACJM-1, Bhilwada against the recovery proceedings undertaken by the Bank under the SARFAESI Act alleging that the Bank had wrongfully taken the possession of the factory and residential property in violation of SARFAESI Act. Civil Magistrate & ACJM-1 Court, Bhilwada *vide* order dated August 21, 2018 dismissed the Complaint filed by the Revisionists. Thereafter the Revisionists had preferred this Revision No. 324/2018 before District & Session Court, Bhilwada against the recovery proceeding initiated by the Bank under the SARFAESI Act and the same is pending before the District & Session Court, Bhilwada.

Details of cases filed by our Bank for accounts reported as wilful defaulters:

Year	Number of complaints	Amount involved *(₹ in crore)*
2017-2018	9	969.82
2018-2019	6	192.95
2019-2020	2	369.3
2020-June 30, 2020	0	0
	Total	**1,532.07**

Our Bank has set up a fraud monitoring cell ("**FMC**") to deal with the cases pertaining to fraud. On the scrutiny and verification of accounts of the fraud reported by the zonal officer, the FMC further reports the same to the Board of our Bank. Thereafter, in terms of the guidelines issued by RBI, our Bank files the complaint with the respective authority assigned as per the following criteria set up:

Amount involved in the fraud			Authority to whom complaint should be lodged
₹0.10 lac	-	₹1.00 lac	State Police *(if fraud committed by staff)*
₹1.00 lac	-	₹3.00 crore	State CID / Economic Offences Wing of the State concerned.
₹3.00 crore	-	₹25.00 crore	Anti-Corruption Branch of Central Bureau of Investigation *(where the staff involvement is prima facie evident)* Economic Offences Wing of Central Bureau of Investigation *(where the staff involvement is prima facie not evident)*
₹25.00 crore	-	₹50.00 crore	Banking Security and Fraud Cell of Central Bureau of Investigation
More than ₹ 50.00 crore			Joint Director of Central Bureau of Investigation

Details of complaints made by the Bank against borrowers for fraud:

Year	Number of complaints	Amount involved *(₹ in crore)*
2017-2018	96	1,388.37
2018-2019	127	2,889.20
2019-2020	101	3,983.75
2020-June 30, 2020	32	650.57
Total		8,911.89

Details of complaints made by the Bank against its employees for fraud:

Year	Number of complaints	Amount involved *(₹ in crore)*
2017-2018	21	2.11
2018-2019	13	1.76
2019-2020	20	6.21
2020-June 30, 2020	7	4.82
Total		**14.90**

Details of complaints made by the Bank against third party for fraud (other than/borrower/employees):

Year	Number of complaints	Amount involved *(₹ in crore)*
2017-2018	92	9.44
2018-2019	510	4.16
2019-2020	779	3.80
2020-June 30, 2020	110	0.44
Total		**17.84**

(ii) Material Civil Cases

1. Our Bank along with other banks ("**Applicants**") has filed a joint application O.A. No. 1013/2018 before the Debt Recovery Tribunal, Delhi under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993, against a) Venugopal N. Dhoot and b) Pradeepkumar N. Dhoot ("**Defendants**") for recovery of money lent by the Bank under the Rupee Facility Agreement ("**RFA**") dated May 31, 2010 executed between Videocon Telecommunications Limited ("**Borrower**") and the Applicants. The Defendants executed personal guarantee dated August 30, 2010 ("**Deed of Guarantee**") in favour of the Applicants. The State Bank of India acted as the facility agent under the RFA. Further, pursuant to a confirmation agreement dated June 20, 2016 ("**Confirmation Agreement**") the following became party to the RFA a) Videocon Industries Limited, b) Value Industries Limited, c) Trend Electronic Limited, d) Next Retail India Limited, e) KAIL Limited, f) Applicomp (India) Limited, g) Sky Appliances Limited, h) Techno Electronics Limited, i) Millennium Appliances India Limited, j) Century Appliances Limited, k) Evans Fraser and Company India Limited, l) PE Electronics Limited and m) Videocon International Electronics Limited ("individually called "**Co-obligors"** and collectively called "**Obligors**"). The Borrower had expressly and in writing admitted its outstanding payment liabilities towards the Bank. Subsequently, the Applicants sent demand notices to the Borrowers to repay the outstanding amount of ₹182.50 crore and the Borrower failed to repay the same. After exhausting all available options, the Applicants invoked the Personal Guarantee given by the Defendants under the Deed of Guarantee in respect of the RFA and filed a joint recovery application before the Debt Recovery Tribunal. The Defendants therefore are liable to pay the outstanding dues of the Applicants. The above recovery application is pending before the Debt Recovery Tribunal.

2. Our Bank along with other banks ("**Applicants**") has filed a joint application O.A. No. 1013/2018 before the Debt Recovery Tribunal, Delhi under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993, against a) Rajukumar N. Dhoot, b) Venugopal N. Dhoot and c) Pradeepkumar N. Dhoot ("**Defendants**") for recovery of money lent by our Bank under a Rupee Term Loan Agreement ("**RTL**") dated August 8, 2012, to the following a) Videocon Industries Limited, b) Value Industries Limited, c) Trend Electronic Limited, d) Next Retail India Limited, e) KAIL Limited, f) Applicomp (India) Limited, g) Sky Appliances Limited, h) Techno Electronics Limited, i) Millennium Appliances India Limited, j) Century Appliances Limited, k) Evans Fraser and Company India Limited, l) PE Electronics Limited and m) Videocon International Electronics Limited ("individually called "**Co-obligors"** and collectively called "**Obligors**"). Videocon Industries Limited acted as the agent of the Obligors and SBICAP Trustee Company Limited was the onshore security trustee ("**Onshore Security Trustee**"). On August 8, 2012, the Obligors executed deeds of guarantee in favour of Onshore Security Trustee ("**Deed of Guarantee**") to secure the due repayment of principal, interest, additional interest, penal interest and all amount due under the RTL including repayment to the Applicants. Further, by virtue of the Confirmation Agreement ("**Confirmation Agreement**") dated June 20, 2016, the Obligors mentioned herein had also assumed all obligation of Videocon Telecommunication Limited ("**VTL**") towards its lenders under the Rupee Facility Agreement dated May 31, 2010 ("**VTL Agreement**"). The lenders which were party to the VTL Agreement included the Applicants mentioned above. The total debt due to our Bank under the RTL and VTL Agreement is ₹2,779.21 crores. All Applicants had issued demand notices to the Obligors, to which the Obligors had expressly acknowledged their outstanding and payable debt due to the Applicants but failed to fulfil their obligations. After exhausting all available

options, the Applicants invoked the Personal Guarantee given by the Defendants under the Deed of Guarantee in respect of the RTL and filed a joint recovery application before the Debt Recovery Tribunal. The Defendants therefore are liable to pay the outstanding dues of the Applicants. The above recovery application is pending before the Debt Recovery Tribunal.

3. Our Bank along with other banks ("**Applicants**") has filed a joint application O.A. No. 835/2018 before the Debt Recovery Tribunal, Delhi under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993, against a) Rajukumar N. Dhoot, b) Venugopal N. Dhoot and c) Pradeepkumar N. Dhoot ("**Defendants**") for recovery of money lent by the Bank under a working capital agreement ("**Working Capital Agreement**") and its supplemental agreements dated March 23, 2007, May 15, 2009, August 20, 2010 and May 25, 2012 executed by the borrowers and the Applicants . Pursuant to the Working Capital Agreement, a Joint deed of guarantee dated March 10, 2006 was executed by the Defendants in favour of the Applicants for a sum not exceeding ₹1,590 crore. Pursuant to the fourth supplemental agreement dated May 25, 2012, a deed of guarantee dated May 25, 2015 was executed by the Defendants in favour of the Applicants for a sum not exceeding ₹1,801.94 crore payable on demand by the Applicants. The borrower under the Working Capital Agreement had sent revival letters dated May 5, 2015 and April 6, 2018 duly signed by them and the Defendants to the lead bank amongst the Applicants acknowledging their liability under the Working Capital Agreement. Our Bank sent a demand notice dated January 23, 2018 calling upon the borrower to pay the outstanding amount but the borrowers failed to repay the entire outstanding amount of ₹58.38 crore. After exhausting all available options, the Applicants invoked the Personal Guarantee given by the Defendants under the deeds of guarantee in respect of the Working Capital Agreement and filed a joint recovery application before the Debt Recovery Tribunal. The above recovery application is pending before the Debt Recovery Tribunal.

4. Our Bank along with other banks ("**Applicants**") has filed a joint application O.A. No. 837/2018 before the Debt Recovery Tribunal, Delhi under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993, against a) Rajukumar N. Dhoot, b) Venugopal N. Dhoot, c) Pradeepkumar N. Dhoot d) M/s. Greenfield Appliances Private limited e) Vissanji Estates Private Limited f) M/s. Videocon realty & Infrastructure Limited g) Videocon Realty Private Limited h)Videocon Sez Infrastructure limited i) U.S. Non Trading Association j) M/s. Kartouche Properties & Finvest Private Limited k) M/s. Joshua Properties and Finvest Private Limited l) M/s. Tercorno Properties and Finvest Private Limited and m) Shree Dhoot Trading and Agencies Limited ("**Defendants**") for recovery of money lent by the Bank under the common loan agreement dated March 20, 2015 ("**Common Loan Agreement**") executed among the borrowers and the Applicants. Further, deeds of personal guarantees were executed by the Defendant (a), (b) and (c) in favour of the Applicants and corporate guarantee was executed by Defendants (d), (e), (f), (g), (h) and (i) in favour of the Applicants and a separate corporate guarantee dated December 28, 2016 was executed by Defendant (m) in favour of the Applicants. The borrower failed to make the payments towards interest amounts under the Common Loan Agreement. Subsequently, our Bank issued demand notices to the borrowers to repay the entire outstanding amount of ₹139.81 crore due under the Common Loan Agreement. After exhausting all available options, the Applicants invoked the personal guarantees and the corporate guarantees given by the Defendants under the deeds of guarantee in respect of the Common Loan Agreement and filed a joint recovery application before the Debt Recovery Tribunal. The above recovery application is pending before the Debt Recovery Tribunal.

(iii) Insolvency Proceedings

There are 3 insolvency proceedings filed by operational creditors / corporate debtors before National Company Law Tribunal in which our Bank is also a claimant aggregating to ₹10,215.93 crore. Details of insolvency proceedings above the materiality threshold are given below:

(₹ in crore)

Sr. No	**Account Holder**	**Dues as on** June 30, 2020
1.	VOVL Limited	1,890.79
2.	Videocon Industries Limited	5,066.77
3.	Trend Electronics Limited	3,258.37

(iv) ***Tax cases***

Details of tax cases above the materiality threshold involving our Bank pending as on date of this Placement

Document:

1. **Direct Tax**

There is no outstanding direct tax case above the materiality threshold involving our Bank pending as on date of this Placement Document.

2. **Indirect Tax**

There is no outstanding indirect tax case above the materiality threshold involving our Bank pending as on date of this Placement Document.

C. Cases against our Directors

There is no litigation or legal action pending or taken by any ministry or department of the Government or any statutory authority against our Directors.

D. Cases against our Subsidiaries

There is no cases involving our Subsidiaries.

E. Defaults in payment of statutory dues

There have been no instances of defaults / delays in payment of statutory dues by our Bank.

F. Penalties imposed or actions taken by statutory and regulatory authorities

RBI had issued a show-cause notice dated August 23, 2018 to the Bank observing acts/omissions of the Bank on the time bound implementation and strengthening of SWIFT and levied a penalty of ₹1 crore and the same has been paid.

RBI has also imposed a penalty of ₹0.27 crore in Fiscal 2020 and ₹1.16 crore in Fiscal 2019 in terms of Section 47A(1)(a) read with Section 46(4)(i) of the Banking Regulation Act, 1949 for non-compliance of RBI norms.

OUR STATUTORY AUDITORS

As on the date of this Placement Document, M/s. Borkar & Muzumdar, having firm registration number 101569W, M/s. Mukund M. Chitale & Co., having firm registration number 106655W, M/s. AAJV and Associates, having firm registration number 007739N and M/s. S Jaykishan, having firm registration number 309005E, are the statutory central auditors of our Bank. 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.

M/s. Borkar & Muzumdar, having firm registration number 101569W, M/s. Mukund M. Chitale & Co., having firm registration number 106655W, M/s. AAJV and Associates, having firm registration number 007739N and M/s. S Jaykishan, having firm registration number 309005E, have performed limited review of the Unaudited Interim Financial Statements as at and for the three months ended June 30, 2020 and have issued review reports thereon which is included in this Placement Document. Our limited review of the Unaudited Interim Financial Statements as at and for the three months ended June 30, 2019 and review reports thereon and audited consolidated financial statements and standalone financial statements as at and for Fiscals 2020, included in this Placement Document were jointly audited by M/s. Borkar & Muzumdar, having firm registration number 101569W, M/s. Mukund M. Chitale & Co., having firm registration number 106655W, M/s. AAJV and Associates, having firm registration number 007739N and M/s. S. Jaykishan, having firm registration number 309005E.

Our audited consolidated financial statements and standalone financial statements as at and for Fiscals 2019, included in this Placement Document were jointly audited by M/s. Borkar & Muzumdar, having firm registration number 101569W, M/s. Mukund M. Chitale & Co., having firm registration number 10665W, M/s. AAJV and Associates, having firm registration number 007739N and M/s. S. K. Mehta & Co., having firm registration number 000478N.

Our audited consolidated financial statements and standalone financial statements as at and for Fiscals 2018, included in this Placement Document were jointly audited by M/s. Borkar & Muzumdar, having firm registration number 101569W, M/s. Lodha & Co., having firm registration number 301051E, M/s. Pathak H D & Associates, having firm registration number 107783W and M/s. S. K. Mehta & Co., having firm registration number 000478N.

FINANCIAL INFORMATION

BORKAR & MUZUMDAR Chartered Accountants, 21/168, Anand Nagar Om CHS, Anand Nagar Lane, Off Nehru Road, Vakola, Santacruz East, MUMBAI-400055	MUKUND M. CHITALE & CO. Chartered Accountants, 2nd Floor, Kapur House, Paranjape 'B' scheme, Road No.1, Vile Parle East, MUMBAI-400057
AAJV AND ASSOCIATES Chartered Accountants, LGF-C73, Lajpat Nagar-II, NEW DELHI-110024	S JAYKISHAN Chartered Accountants, 12 Ho Chi Minh Sarani Suite No.2D 2E & 2F 2nd Floor, KOLKATA 700071

To the Board of Directors of Central Bank of India

Independent Auditors' Limited Review Report on Unaudited Standalone Financial Results of Central Bank of India for the quarter ended June 30, 2020 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Central Bank of India (the "Bank") for the quarter ended June 30, 2020 ("the Statement") attached herewith, being submitted by the bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). The disclosures related to Pillar 3 as at June 30, 2020, including Leverage Ratio and Liquidity Coverage Ratio under Basel III Capital Regulations has been disclosed in the Bank's website and in respect of which link has been provided in the aforesaid financial results 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 these financial statements 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. The Statement incorporates the relevant returns of 20 branches, Treasury Branch and Other Central Office Departments reviewed by us and un-reviewed returns of 4294 branches. In the conduct of our review, we have relied on the review reports in respect of non-performing assets received from the Concurrent Auditors of 336 branches specifically appointed for this purpose. These review reports cover 51.26% of the advances portfolio of the Bank, excluding food credit and advances of Asset Recovery branches/Stressed Assets Management branches of the Bank and 51.58% of the Non- Performing Assets of the Bank as on June 30, 2020. Apart from these review reports, in the conduct of our review at Head Office, we have also relied upon various information and returns received from the un-reviewed branches of the Bank and generated through centralised data base at Bank's Head Office.

BORKAR & MUZUMDAR MUMBAI F.R.N. 101569W CHARTERED ACCOUNTANTS

S. JAYKISHAN Kolkata PRN 309005E Chartered Accountants

4. Based on our review conducted as above and subject to limitations as mentioned in Para 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results together with the notes thereon 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 Listing 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 guidelines/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 Note No. 17 of the Statement, regarding impact of COVID-19 Pandemic. The impact on Bank's financial performance will depend on future developments, which are uncertain.

Our opinion is not modified in respect of this matter.

For BORKAR & MUZUMDAR Chartered Accountants F.R.NO. 101569W **DARSHIT DOSHI** PARTNER M. NO. 133755 UDIN: 20133755AAAADZ1652	**For MUKUND M CHITALE & CO** Chartered Accountants F.R.NO.106655W **A.V.KAMAT** PARTNER M. NO.039585 UDIN: 20039585AAAAGO9779
For AAJV AND ASSOCIATES Chartered Accountants F.R.NO. 007739N **DEEPAK GARG** PARTNER M. NO. 093348 UDIN: 20093348AAAACQ9384	**For S JAYKISHAN** Chartered Accountants F.R.NO.309005E **NEMAI GORAI** PARTNER M. NO. 057892 UDIN: 20057892AAAAIB3862

Place: Mumbai
Date: August 11, 2020

CENTRAL BANK OF INDIA
Reviewed Financial Results for the Quarter ended June 30, 2020

(Rs. In Lakhs)

	Particulars	STANDALONE				CONSOLIDATED			
		Quarter Ended			Year Ended	Quarter Ended			Year Ended
		30.06.2020	31.03.2020	30.06.2019	31.03.2020	30.06.2020	31.03.2020	30.06.2019	31.03.2020
		Reviewed	Audited	Reviewed	Audited	Reviewed	Audited	Reviewed	Audited
1	Interest earned (a) + (b) + (c) + (d)	601,635	592,905	571,444	2,356,247	604,142	595,472	574,475	2,367,559
(a)	Interest/discount on advances/bills	312,333	323,711	306,921	1,250,546	314,710	326,136	309,459	1,260,927
(b)	Income on investments	254,165	252,609	242,202	991,564	254,295	252,752	242,694	992,494
(c)	Interest on balances with Reserve Bank of India and other inter bank funds	17,351	11,538	8,929	48,089	17,351	11,538	8,929	48,089
(d)	Others	17,786	5,047	13,392	66,048	17,786	5,046	13,393	66,049
2	Other Income	71,033	79,468	77,911	363,682	71,044	78,875	77,362	362,240
A.	TOTAL INCOME (1+2)	672,668	672,373	649,355	2,719,929	675,186	674,347	651,837	2,729,799
3	Interest Expended	387,101	400,324	392,425	1,593,362	388,593	401,891	394,198	1,600,456
4	Operating Expenses (e) + (f)	156,470	220,325	146,447	692,152	156,844	220,687	146,880	693,900
(e)	Employees cost	103,851	144,109	88,305	421,672	104,063	144,352	88,496	422,587
(f)	Other operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	52,619	76,216	58,142	270,480	52,781	76,335	58,384	271,313
B.	TOTAL EXPENDITURE (3)+(4) (excluding Provisions and Contingencies)	543,571	620,649	538,872	2,285,514	545,437	622,578	541,078	2,294,356
C.	OPERATING PROFIT (A-B) (Profit before Provisions & Contingencies)	129,097	51,724	110,483	434,415	129,749	51,769	110,759	435,443
D.	Provisions (other than tax) and Contingencies.	97,464	217,833	103,478	525,364	97,742	218,165	103,855	526,409
	(Of which provisions for Non-Performing Assets)	64,956	158,325	89,742	412,643	65,130	158,598	90,116	413,483
E.	Exceptional Items	-	-	-	-	-	-	-	-
F.	Profit/ (Loss) from Ordinary Activities before Tax (C-D-E)	31,633	(166,109)	7,005	(90,949)	32,007	(166,396)	6,904	(90,966)
G.	Tax Expenses	18,090	(13,202)	(4,828)	21,186	18,265	(13,070)	(4,667)	21,765
H.	Net Profit / (Loss) from Ordinary Activities After Tax (F-G)	13,643	(152,907)	11,833	(112,135)	13,742	(153,326)	11,571	(112,731)
I.	Extraordinary Items (net of tax expense)	-	-	-	-	-	-	-	-
J.	Add: Share of Profit in Associates	-	-	-	-	1,040	(14,646)	721	(12,477)
K.	Less: Share of minority interest	-	-	-	-	61	46	(131)	364
L.	Net Profit / (Loss) for the period (H-I)	13,543	(152,907)	11,833	(112,135)	14,721	(168,018)	12,161	(125,572)
5	Paid-up equity share capital (Face value of Rs.10/- per share)	570,976	570,976	412,592	570,976	570,976	570,976	412,592	570,976
6	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	-	-	-	1,275,711	-	-	-	1,286,414
7	Analytical Ratios								
(i)	Percentage of shares held by Government of India	92.39	92.39	89.46	92.39	92.39	92.39	89.46	92.39
(ii)	Capital Adequacy Ratio-Basel III (%)	11.50	11.72	9.58	11.72	-	-	-	-
	(a) CET 1 Ratio (%)	9.22	9.33	7.58	9.33	-	-	-	-
	(b) Additional Tier 1 Ratio (%)	-	-	-	-	-	-	-	-
(iii)	Earning per Share(in Rs.) Basic and diluted EPS before and after Extraordinary Items, net of Tax Expense [not annualised]	0.24	(2.71)	0.29	(1.81)	0.26	(2.98)	0.29	(2.02)
(iv)	(a) Amount of Gross Non-performing Assets	3,194,617	3,258,908	3,290,844	3,258,908	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	(b) Amount of Net Non-Performing Assets	1,046,944	1,153,446	1,144,059	1,153,446				
	(c) % of Gross Non-performing Assets	18.10	18.92	19.93	18.92				
	(d) % of Net Non-Performing Assets	6.76	7.63	7.98	7.63				
(v)	Return on Assets (Annualised) - (%)	0.17	(1.93)	0.15	(0.35)				

ALOK SRIVASTAVA
EXECUTIVE DIRECTOR

B.S.SHEKHAWAT
EXECUTIVE DIRECTOR

PALLAV MOHAPATRA
MANAGING DIRECTOR & CEO

TAPAN RAY
CHAIRMAN

Place: Mumbai
Date: August 11, 2020

BORKAR & MUZUMDAR MUMBAI F.R.N. 101569W CHARTERED ACCOUNTANTS

MUKUND M. CHITALE & CO. MUMBAI FRN 106655W CHARTERED ACCOUNTANTS

AAJV AND ASSOCIATES New Delhi FRN 007739N CHARTERED ACCOUNTANTS

S. JAYKISHAN KOLKATA PRN 309005E Chartered Accountants

CENTRAL BANK OF INDIA

STANDALONE SEGMENT REPORT FOR THE QUARTER ENDED JUNE 30, 2020

(Rs. In Lakh)

Sl. No.	Particulars	Quarter Ended			Year Ended
		Reviewed 30.06.2020	Audited 31.03.2020	Reviewed 30.06.2019	Audited 31.03.2020
A.	**Segment Revenue**				
	1. Treasury Operations	329,501	307,750	299,350	1,225,252
	2. Retail Banking Operations	170,002	180,672	186,911	773,392
	3. Wholesale Banking Operations	173,165	183,951	163,094	721,285
	4. Other Banking Operations	-	-	-	-
	5. Unallocated	-	-	-	-
	Total	672,668	672,373	649,355	2,719,929
	Less: Inter Segment Revenue	-	-	-	-
	Net Sales/Income From Operations	672,668	672,373	649,355	2,719,929
B.	Segment Results(Profit(+)/Loss(-) before tax and interest from each segment)				
	1. Treasury Operations	89,698	44,028	50,759	238,029
	2. Retail Banking Operations	(12,168)	(50,316)	10,881	(33,356)
	3. Wholesale Banking Operations	(42,320)	(155,938)	(50,654)	(280,295)
	4. Other Banking Operations	-	-	-	-
	5. Unallocated	(3,577)	(3,883)	(3,981)	(15,327)
	Total	31,633	(166,109)	7,005	(90,949)
	Less: (i) Interest	-	-	-	-
	(ii) Other Un-allocable Expenditure net off	-	-	-	-
	(iii) Un-allocable income	-	-	-	-
	Total Profit Before Tax	31,633	(166,109)	7,005	(90,949)
C.	**Segment Assets**				
	1. Treasury Operations	17,966,273	17,607,599	16,110,620	17,607,599
	2. Retail Banking Operations	8,219,064	8,254,257	8,124,502	8,254,257
	3. Wholesale Banking Operations	8,252,814	8,254,075	7,236,928	8,254,075
	4. Other Banking Operations	-	-	-	-
	5. Unallocated Assets	1,930,548	1,527,655	1,532,696	1,527,655
	Total	36,368,699	35,643,586	33,004,746	35,643,586
D.	**Segment Liabilities**				
	1. Treasury Operations	18,495,458	18,112,241	16,534,266	18,112,241
	2. Retail Banking Operations	7,785,930	7,625,000	7,692,111	7,625,000
	3. Wholesale Banking Operations	7,930,821	7,763,398	6,851,775	7,763,398
	4. Other Banking Operations	-	-	-	-
	5. Unallocated Liabilities	-	-	-	-
	Total	34,212,209	33,500,639	31,078,152	33,500,639
E.	Capital Employed				
	1. Treasury Operations	(529,185)	(504,642)	(423,646)	(504,642)
	2. Retail Banking Operations	433,133	629,257	432,391	629,257
	3. Wholesale Banking Operations	321,994	490,677	385,153	490,677
	4. Other Banking Operations	-	-	-	-
	5. Unallocated	1,930,548	1,527,655	1,532,696	1,527,655
	Total	2,156,490	2,142,947	1,926,594	2,142,947

Note: 1) Segment Revenue and Expenses have been apportioned on the basis of the segment assets, wherever direct allocation is not possible.
2) Figures of previous year/period have been regrouped wherever considered necessary to conform to current period classification.

ALOK SRIVASTAVA
EXECUTIVE DIRECTOR

B.S. SHEKHAWAT
EXECUTIVE DIRECTOR

PALLAV MOHAPATRA
MANAGING DIRECTOR & CEO

TAPAN RAY
CHAIRMAN

Place: Mumbai
Date: August 11, 2020

BORKAR & MUZUMDAR CHARTERED ACCOUNTANTS MUMBAI F.R.N. 101569W

MUKUND M. CHITALE & CO. CHARTERED ACCOUNTANTS MUMBAI FRN 106655W

AAJV AND ASSOCIATES CHARTERED ACCOUNTANTS New Delhi FRN. 007739N

S. JAYKISHAN Chartered Accountants KOLKATA FRN 309005E

सेन्ट्रल बैंक ऑफ़ इंडिया
Central Bank of India
1911 से आपके लिए "केन्द्रित" "CENTRAL" TO YOU SINCE 1911

NOTES ON ACCOUNTS FORMING PART OF REVIEWED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020.

1. The above Financial Results have been reviewed by the Audit Committee of the Board at their meeting held on August 10, 2020 and approved by the Board of Directors of the Bank at its meeting held on August 11, 2020. The results have been subjected to a "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 SEBI (Listing Obligations and Disclosures Requirement) Regulation 2015, as amended.

2. There has been no change in the accounting policies followed during the quarter ended June 30, 2020 as compared to those followed in the preceding financial year ended March 31, 2020 except as otherwise stated.

3. The financial results for quarter ended June 30, 2020 have been arrived at after considering provisions for Non-Performing Assets, Restructured Assets, Standard Assets including Standard Derivative Exposures and Investment Depreciation which have been made on the basis of extant guidelines on Prudential Norms for Income Recognition, Asset Classification, Provisioning norms issued by the Reserve Bank of India.

4. Provisions for Contingencies, Employee Benefits and other usual and necessary provisions including Income Tax (after adjustment of deferred tax) have been made on estimated basis for the quarter ended June 30, 2020.

5. In accordance with RBI circular no. DBR.No.BP.BC.18/21.04.048/2018-19, dated January 01, 2019, on "Relief for MSME borrowers registered under Goods and Service Tax (GST)", the details of MSME restructured accounts as on June 30, 2020 are as under:

No. of Accounts Restructured	Amount (Rs. in crore)
24337	1059.57

The Bank has maintained provision on standard restructured accounts at 5%

6. RBI circular – DBR.No.BP.BC.83/ 21.04.048/ 2014-15, dated April 01, 2015 and DBR.No.BP.BC.92/21.04.048/2015-16 dated April 18, 2016 granted an option to spread provision in respect of frauds for a period, not exceeding four quarters from the quarter in which such fraud has been detected. The Bank exercised the option of staggering the provision and unamortized provision amount of Rs. 490.58 crore as on June 30, 2020 has been deferred to subsequent quarters.

7. As per RBI directives vide letter No. 10655/21.04.048/2018-19, dated 21.06.2019 to abide by Supreme Court's direction dated April 22, 2019 regarding Asset Classification of Delhi Airport Metro Express Pvt. Ltd. (DAMPEL), the asset classification of the account is treated as Standard. Bank has made provisions on the basis of notional asset classification as per IRAC norms which are detailed as under;

Amount not treated as NPA as per IRAC norms	Provisions required to be made as per IRAC norms	Provisions actually held
Rs.196.16 Crore	Rs.49.04 Crore	Rs.49.04 Crore

8. As per RBI Circular Nos. DBR No.BP.15199/21.04.048/2016-17 and DBR No.BP.1906/ 21.04.048/2017-18, dated June 23, 2017 and August 28, 2017 respectively, for the identified borrowers covered under the provisions of Insolvency and Bankruptcy Code (IBC), the Bank is holding total provision (including provision on FITL) of Rs. 5972.19 crore (i.e. 94.93% of total outstanding) as on June 30, 2020.

9. As per RBI Circular No. DBR No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, Bank holds additional Provision of Rs.216.67 crore in 3 (three) borrower accounts, where the viable resolution plan has not been implemented within stipulated period.

10. In terms of RBI Cir No DOR.No.BP.BC.62/21.04.048/2019-20 dated April 17, 2020 and DOR.No.BP.BC.72/21.04.048/2019-20 dated May 23, 2020, extended timelines for resolution from the date where review period of 30 days are over but the 180 days of resolution period had not expired as on 01.03.2020, are as under:

Particulars	Amount
Revised Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets	Rs.329.75 Crore

11. Pursuant to proposed bipartite agreement on wage revision (due with effect from November 01, 2017), a sum of Rs.75 crore has been provided towards wage revision for the quarter ended June 30, 2020 (Cumulative provision as on June 30, 2020 stands at Rs.810 crore).

12. Based on the available financial statements and the declaration from borrowers, the Bank has estimated the liability 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 and holds a provision of Rs. 2.65 Crore as on June 30, 2020.

13. In terms of Reserve Bank of India (RBI) circular DBR.No.BP.BC.1/21.06.201/2015-16, dated July 1, 2015, on 'Basel III Capital Adequacy' and RBI circulars DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standard Amendments', Banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. The bank has made these disclosures which are available on the Bank's website www.centralbankofindia.co.in. These disclosures have not been subjected to audit by Statutory Central Auditors of the Bank.

14. Keeping in view the significant provisioning requirements, tax review has been carried out based on management's estimate of possible tax benefits against timing difference and the Net Deferred tax Assets of Rs.7435.90 crore is recognized as at June 30, 2020 (Rs.7876.94 crore as at June 30, 2019). During the quarter ended June 30, 2020, Deferred Tax Assets of Rs. 180.90 crore has been reversed and considered under the head "Tax expenses".

15. Status of Investors' Complaints for the quarter ended June 30, 2020

Pending Complaints at the beginning of the Quarter	Received during the Quarter	Resolved during the Quarter	Pending as on June 30, 2020
NIL	01	01	NIL

16. The Provisioning Coverage Ratio (PCR) as at June 30, 2020 of the Bank is 79.12%. (76.85% as at June 30, 2019).

17. The outbreak of Corona virus (COVID-19) pandemic globally including India has resulted in slowdown of economic activities and increased volatility in financial markets. The extent to which the COVID-19 pandemic will impact the Bank's financial results will depend on future developments, which are highly uncertain. Given the uncertainty, because of COVID-19 pandemic, the Bank is continuously monitoring any material change in future economic condition which may impact the Bank's operations and its financial results in future depending on the developments which may differ from that estimated as at the date of approval of the financial statements.

18. RBI vide Notification No. RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020, has announced measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. The measures include Rescheduling of Payments – Term Loans and Working Capital Facilities, Easing of Working Capital Financing, Classification as Special Mention Accounts (SMA) and Non- Performing Asset (NPA) etc.

    In accordance with the RBI guidelines relating to COVID-19 as conveyed vide their circular no. DOR No. BP.BC.63/21.04.048/2019-20 dated 17.04.2020 and DOR. No. BP.BC.71/21.04.048/2019-20 dated 23.05.2020, the Bank has granted a moratorium on the payment of all installments and / or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms). Accordingly, Bank has made provision of Rs 161.75 crore during the quarter in SMA Accounts where moratorium due to COVID'19 pandemic was extended. The total provision of Rs. 305.00 crore is held by the Bank as on June 30, 2020.

19. The comparative figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the financial year 2019-20 and the published year to date figures up to December 31, 2019

20. Figures of the previous period have been regrouped/ reclassified wherever considered necessary to confirm to current period classification.

ALOK SRIVASTAVA
EXECUTIVE DIRECTOR

B S SHEKHAWAT
EXECUTIVE DIRECTOR

PALLAV MOHAPATRA
MANAGING DIRECTOR & CEO

TAPAN RAY
CHAIRMAN

Place: Mumbai
Date: August 11, 2020

BORKAR & MUZUMDAR Chartered Accountants, 21/168 Anand Nagar Om CHS, Anand Nagar Lane, Off Nehru Road, Vakola, Santacruz East, MUMBAI 400 055	**MUKUND M. CHITALE & CO.** Chartered Accountants, Second Floor, Kapur House, Paranjape 'B' Scheme, Road No. 1, Vile Parle East, MUMBAI -400057
AAJV AND ASSOCIATES Chartered Accountants, LGF-C 73, Lajpat Nagar-II, NEW DELHI- 110024	**S JAYKISHAN** Chartered Accountants, 12 Ho Chi Minh Sarani Suite No.2D 2E & 2F 2nd Floor, KOLKATA 700071

To the Board of Directors of Central Bank of India

Independent Auditor's Limited Review Report on Unaudited Consolidated Financial Results of Central Bank of India for the quarter ended June 30, 2020 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Central Bank of India ("the Parent" or" the Bank") and its subsidiaries (collectively referred to as "the Group") and its share of the net profit/(loss) after tax of its associates for the quarter ended June 30, 2020 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The disclosures relating to Pillar 3 as at June 30, 2020, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations has been disclosed on the Bank's website and have not been reviewed by us.

2. The Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), prescribed under Section 133 of the Companies Act, 2013, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of person 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.

   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:

   I. Subsidiaries

   i) Cent Bank Home Finance Ltd.

   ii) Cent Bank Financial Services Ltd.

   II. Associates

   i) Uttar Bihar Gramin Bank, Muzzaffarpur

   ii) Uttarbanga Kshetriya Gramin Bank, Cooch Bihar

   iii) Indo-Zambia Bank Limited, Zambia

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the branch auditors and other auditors referred to in paragraph 6 & 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, except for the disclosures relating to Pillar 3 as at June 30, 2020, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and have not been reviewed by us, or that it contains any material misstatement.

6. We did not review the interim financial information of 336 branches included in the standalone unaudited interim financial results of the entities included in the Group, whose results reflect total assets of Rs. 35,935.00 crores as at June 30, 2020 and total revenues of Rs. 742.18 crores for the three months ended June 30, 2020, as considered in the respective standalone unaudited interim financial results of the entities included in the Group. The interim financial results of these branches have been reviewed by the concurrent auditors whose reports have been furnished to us and our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such concurrent auditors and the procedures performed by us as stated in paragraph 3 above.

   We did not review the interim financial results of 2 subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 1409.97 crores as at June 30, 2020 and total revenues of Rs. 33.19 crores and total net profit after tax of Rs. 1.99 crores for the three months ended June 30, 2020, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

   Our conclusion on the Statement is not modified in respect of the above matters.

7. The consolidated unaudited financial results includes the interim financial results which have not been reviewed of 4294 branches included in the standalone unaudited interim financial results of the entities included in the Group, whose results reflect total assets of Rs. 82,510.89 crores as at June 30, 2020 and total revenues of Rs. 1,658.59 crores for the three months ended June 30, 2020, as considered in the respective standalone unaudited interim financial results of the entities included in the Group. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

The consolidated unaudited financial results includes the interim financial information of 3 associates which have not been reviewed by their auditors, whose interim financial information reflect total net profit after tax of Rs. 10.40 crores for the three months ended June 30, 2020, as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, this interim financial information is not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matters.

8. Emphasis of Matter

We draw attention to Note No. 19 of the Statement, regarding impact of COVID-19 Pandemic. The impact on Bank's financial performance will depend on future developments, which are uncertain.

Our opinion is not modified in respect of this matter.

For BORKAR & MUZUMDAR Chartered Accountants F.R.NO. 101569W **DARSHIT DOSHI** PARTNER M. NO. 133755 UDIN: 20133755AAAAEA7284	**For MUKUND M CHITALE & CO** Chartered Accountants F.R.NO.106655W **A.V.KAMAT** PARTNER M. NO.039585 UDIN: 20039585AAAAGF5263
For AAJV AND ASSOCIATES Chartered Accountants F.R.NO. 007739N **DEEPAK GARG** PARTNER M. NO. 093348 UDIN: 20093348AAAACR3275	**For S JAYKISHAN** Chartered Accountants F.R.NO.309005E **NEMAI GORAI** PARTNER M. NO. 057892 UDIN: 20057892AAAAID8543

Place: Mumbai

Date: August 11, 2020

CENTRAL BANK OF INDIA

STATEMENT OF ASSETS AND LIABILITIES

(000's Omitted)

PARTICULARS	As at 30.06.2020	As at 30.06.2019
	Reviewed	Reviewed
CAPITAL & LIABILITIES		
Capital	57,097,627	41,259,177
Reserves and Surplus	158,551,369	151,400,150
Share application Money pending allottment	-	-
Deposits	3,212,517,588	2,977,810,149
Borrowings	67,740,385	47,046,391
Other Liabilities and Provisions	140,962,881	82,958,650
TOTAL	**3,636,869,850**	**3,300,474,517**
ASSETS		
Cash and Balances with Reserve Bank of India	269,902,582	264,774,983
Balances with Banks and Money at Call and Short Notice	16,584,436	5,811,719
Investments	1,451,516,279	1,284,742,748
Advances	1,549,187,231	1,434,535,459
Fixed Assets	42,784,873	43,408,361
Other Assets	306,894.449	267,201,247
TOTAL	**3,636,869,850**	**3,300,474,517**

ALOK SRIVASTAVA
EXECUTIVE DIRECTOR

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EXECUTIVE DIRECTOR

PALLAV MOHAPATRA
MANAGING DIRECTOR & CEO

TAPAN RAY
CHAIRMAN

Place: Mumbai
Date: August 11,2020

MUMBAI F.R.N. 101569W

S. JAYKISHAN Chartered Accountants KOLKATA

CENTRAL BANK OF INDIA

CONSOLIDATED SEGMENT REPORT FOR THE QUARTER ENDED JUNE 30, 2020

(Rs. In Lakh)

Sr. No.	Particulars	Quarter Ended			Year Ended
		Reviewed	Audited	Reviewed	Audited
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
A.	**Segment Revenue**				
	1. Treasury Operations	329,501	307,750	299,350	1,225,252
	2. Retail Banking Operations	172,487	182,593	189,351	783,039
	3. Wholesale Banking Operations	173,165	183,952	163,094	721,285
	4. Other Banking Operations	33	52	42	223
	5. Unallocated	-	-	-	-
	Total	675,186	674,347	651,837	2,729,799
	Less: Inter Segment Revenue	-	-	-	
	Net Sales/Income From Operations	675,186	674,347	651,837	2,729,799
B.	**Segment Results(Profit(+)/Loss(-) before tax and interest from each segment)**				
	1. Treasury Operations	89,698	44,028	50,759	238,029
	2. Retail Banking Operations	(10,757)	(65,269)	11,495	(45,930)
	3. Wholesale Banking Operations	(42,320)	(155,938)	(50,654)	(280,295)
	4. Other Banking Operations	4	19	6	80
	5. Unallocated	(3,639)	(3,929)	(4,112)	(15,691)
	Total	32,986	(181,089)	7,494	(103,807)
	Less: (i) Interest	-	-	-	-
	(ii) Other Un-allocable Expenditure net off	-	-	-	-
	(iii) Un-allocable income	-	-	-	-
	Total Profit Before Tax	32,986	(181,089)	7,494	(103,807)
C.	**Segment Assets**				
	1. Treasury Operations	17,966,273	17,607,599	16,110,620	17,607,599
	2. Retail Banking Operations	8,316,426	8,344,123	8,237,740	8,344,123
	3. Wholesale Banking Operations	8,252,814	8,254,075	7,236,928	8,254,075
	4. Other Banking Operations	1,141	1,105	1,204	1,105
	5. Unallocated Assets	1,931,663	1,526,843	1,533,030	1,526,843
	Total	36,468,317	35,733,745	33,119,522	35,733,745
D.	**Segment Liabilities**				
	1. Treasury Operations	18,495,458	18,112,241	16,534,266	18,112,241
	2. Retail Banking Operations	7,873,011	7,703,874	7,787,711	7,703,874
	3. Wholesale Banking Operations	7,930,821	7,763,398	6,851,775	7,763,398
	4. Other Banking Operations	656	582	657	582
	5. Unallocated Liabilities	-	-	-	-
	Total	34,299,946	33,580,095	31,174,409	33,580,095
E.	**Capital Employed**				
	1. Treasury Operations	(529,185)	(504,642)	(423,646)	(504,642)
	2. Retail Banking Operations	443,415	640,249	450,029	640,249
	3. Wholesale Banking Operations	321,994	490,677	385,153	490,677
	4. Other Banking Operations	485	523	547	523
	5. Unallocated	1,931,663	1,526,843	1,533,030	1,526,843
	Total	2,168,371	2,153,650	1,945,113	2,153,650

1) The Bank has recognised Treasury operations, Corporate/Wholesale Banking and Retail Banking as primary reporting segments There are no secondary reporting segments

2) Segment Revenue and Expenses have been apportioned on the basis of the segment assets, wherever direct allocation is not possible

3) Figures have been regrouped wherever considered necessary to conform to current year classification.

ALOK SRIVASTAVA
EXECUTIVE DIRECTOR

B.S.SHEKHAWAT
EXECUTIVE DIRECTOR

PALLAV MOHAPATRA
MANAGING DIRECTOR & CEO

TAPAN RAY
CHAIRMAN

Place: Mumbai
Date: August 11,2020

MUKUND M. CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

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Central Bank of India
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NOTES ON ACCOUNTS FORMING PART OF REVIEWED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

1. The above consolidated Financial Results of Central Bank of India [Parent Bank] and its Subsidiaries and associates (Collectively referred to as the "Group") have been reviewed by the Audit Committee of the Board at their meeting held on August 10, 2020 and approved by the Board of Directors of the Bank at its meeting held on August 11, 2020. The results have been subjected to a "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 SEBI (Listing Obligations and Disclosures Requirement) Regulation 2015, as amended.

2. The consolidated Financial Results of the Group comprises the Financial results of two Subsidiaries and the share of its profit/loss in the three Associates consisting of two Regional Rural Banks sponsored by Parent Bank and Indo –Zambia Bank Ltd. as per details given below:

   I. Subsidiaries (Subject to Limited Review)

   i) Cent Bank Home Finance Ltd
   ii) Cent Bank Financial Services Ltd.

   II. Associates

   (i) Uttar Bihar Gramin Bank, Muzzafarpur
   (ii) Uttar Banga kshetriya Gramin Bank,Cooch Behar
   (iii) Indo-Zambia Bank, Zambia

3. The Consolidated Financial Results have been prepared in accordance with the Accounting Standard 21-"Consolidated Financial Statements "and Accounting Standard 23-"Accounting for Investments in Associates in Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and the guidelines issued by the Reserve Bank of India.

4. There has been no change in the accounting policies followed during the quarter ended June 30, 2020 as compared to those followed in the preceding financial year ended March 31, 2020 except as otherwise stated.

5. The consolidated financial results of the Group for quarter ended June 30, 2020 have been arrived at after considering provisions for Non-Performing Assets, Restructured Assets, Standard Assets including Standard Derivative Exposures and Investment Depreciation in the case of Parent Bank which have been made on the basis of extant guidelines on Prudential Norms for Income Recognition, Asset Classification, Provisioning norms issued by the Reserve Bank of India and in case of subsidiary Cent Bank Home Finance Limited as per the Income Recognition on Loans and Advances norms laid down by National Housing Bank [NHB]

6. Provisions for Contingencies, Employee Benefits and other usual and necessary provisions including Income Tax (after adjustment of deferred tax) have been made on estimated basis for the quarter ended June 30, 2020.

7. In accordance with RBI circular no. DBR.No.BP.BC.18/21.04.048/2018-19, dated January 01, 2019, on "Relief for MSME borrowers registered under Goods and Service Tax (GST)", the details of MSME restructured accounts as on June 30, 2020 are as under:

No. of Accounts Restructured	Amount (Rs. in crore)
24337	1059.57

The Parent Bank has maintained provision on standard restructured accounts at 5%

8. RBI circular – DBR.No.BP.BC.83/ 21.04.048/ 2014-15, dated April 01, 2015 and DBR.No.BP.BC.92/21.04.048/2015-16 dated April 18, 2016 granted an option to spread provision in respect of frauds for a period, not exceeding four quarters from the quarter in which such fraud has been detected. The Parent Bank exercised the option of staggering the provision and unamortized provision amount of Rs. 490.58 crore as on June 30, 2020 has been deferred to subsequent quarters.

9. As per RBI directives vide letter No. 10655/21.04.048/2018-19,dated 21.06.2019 to abide by Supreme Court's direction dated April 22, 2019 regarding Asset Classification of Delhi Airport Metro Express Pvt. Ltd. (DAMPEL), the asset classification of the account is treated as Standard. The Parent Bank has made provisions on the basis of notional asset classification as per IRAC norms which are detailed as under.

Amount not treated as NPA as per IRAC norms	Provisions required to be made as per IRAC norms	Provisions actually held
Rs. 196.16 crore	Rs. 49.04 crore	Rs. 49.04 crore

10. As per RBI Circular Nos. DBR No.BP.15199/21.04.048/2016-17 and DBR No.BP.1906/ 21.04.048/2017-18, dated June 23, 2017 and August 28, 2017 respectively, for the identified borrowers covered under the provisions of Insolvency and Bankruptcy Code (IBC), the Parent Bank is holding total provision (including provision on FITL) of Rs. 5972.19 crore (i.e. 94.93% of total outstanding) as on June 30, 2020 .

11. As per RBI Circular No. DBR No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets. Parent Bank holds additional Provision of Rs.216.67 crore in 3 (three) borrower accounts, where the viable resolution plan has not been implemented within stipulated period.

12. In terms of RBI Cir No DOR.No.BP.BC.62/21.04.048/2019-20 dated April 17, 2020 and DOR.No.BP.BC.72/21.04.048/2019-20 dated May 23, 2020, extended timelines for resolution from the date where review period of 30 days are over but the 180 days of resolution period had not expired as on 01.03.2020, are as under:

Particulars	Amount
Revised Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets	Rs.329.75 Crore

13. Pursuant to proposed bipartite agreement on wage revision (due with effect from November 2017). a sum of Rs. 75 crore has been provided towards wage revision for the quarter ended June 30, 2020 by Parent Bank. (Cumulative provision as on June 30, 2020 stands at Rs 810 crore).

14. Based on the available financial statements and the declaration from borrowers, the Parent Bank has estimated the liability 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 and holds a provision of Rs. 2.65 Crore as on June 30, 2020.

15. In terms of Reserve Bank of India (RBI) circular DBR.No.BP.BC.1/21.06.201/2015-16, dated July 1, 2015, on 'Basel III Capital Adequacy' and RBI circulars DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standard Amendments', Banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. The Parent Bank has made these disclosures which are available on the Bank's website www.centralbankofindia.co.in. The Disclosures have not been subjected to limited review by Statutory Central Auditors of the Parent Bank.

16. Keeping in view the significant provisioning requirements of Parent Bank. tax review has been carried out based on management's estimate of possible tax benefits against timing difference and the Net Deferred tax Assets of Rs.7435.90 crore is recognized as at June 30, 2020 (Rs. 7876.94 crore as at June 30, 2019). During the quarter ended June 30, 2020, Deferred Tax Assets of Rs. 180.90 crore has been reversed and considered under the head " Tax expenses".

S. JAYKISHAN Chartered Accountants KOLKATA

17. Status of Investors' Complaints in Parent Bank for the quarter ended June 30, 2020

Pending Complaints at the beginning of the Quarter	Received during the Quarter	Resolved during the Quarter	Pending as on June 30, 2020
NIL	01	01	NIL

18. The Provisioning Coverage Ratio (PCR) as at June 30, 2020 of the Bank is 79.12%. (76.85% as at June 30, 2019).

19. The outbreak of Corona virus (COVID-19) pandemic globally including India has resulted in slowdown of economic activities and increased volatility in financial markets. The extent to which the COVID-19 pandemic will impact the Group's financial results will depend on future developments, which are highly uncertain. Given the uncertainty, because of COVID-19 pandemic, the Group is continuously monitoring any material change in future economic condition which may impact the Group's operations and its financial results in future depending on the developments which may differ from that estimated as at the date of approval of the financial statements.

20. RBI vide Notification No. RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020, has announced measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. The measures include Rescheduling of Payments – Term Loans and Working Capital Facilities, Easing of Working Capital Financing, Classification as Special Mention Accounts (SMA) and Non- Performing Asset (NPA) etc.

    In accordance with the RBI guidelines relating to COVID-19 as conveyed vide their circular no. DOR No. BP.BC.63/21.04.048/2019-20 dated 17.04.2020 and DOR. No. BP.BC.71/21.04.048/2019-20 dated 23.05.2020, the Parent Bank has granted a moratorium on the payment of all installments and / or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain standstill during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms). Accordingly, Parent Bank has made additional provision of Rs 161.75 crore during the quarter in SMA Accounts where moratorium due to COVID'19 pandemic was extended. The total provision of Rs. 305.00 crore is held by the Parent Bank as on June 30, 2020..

21. The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the financial year 2019-20 and the published year to date figures up to December 31, 2019.

S. JAYKISHAN KOLKATA FRN 309005E Chartered Accountants

22. Figures of the previous period have been regrouped/ reclassified wherever considered necessary to confirm to current period classification.

ALOK SRIVASTAVA
EXECUTIVE DIRECTOR

B S SHEKHAWAT
EXECUTIVE DIRECTOR

PALLAV MOHAPATRA
MANAGING DIRECTOR & CEO

TAPAN RAY
CHAIRMAN

Place: Mumbai
Date: August 11, 2020

CENTRAL BANK OF INDIA

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ 000 omitted)

PARTICULARS	As at 30.06.2020 Audited	As at 30.06.2019 Audited
CAPITAL & LIABILITIES		
Capital	57,097,627	41,259,177
Reserves and Surplus	159,739,447	153,252,165
Minorities Interest	459,322	447,683
Share application Money pending allottment	-	-
Deposits	3,216,764,092	2,982,433,837
Borrowings	71,045,395	50,938,905
Other Liabilities and Provisions	141,725,846	83,620,476
TOTAL	**3,646,831,729**	**3,311,952,243**
ASSETS		
Cash and Balances with Reserve Bank of India	269,902,584	264,774,986
Balances with Banks and Money at Call and Short Notice	16,856,823	6,738,030
Investments	1,451,701,593	1,285,629,143
Advances	1,558,356,197	1,443,904,957
Fixed Assets	42,790,860	43,414,834
Other Assets	307,134,776	267,401,397
Goodwill on Consolidation	88,896	88,896
TOTAL	**3,646,831,729**	**3,311,952,243**

ALOK SRIVASTAVA
EXECUTIVE DIRECTOR

B.S.SHEKHAWAT
EXECUTIVE DIRECTOR

PALLAV MOHAPATRA
MANAGING DIRECTOR & CEO

TAPAN RAY
CHAIRMAN

Place: Mumbai
Date: August 11,2020

S. JAYK... KOLKATA PRN 309005E Chartered Accountants

CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Board of Directors
Central Bank of India

This is to certify that:

a. We have reviewed Financial Statements and the Cash Flow Statement of Central Bank of India for the year 2019-20 and to the best of our knowledge and belief:

   I. These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading

   II. These Statements together present a true and fair view of the Bank's affairs and are in compliance with existing Accounting Standards, applicable law and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year 2019-20, which are fraudulent, illegal or violative of the Bank's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for the financial reporting and that we have evaluated the effectiveness of the internal control systems of the Bank pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit Committee:

   I. Significant changes in internal control over financial reporting during the year 2019-20.

   II. There is no significant changes in accounting policies during the year 2019-20 and the same have been disclosed in the notes to the financial statement and,

   III. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or any employee having a significant role in the Bank's Internal Control System over financial reporting.

(MUKUL DANDIGE)
GENERAL MANAGER & CFO

(PALLAV MOHAPATRA)
MANAGING DIRECTOR & CEO

Place: Mumbai.
Date: June 29,2020

BORKAR & MUZUMDAR Chartered Accountants. 21/168. Anand Nagar Om CHS. Anand Nagar Lane, Off Nehru Road. Vakola, Santacruz East, MUMBAI-400055	**MUKUND M. CHITALE & CO.** Chartered Accountants. 2nd Floor. Kapur House. Paranjape 'B' scheme, Road No.1, Vile Parle East, MUMBAI-400057
AAJV AND ASSOCIATES Chartered Accountants, LGF-C73, Lajpat Nagar-II, NEW DELHI-110024	**S JAYKISHAN** Chartered Accountants, 12 Ho Chi Minh Sarani Suite No.2D 2E & 2F 2nd Floor, KOLKATA 700071

Independent Auditor's Report on Quarterly and Year to Date Standalone Financial Results of the Central Bank of India pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
Central Bank of India

Opinion

We have audited the accompanying Standalone Financial Results of Central Bank of India (the "Bank") for the quarter and year ended March 31, 2020, attached herewith, being submitted by the bank pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations) except for the disclosures relating to Pillar III disclosure as at March 31, 2020 including Leverage Ratio and Liquidity Coverage Ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid financial results which have not been reviewed or audited by us.

The Standalone Financial Results include returns for the year ended March 31, 2020 of 20 branches audited by us and 2487 branches audited by respective Statutory Branch Auditors.

The branches audited by us and those audited by other auditors have been selected by Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India ("RBI"). Also incorporated in the Standalone Financial Results are the returns from 2144 branches, which have not been subjected to audit. These unaudited branches account for 9.64 per cent of advances, 28.20 per cent of deposits, 11.03 per cent of interest income and 27.53 per cent of interest expense

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Results:

a) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard except for the disclosures relating to Pillar III disclosure as at March 31, 2020 including Leverage Ratio and Liquidity Coverage Ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid financial results which have not been reviewed or audited by us.

b) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, the relevant provisions of the Banking Regulation Act, 1949, RBI guidelines and other accounting principles generally accepted in India of the standalone net loss for the quarter and year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the standalone financial results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note No. 20 and Note No. 21 of the Notes forming part of Standalone Financial Results, which describes that the extent to which the COVID-19 Pandemic will impact the Bank's financial performance will depend on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Responsibilities of Board of Directors for the Standalone Financial Results

These Standalone Financial Results have been compiled from the Standalone Financial Statements. The Bank's Board of Directors are responsible for the preparation of these Standalone Financial Results that give a true and fair view of the consolidated net loss and other financial information 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 Reserve Bank of India (RBI) from time to time and in compliance with regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, 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 the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

AAJV AND ASSOCIATES New Delhi FRN: CHARTERED ACCOUNTANTS

Auditors' Responsibility for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our option. The risk of not detecting a material misstatement resulting from fraud is higher than that for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management 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 auditors' report to the related disclosure in the Annual Standalone Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial results, including the disclosures, and whether the Standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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.

S. JAYKISHAN KOLKATA PRN 309005E Chartered Accountants

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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 charge with governance with the 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 safeguard.

Other Matters

We report that the figures for the quarter ended March 31, 2020 represent the balancing figure between audited figures in respect of full financial year ended March 31, 2020 and the published unaudited year to date figures upto December 31, 2019 being the date of the end of the third quarter of the current financial year which were previously subjected to a limited review by us, as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We did not audit the financial statements/ information of 2487 branches included in the Standalone Financial Results of the Bank whose financial statements/ financial information reflect total advances of Rs. 95,691.37 crore as at March 31, 2020, and total interest income of Rs. 7,457.41 crore for the year ended on that date, as considered in the Standalone Financial Results. These financial statements/ information of these branches have been audited by 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 report of such branch auditors.

Our opinion is not modified in respect of this matter.

For BORKAR & MUZUMDAR Chartered Accountants F.R.NO. 101569W BP Doshi **DARSHIT DOSHI** PARTNER M. NO. 133755 UDIN: 20133755AAAACI8772	**For MUKUND M CHITALE & CO** Chartered Accountants F.R.NO.106655W **A.V.KAMAT** PARTNER M. NO.039585 UDIN:20039585AAAADU3453
For AAJV AND ASSOCIATES Chartered Accountants F.R.NO. 007739N **DEEPAK GARG** PARTNER M. NO. 093348 UDIN:	**For S JAYKISHAN** Chartered Accountants F.R.NO.309005E **NEMAI GORAI** PARTNER M. NO. 057892 UDIN: 20057892AAAAKE2100

Place: Mumbai
Date: June 29, 2020

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CENTRAL BANK OF INDIA

Consolidated Audited Financial Results for the Quarter and Year ended March 31, 2020

(Rs in Lakh)

		Particulars	Quarter Ended			Year Ended	Year Ended
			31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
			Audited	Reviewed	Audited	Audited	Audited
1		Interest earned (a) + (b) + (c) + (d)	595 472	605 756	550 405	2 367 559	2 274 862
	(a)	Interest/discount on advances/bills	326 136	308 840	297 091	1 260 927	1 305 383
	(b)	Income on investments	252 752	256 371	234 192	992 494	846 020
	(c)	Interest on balances with Reserve Bank of India and other inter bank funds	11 538	13 682	9 997	48 089	87,281
	(d)	Others	5,046	26,665	9,125	66 049	36 178
2		Other Income	78 875	125,040	114,716	362,240	241 633
A.		TOTAL INCOME (1+2)	674,347	730,798	665,121	2,729,799	2,516,495
3		Interest Expended	401,891	402,483	389,054	1,600,456	1 593 466
4		Operating Expenses (e) + (f)	220,687	157,910	123,553	693,900	608,016
	(e)	Employees cost	144,352	91,418	54,944	422,587	357 448
	(f)	Other operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	76 335	66 492	68 609	271 313	250,568
B.		TOTAL EXPENDITURE (3)+(4) (excluding Provisions and Contingencies)	622,578	560,393	512,607	2,294,356	2,201,482
C.		OPERATING PROFIT (A-B) (Profit before Provisions & Contingencies)	51,769	170,405	152,514	435,443	315,013
D.		Provisions (other than tax) and Contingencies.	218,165	124,961	473,026	526,409	1,129,785
		(Of which provisions for Non-Performing Assets)	303,897	(37,979)	439,825	413,483	1,062 826
E.		Exceptional Items	-	-	-	-	-
F.		Profit/ (Loss) from Ordinary Activities before Tax (C-D-E)	(166,396)	45,444	(320,512)	(90,966)	(814,772)
G.		Tax Expenses	(13,070)	29,412	(73,482)	21,765	(252,000)
H.		Net Profit / (Loss) from Ordinary Activities After Tax (F-G)	(153,326)	16,032	(247,030)	(112,731)	(562,772)
I.		Extraordinary items (net of tax expense)	-	-	-	-	-
J.		Add: Share of profit in Associates	(14,646)	560	(1,195)	(12,477)	1,659
K.		Less: Share of Minority interest	46	164	228	364	579
L.		Net Profit / (Loss) for the period (H-I+J-K)	(168,018)	16,428	(248,453)	(125,572)	(561,692)
5		Paid-up equity share capital (Face value of Rs.10/- per share)	570,976	570,976	404,720	570,976	404 720
6		Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	-	-	-	1,286,414	1,206,170
7		Analytical Ratios					
	(i)	Percentage of shares held by Government of India	92 39	92 39	91 20	92 39	91 20
	(ii)	Capital Adequacy Ratio-Basel III (%)	-	-	-	-	-
		(a) CET 1 Ratio (%)	-	-	-	-	-
		(b) Additional Tier 1 Ratio (%)	-	-	-	-	-
	(iii)	Earning per Share(in Rs.) Basic and diluted EPS before and after Extraordinary Items, net of Tax Expense (not annualised)	(2 98)	0 35	(7 91)	(2 02)	(20 19)
	(iv)	(a) Amount of Gross Non-performing Assets	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
		(b) Amount of Net Non-Performing Assets					
		(c) % of Gross Non-performing Assets					
		(d) % of Net Non-Performing Assets					
	(v)	Return on Assets (Annualised) - (%)					

ALOK SRIVASTAVA
EXECUTIVE DIRECTOR

B.S.SHEKHAWAT
EXECUTIVE DIRECTOR

PALLAV MOHAPATRA
MANAGING DIRECTOR & CEO

Attended through V C

TAPAN RAY
CHAIRMAN

Place Mumbai
Date June 29 2020

S. JAYKISHAN
Chartered Accountants
KOLKATA

CENTRAL BANK OF INDIA

Standalone Audited Financial Results for the Quarter and Year ended March 31, 2020

(Rs in Lakh)

		Particulars	Quarter Ended 31.03.2020 Audited	Quarter Ended 31.12.2019 Reviewed	Quarter Ended 31.03.2019 Audited	Year Ended 31.03.2020 Audited	Year Ended 31.03.2019 Audited
1		Interest earned (a) + (b) + (c) + (d)	592 905	602 888	547.682	2.356.247	2.263 857
	(a)	Interest/discount on advances/bills	323 711	306 228	294 625	1 250.546	1.294.975
	(b)	Income on investments	252 609	256,114	233.935	991.564	845,424
	(c)	Interest on balances with Reserve Bank of India and other inter bank funds	11.538	13,883	9.997	48.089	87,281
	(d)	Others	5 047	26,563	9,125	66,048	36,177
2		Other Income	79,468	124,941	114,369	363.662	241,294
A.		**TOTAL INCOME (1+2)**	**672,373**	**727,829**	**662,051**	**2,719,929**	**2,505,151**
3		Interest Expended	400,324	400.700	387 436	1.593.362	1.586.639
4		Operating Expenses (e) + (f)	220.325	157,497	122.732	692.152	605 863
	(e)	Employees cost	144,109	91,202	54,535	421,672	356.522
	(f)	Other operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	76,216	66.295	68,197	270.480	249.341
B.		**TOTAL EXPENDITURE (3)+(4)** (excluding Provisions and Contingencies)	**620,649**	**558,197**	**510,168**	**2,285,514**	**2,192,502**
C.		**OPERATING PROFIT (A-B)** (Profit before Provisions & Contingencies)	**51,724**	**169,632**	**151,883**	**434,415**	**312,649**
D.		**Provisions (other than tax) and Contingencies.**	**217,833**	**124,921**	**473,382**	**525,364**	**1,129,671**
		(Of which provisions for Non-Performing Assets)	158.325	108,880	452,357	412.643	1,074.551
E.		**Exceptional Items**	-	-	-	-	-
F.		**Profit/ (Loss) from Ordinary Activities before Tax (C-D-E)**	**(166,109)**	**44,711**	**(321,499)**	**(90,949)**	**(817,022)**
G.		**Tax Expenses**	**(13,202)**	**29,179**	**(73,758)**	**21,186**	**(252,874)**
H.		**Net Profit / (Loss) from Ordinary Activities After Tax (F-G)**	**(152,907)**	**15,532**	**(247,741)**	**(112,135)**	**(564,148)**
I.		**Extraordinary items (net of tax expense)**	-	-	-	-	-
J.		**Add: Share of profit in Associates**	-	-	-	-	-
K.		**Less: Share of Minority interest**	-	-	-	-	-
L.		Net Profit / (Loss) for the period (H-I)	**(152,907)**	**15,532**	**(247,741)**	**(112,135)**	**(564,148)**
5		Paid-up equity share capital (Face value of Rs.10/- per share)	570.976	570,976	404.720	570.976	404.720
6		Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	-		-	1,275 711	1 161.306
7		Analytical Ratios					
	(i)	Percentage of shares held by Government of India	92.39	92.39	91.20	92.39	91 20
	(ii)	Capital Adequacy Ratio-Basel III (%)	11 72	12.83	9.61	11 72	9.61
		(a) CET 1 Ratio (%)	9 33	10.64	7.49	9 33	7.49
		(b) Additional Tier 1 Ratio (%)	-	-	-	-	-
	(iii)	Earning per Share(in Rs.) Basic and diluted EPS before and after Extraordinary items, net of Tax Expense [not annualised]	(2.71)	0 33	(7 89)	(1 81)	(20 19)
	(iv)	(a) Amount of Gross Non-performing Assets	3,258,908	3,325.859	3,235.604	3,258.908	3,235.604
		(b) Amount of Net Non-Performing Assets	1,153,446	1,356.805	1,133,324	1,153.446	1,133,324
		(c) % of Gross Non-performing Assets	18.92	19.99	19.29	18 92	19.29
		(d) % of Net Non-Performing Assets	7 63	9.26	7.73	7 63	7.73
	(v)	Return on Assets (Annualised) - (%)	(1 93)	0.19	(2.96)	(0.35)	(1.70)

ALOK SRIVASTAVA
EXECUTIVE DIRECTOR

B.S.SHEKHAWAT
EXECUTIVE DIRECTOR

Attended through V C

TAPAN RAY
CHAIRMAN

PALLAV MOHAPATRA
MANAGING DIRECTOR & CEO

Place Mumbai
Date June 29, 2020

KOLKATA

CENTRAL BANK OF INDIA

STANDALONE SEGMENT REPORT FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

(Rs. in Lakh)

	Particulars	Quarter Ended			Year Ended	
		Audited 31.03.2020	Reviewed 31.12.2019	Audited 31.03.2019	Audited 31.03.2020	Audited 31.03.2019
A.	**Segment Revenue**					
	1. Treasury Operations	307,750	312,411	280,983	1,225,252	1,001,680
	2. Retail Banking Operations	180,671	208,929	201,725	773,392	791,959
	3. Wholesale Banking Operations	183,951	206,489	179,343	721,285	711,512
	4. Other Banking Operations	-	-	-	-	-
	5. Unallocated	-	-	-	-	-
	Total	**672,372**	**727,829**	**662,051**	**2,719,929**	**2,505,151**
	Less: Inter Segment Revenue	-	-	-	-	-
	Net Sales/Income From Operations	**672,372**	**727,829**	**662,051**	**2,719,929**	**2,505,151**
B.	**Segment Results(Profit(+)/Loss(-) before tax and Interest from each segment)**					
	1. Treasury Operations	44,028	72,765	24,081	238,029	1,077
	2. Retail Banking Operations	(50,316)	3,198	2,995	(33,355)	24,393
	3. Wholesale Banking Operations	(155,938)	(27,292)	(344,477)	(280,295)	(826,862)
	4. Other Banking Operations	-	-	-	-	-
	5 Unallocated	(3,883)	(3,960)	(4,098)	(15,327)	(15,630)
	Total	**(166,110)**	**44,711**	**(321,499)**	**(90,949)**	**(817,022)**
	Less. (i) Interest	-	-	-	-	-
	(ii) Other Un-allocable Expenditure net off	-	-	-	-	-
	(iii) Un-allocable Income	-	-	-	-	-
	Total Profit Before Tax	**(166,110)**	**44,711**	**(321,499)**	**(90,949)**	**(817,022)**
C.	**Segment Assets**					
	1. Treasury Operations	17,607,599	17,446,767	16,210,796	17,607,599	16,210,796
	2. Retail Banking Operations	8,254,257	7,911,536	8,104,022	8,254,257	8,104,022
	3. Wholesale Banking Operations	8,254,075	7,953,029	7,213,018	8,254,075	7,213,018
	4. Other Banking Operations	-	-	-	-	-
	5. Unallocated Assets	1,527,655	1,464,292	1,543,930	1,527,655	1,543,930
	Total	**35,643,586**	**34,775,624**	**33,071,766**	**35,643,586**	**33,071,766**
D.	**Segment Liabilities**					
	1. Treasury Operations	18,112,241	17,900,918	16,620,097	18,112,241	16,620,097
	2 Retail Banking Operations	7,625,000	7,270,360	7,691,081	7,625,000	7,691,081
	3. Wholesale Banking Operations	7,763,398	7,308,491	6,845,478	7,763,398	6,845,478
	4. Other Banking Operations	-	-	-	-	-
	5 Unallocated Liabilities	-	-	-	-	-
	Total	**33,500,639**	**32,479,769**	**31,156,656**	**33,500,639**	**31,156,656**
E.	**Capital Employed**					
	1. Treasury Operations	(504,642)	(454,151)	(409,301)	(504,642)	(409,301)
	2. Retail Banking Operations	629,256	641,176	412,941	629,256	412,941
	3. Wholesale Banking Operations	490,678	644,538	367,540	490,678	367,540
	4. Other Banking Operations	-	-	-	-	-
	5. Unallocated	1,527,655	1,464,292	1,543,930	1,527,655	1,543,930
	Total	**2,142,947**	**2,295,855**	**1,915,110**	**2,142,947**	**1,915,110**

1) The Bank has recognised Treasury operations, Corporate/Wholesale Banking and Retail Banking as primary reporting segments. There are no secondary reporting segments.

2) Segment Revenue and Expenses have been apportioned on the basis of the segment assets, wherever direct allocation is not possible.

3) Figures have been regrouped wherever considered necessary to conform to current year classification.

ALOK SRIVASTAVA
EXECUTIVE DIRECTOR

B S SHEKHAWAT
EXECUTIVE DIRECTOR

Attended through V C

PALLAV MOHAPATRA
MANAGING DIRECTOR & CEO

TAPAN RAY
CHAIRMAN

Place:Mumbai
Date:June29,2020

KOLKATA
PRN 309005E

Leave of absence granted

Dr. BHUSHAN KUMAR SINHA
DIRECTOR

THOMAS MATHEW
DIRECTOR

Attended through V C

PROF. (DR.) ATMANAND
DIRECTOR

Attended through V C

SMT. MINI IPE
DIRECTOR

For BORKAR & MUZUMDAR CHARTERED ACCOUNTANTS F.R. No.101569W (CA DARSHIT DOSHI) PARTNER M.No.133755 UDIN:20133755AAAACI3372	For MUKUND M CHITALE & CO CHARTERED ACCOUNTANTS F.R. No.106655W (CA A.V.KAMAT) PARTNER M.No.039585 UDIN:20039585AAAADU3453
For AAJV AND ASSOCIATES CHARTERED ACCOUNTANTS F.R. No.007739N (CA DEEPAK GARG) PARTNER M.No.093348 UDIN:20093348	S JAYKISHAN CHARTERED ACCOUNTANTS F.R. No. 309005E (CA NEMAI GORAI) PARTNER M.N.No.057892 UDIN:20057892AAAAFK

Place: Mumbai
Date: June 29.2020

NOTES ON ACCOUNTS FORMING PART OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020.

1. The above Financial Results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Bank at their meeting held on June 29, 2020. The results have been audited by the Statutory Central Auditors of the Bank.

2. There has been no change in the accounting policies followed during the quarter/year ended March 31, 2020 as compared to those followed in the preceding financial year ended March 31, 2019 except as otherwise stated.

3. The Financial Results for quarter and year ended March 31, 2020 have been arrived at after considering provisions for Non-Performing Assets, Restructured Assets, Standard Assets, Standard Derivative Exposures and Investment Depreciation which have been made on the basis of extant guidelines on Prudential Norms for Income Recognition, Asset Classification, Provisioning norms issued by the Reserve Bank of India.

4. Provisions for Contingencies, Employee Benefits and other usual and necessary provisions including Income Tax (after adjustment of deferred tax) have been made on estimated basis for the quarter and year ended March 31, 2020.

5. The Government of India vide their Notification dated No. F.No.11/8/2019-BOA-I dated October 3, 2019 increased the authorized capital of the Bank from Rs.5,000 Crore to Rs.10,000 Crore.

6. The Bank has received Capital funds of Rs. 3,353 Crore from Government of India on September 27, 2019 towards preferential allotment of 158,38,45,063 Equity Shares of Rs.10/-each fully paid up at an issue price of Rs.21.17 per equity shares. Post issue, Government of India's stake in the Bank has increased to 92.39% as on March 31, 2020.

7. In accordance with RBI circular no. DBR.No.BP.BC.18/21.04.048/2018-19, dated January 01, 2019, on "Relief for MSME borrowers registered under Goods and Service Tax (GST)", the details of MSME restructured accounts as on March 31, 2020 are as under:

No. of Accounts Restructured	Amount (Rs. in crore)
17,480	697.52

The Bank has maintained provision on standard restructured accounts @ 5%

8. The Bank has fully provided for frauds reported during the quarter/year ended March 31, 2020.

9. As per RBI directives vide letter No. 10655/21.04.048/2018-19, dated 21.06.2019 to abide by Supreme Court's direction dated April 22, 2019 regarding Asset Classification of Delhi Airport Metro Express Pvt. Ltd. (DAMPEL), the asset classification of the account is treated as Standard. Bank has made provisions on the basis of notional asset classification i.e. Sub Standard as per the actual record of recovery.

New Delhi

Position as on March 31, 2020		Amount (Rs in Crores)
Amount not treated as NPA as per IRAC norms	Provisions required to be made as per IRAC norms	Provisions actually held
190.21	28.53	28.53

10. As per RBI Circular Nos. DBR No.BP.15199/21.04.048/2016-17 and DBR No.BP.1906/21.04.048/2017-18, dated June 23, 2017 and August 28, 2017 respectively, for the identified borrowers covered under the provisions of Insolvency and Bankruptcy Code (IBC), the Bank is holding total provision (including provision on Funded Interest Term Loan) of Rs.5,935.94 crore (i.e. 94.40% of total outstanding) as on March 31, 2020, as prescribed by the Regulator.

11. As per RBI Circular No. DBR No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, Bank has made additional Provision of Rs. Rs.213.43 crore in 4 (four) borrowers, where the viable resolution plan has not been implemented within stipulated period of 180 days.

12. The Bank as a prudent measure has made an additional provision of Rs. 306.93 crore in respect of one (1) borrower classified as substandard asset (NPA) in the quarter ended March 31, 2020 due to uncertainty of recovery.

13. Pursuant to proposed bipartite agreement on wage revision (due with effect from November 01, 2017), an estimated amount of Rs.75 crore (Rs. 300 crore for full year) has been provided towards wage revision in the quarter ended March 31, 2020 (Cumulative provision as on March 31, 2020 of Rs.735 crore).

14. Based on the available financial statements and declarations received from borrowers, the Bank has estimated the liability for Unhedged Foreign Currency Exposure in terms of RBI circular DBOD.NO.BP.BC.85/21.06.200/2013-14 dated January 15, 2014 and holds a provision of Rs. 0.99 Crore as on March 31, 2020.

15. In terms of Reserve Bank of India (RBI) circular DBR.No.BP.BC.1/21.06.201/2015-16, dated July 1, 2015, on 'Basel III Capital Adequacy' and RBI circulars DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standard Amendments', Banks are required to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. These disclosures are available on the Bank's website www.centralbankofindia.co.in along with publication of financial results. The disclosures have not been subjected to review or audit by the Statutory Central Auditors of the Bank.

16. On September 20, 2019 vide the Taxation Laws (Amendment) Ordinance, 2019, the Government of India inserted Section 115BAA in the Income Tax Act 1961, which provides the Bank with a non-reversible option to pay corporate tax at reduced rates effective from Financial Year 2019-20 subject to certain conditions. The Bank continues to recognise the Taxes on Income/ Deferred Taxes for the quarter/year ended March 31, 2020 as per the earlier tax provisions.

17. Keeping in view the significant provisioning requirements, tax review has been carried out based on management's estimate of possible tax benefits against timing difference and the Net Deferred tax Assets of Rs.7,616.80 crore is recognized as at March 31, 2020 (Rs.7,894.01 crore as at March 31, 2019).

18. Status of Investors' Complaints for the year ended March 31, 2020:

Complaints at the beginning of the Year	Received during the Year	Resolved during the Year	Pending as on March 31, 2020
NIL	65	65	NIL

19. The Provisioning Coverage Ratio (PCR) as at March 31, 2020 of the Bank is 77.29% (76.60 % as at March 31, 2019). The Provisioning Coverage Ratio (PCR) as at March 31, 2020 without Technical Write Off of the Bank is 64.61%.

20. The outbreak of Corona virus (COVID-19) pandemic globally including India has resulted in slowdown of economic activities and increased volatility in financial markets. The extent to which the COVID-19 pandemic will impact the Bank's financial results will depend on future developments, which are highly uncertain. Given the uncertainty, because of COVID-19 pandemic, the Bank is continuously monitoring any material change in future economic condition which may impact the Bank's operations and its financial results in future depending on the developments which may differ from that estimated as at the date of approval of the financial statements.

21. RBI vide Notification No. RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020, has announced measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. The measures include Rescheduling of Payments – Term Loans and Working Capital Facilities, Easing of Working Capital Financing, Classification as Special Mention Accounts (SMA) and Non- Performing Asset (NPA) etc.

In accordance with the RBI guidelines relating to COVID-19 dated April 17, 2020, the Bank would be granting a moratorium of three months on the payment of all installments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms).

The impact of above circulars is as under:

Sr. No	Particulars	Amount (Rs. in Crore)
1	Respective amounts in SMA/overdue categories, where the moratorium/ deferment was extended	33,577.18
2	Respective amount where asset classification benefits is extended	2,864.99
3	Provisions made during the Q4, FY 2019-20	143.25
4	Provisions adjusted during the respective accounting periods against slippages and the residual provisions	Nil

22. As the additional provisioning requirements assessed by RBI for FY 2018-19 exceeded threshold limit of 10% of the reported profit before provisions and contingencies, the following disclosure is made pursuant to RBI circular no.DBR.BP.BC.No.32/21.04.018/2018-19 dated 01.04.2019 regarding Divergence in Asset Classification and Provisioning:

Sr	Particulars	Amount (Rs. in Crores)
1	Gross NPAs as on March 31, 2019 as reported by the Bank	32,356.04
2	Gross NPAs as on March 31, 2019 as assessed by RBI	34,921.04
3	Divergence in Gross NPAs (2-1)	2,565.00
4	Net NPAs as on March 31, 2019 as reported by the Bank	11,333.24

5	Net NPAs as on March 31, 2019 as assessed by RBI	13,898.24
6	Divergence in Net NPAs (5-4)	2,565.00
7	Provisions for NPAs as on March 31, 2019 as reported by the Bank	19,933.58
8	Provisions for NPAs as on March 31, 2019 as assessed by RBI	20,721.58
9	Divergence in provisioning (8-7)	788.00
10	Reported Net Profit after Tax (PAT)/(Loss) for the year ended March 31, 2019	(5,641.48)
11	Adjusted (notional) Net Profit after Tax (PAT)/(Loss) for the year ended March 31, 2019 after taking into account the divergence in provisioning	(6,429.48)

The Bank has made required provision against the said divergence as at March 31, 2020.

23. The figures for last quarter of the current year and of the previous year are the balancing figures between the audited figures in respect of full financial year and the published year to date reviewed figures up to the end of the third quarter of relevant financial year. The figures up to the end of the third quarter were only reviewed by the Statutory Auditors of the Bank and not subjected to audit.

24. Figures of the previous period have been regrouped/ reclassified wherever considered necessary to confirm to current period classification.

ALOK SRIVASTAVA
EXECUTIVE DIRECTOR

B S SHEKHAWAT
~~**EXECUTIVE DIRECTOR**~~
Attended through V C

PALLAV MOHAPATRA
MANAGING DIRECTOR & CEO

TAPAN RAY
CHAIRMAN

Place: Mumbai
Date: June 29, 2020

S. JAYKISHAN
KOLKATA
Chartered Accountants

CENTRAL BANK OF INDIA

STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lacs)

PARTICULARS	As at 31.03.2020 Audited	As at 31.03.2019 Audited
CAPITAL & LIABILITIES		
Capital	570,976.27	404,720.14
Reserves and Surplus	1,571,971.02	1,488,765.52
Share application Money pending allotment	-	21,254.09
Deposits	31,376,316.41	29,985,543.68
Borrowings	578,719.71	523,906.16
Other Liabilities and Provisions	1,545,602.32	647,576.80
TOTAL	**35,643,585.73**	**33,071,766.39**
ASSETS		
Cash and Balances with Reserve Bank of India	3,002,175.18	2,077,908.50
Balances with Banks and Money at Call and Short Notice	601,729.48	1,042,084.58
Investments	14,251,753.54	12,529,806.97
Advances	15,110,087.78	14,652,536.06
Fixed Assets	433,618.46	431,024.38
Other Assets	2,244,221.29	2,338,405.90
TOTAL	**35,643,585.73**	**33,071,766.39**

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MANAGING DIRECTOR & CEO

Attended through V C
TAPAN RAY
CHAIRMAN

Place Mumbai
Date June 29,2020

BORKAR & MUZUMDAR Chartered Accountants, 21/168 Anand Nagar Om CHS, Anand Nagar Lane, Off Nehru Road, Vakola, Santacruz East, MUMBAI 400 055	**MUKUND M. CHITALE & CO.** Chartered Accountants, Second Floor, Kapur House, Paranjape 'B' Scheme, Road No. 1, Vile Parle East, MUMBAI -400057
AAJV AND ASSOCIATES Chartered Accountants, LGF-C 73, Lajpat Nagar-II, NEW DELHI- 110024	**S JAYKISHAN** Chartered Accountants, 12 Ho Chi Minh Sarani Suite No.2D 2E & 2F 2nd Floor, KOLKATA 700071

Independent Auditor's Report on the Quarterly and Year to date Consolidated Financial Results of Central Bank of India pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Board of Directors

Central Bank of India

Opinion

1. We have audited the accompanying Consolidated Financial Results of Central Bank of India (the "Parent Bank"), its subsidiaries and its associates (collectively referred to as the "Group") for the quarter and year ended March 31, 2020 (the "Statement"), being submitted by the Parent Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except for the disclosures relating to Pillar III disclosure as at March 31, 2020 including Leverage Ratio and Liquidity Coverage Ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid financial results which have not been reviewed or audited by us.

   In our opinion and to the best of our information and according to explanations given to us, and based on consideration of reports of the other auditors on separate audited financial results of subsidiaries and associates, the unaudited financial results of associates as furnished by the management, the aforesaid financial results:

   a) Include the financial results of the following entities

      I. Subsidiaries
      i) Cent Bank Home Finance Ltd.
      ii) Cent Bank Financial Services Ltd.

      II. Associates
      i) Uttar Bihar Gramin Bank, Muzzaffarpur
      ii) Uttarbanga Kshetriya Gramin Bank, Cooch Bihar
      iii) Indo-Zambia Bank Limited, Zambia

b) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard except for the disclosures relating to Pillar III disclosure as at March 31, 2020 including Leverage Ratio and Liquidity Coverage Ratio under Basel III Capital Regulations as have been disclosed on the Parent Bank's website and in respect of which a link has been provided in the aforesaid consolidated financial results which have not been reviewed or audited by us; and

c) give a true and fair view in conformity with the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India, of the consolidated net loss and other financial information of the Group for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their report referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note No. 22 and Note No. 23 of the Notes forming part of Consolidated Financial results, which describes that the extent to which the COVID-19 Pandemic will impact the Group's financial performance will depend on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Responsibilities of Board of Directors for the Consolidated Financial Results

These Consolidated Financial Results have been compiled from the consolidated financial statements. The Parent Bank's Board of Directors is responsible for the preparation of these Consolidated Financial Results that give a true and fair view of the consolidated net loss and other financial information of the Group in accordance with the Accounting Standards issued by ICAI, relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with regulation 33 of the Listing Regulations. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013/ Banking Regulation Act, 1949 for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal

S. JAYKISAN KOLKATA PRN 309005 Chartered Accountants 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 which have been used for the purpose of preparation of consolidated financial results by the Board of Directors of the Parent Bank, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the entities included in the Group and of its associates are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the 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 are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibility for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosure in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future

events or conditions may cause the Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of the Parent Bank included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charge with governance with the statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by SEBI under regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

(i) We did not audit the financial results of two subsidiaries whose financial statements/financial results/financial information reflect total assets of Rs.1,332.47 crore as at March 31, 2020, total revenues of Rs. 146.09 crore and net cash outflows of Rs. 1.89 crore for the year ended March 31, 2020 as considered in the consolidated financial results. The consolidated financial results also include the Group's share of net loss of Rs. 143.31 crore for the year ended March 31, 2020, as considered in the consolidated financial results, in respect of 1 associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph above.

4

S. JAYKISHAN KOLKATA PRN 309005E Chartered Accountants

(ii) The consolidated financial results also include the Group's share of net profit of Rs. 18.54 crore for the year ended March 31, 2020, as considered in the consolidated financial results, in respect of 2 associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on work done and the reports of the other auditors and the Financial Results/Financial Information certified by the Board of Directors.

We report that the figures for the quarter ended March 31, 2020 represent the balancing figure between audited figures in respect of full financial year ended March 31, 2020 and the published unaudited year to date figures upto December 31, 2019 being the date of the end of the third quarter of the current financial year which were previously subjected to a limited review by us, as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For BORKAR & MUZUMDAR Chartered Accountants F.R NO. 101569W **DARSHIT DOSHI** PARTNER M. NO. 133755 UDIN No. 20133755AAAACJ3932	**For MUKUND M CHITALE & CO** Chartered Accountants F.R.NO.106655W **A.V.KAMAT** PARTNER M. NO.039585 UDIN No. 20039585AAAADV4092
For AAJV AND ASSOCIATES Chartered Accountants F.R.NO. 007739N **DEEPAK GARG** PARTNER M. NO. 093348 UDIN No.	**For S JAYKISHAN** Chartered Accountants F.R.NO.309005E **NEMAI GORAI** PARTNER M. NO. 057892 UDIN No. 20057892AAAAFM8703

Place: Mumbai
Date: June 29, 2020

CENTRAL BANK OF INDIA

CONSOLIDATED SEGMENT REPORT FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

(Rs. in Lakh)

	Particulars	Quarter Ended			Year Ended	
		Audited 31.03.2020	Reviewed 31.12.2019	Audited 31.03.2019	Audited 31.03.2020	Audited 31.03.2019
A.	**Segment Revenue**					
	1. Treasury Operations	307,750	312,411	280,983	1,225,252	1,001,680
	2. Retail Banking Operations	182,593	211,835	204,675	783,039	802,883
	3. Wholesale Banking Operations	183,952	206,489	179,343	721,285	711,512
	4. Other Banking Operations	52	63	121	223	420
	5. Unallocated	-	-	-	-	-
	Total	**674,347**	**730,798**	**665,121**	**2,729,799**	**2,516,495**
	Less: Inter Segment Revenue	-	-	-		
	Net Sales/Income From Operations	**674,347**	**730,798**	**665,121**	**2,729,799**	**2,516,495**
B.	**Segment Results(Profit(+)/Loss(-) before tax and interest from each segment)**					
	1. Treasury Operations	44,028	72,765	24,081	238,029	1,077
	2. Retail Banking Operations	(65,269)	4,468	2,700	(45,930)	28,027
	3. Wholesale Banking Operations	(155,938)	(27,293)	(344,477)	(280,295)	(826,862)
	4. Other Banking Operations	19	24	87	80	275
	5. Unallocated	(3,929)	(4,124)	(4,326)	(15,691)	(16,209)
	Total	**(181,089)**	**45,840**	**(321,936)**	**(103,807)**	**(813,692)**
	Less: (i) Interest	-	-	-	-	-
	(ii) Other Un-allocable Expenditure net off	-	-	-	-	-
	(iii) Un-allocable Income	-	-	-	-	-
	Total Profit Before Tax	**(181,089)**	**45,840**	**(321,936)**	**(103,807)**	**(813,692)**
C.	**Segment Assets**					
	1. Treasury Operations	17,607,599	17,446,767	16,210,796	17,607,599	16,210,796
	2. Retail Banking Operations	8,344,122	8,030,741	8,218,987	8,344,122	8,218,987
	3. Wholesale Banking Operations	8,254,075	7,953,029	7,213,018	8,254,075	7,213,018
	4. Other Banking Operations	1,105	1,092	1,733	1,105	1,733
	5. Unallocated Assets	1,526,843	1,465,125	1,543,930	1,526,843	1,543,930
	Total	**35,733,745**	**34,896,754**	**33,188,464**	**35,733,745**	**33,188,464**
D.	**Segment Liabilities**					
	1. Treasury Operations	18,112,241	17,900,918	16,620,097	18,112,241	16,620,097
	2. Retail Banking Operations	7,703,873	7,365,019	7,782,781	7,703,873	7,782,781
	3. Wholesale Banking Operations	7,763,398	7,308,491	6,845,478	7,763,398	6,845,478
	4. Other Banking Operations	582	657	505	582	505
	5. Unallocated Liabilities	-	-	-	-	-
	Total	**33,580,095**	**32,575,085**	**31,248,861**	**33,580,095**	**31,248,861**
E.	**Capital Employed**					
	1. Treasury Operations	(504,642)	(454,151)	(409,301)	(504,642)	(409,301)
	2. Retail Banking Operations	640,249	665,722	436,206	640,249	436,206
	3. Wholesale Banking Operations	490,677	644,538	367,540	490,677	367,540
	4. Other Banking Operations	523	435	1,228	523	1,228
	5. Unallocated	1,526,843	1,465,125	1,543,930	1,526,843	1,543,930
	Total	**2,153,650**	**2,321,669**	**1,939,603**	**2,153,650**	**1,939,603**

1) The Bank has recognised Treasury operations, Corporate/Wholesale Banking and Retail Banking as primary reporting segments. There are no secondary reporting segments.

2) Segment Revenue and Expenses have been apportioned on the basis of the segment assets, wherever direct allocation is not possible

3) Figures have been regrouped wherever considered necessary to conform to current year classification

ALOK SRIVASTAVA
EXECUTIVE DIRECTOR

B.S. SHEKHAWAT
EXECUTIVE DIRECTOR

Through V C

PALLAV MOHAPATRA
MANAGING DIRECTOR & CEO

TAPAN RAY
CHAIRMAN

Place: Mumbai
Date: June 29, 2020

S. JAYKISHAN
KOLKATA
FRN 309005E
Chartered Accountants

Attended ... V C

Dr. BHUSHAN KUMAR SINHA
DIRECTOR

Leave of abs... ...ted

THOMAS MATHEW
DIRECTOR

Attended through V C

PROF. (DR.) ATMANAND
DIRECTOR

... through V C

SMT. MINI IPE
DIRECTOR

For BORKAR & MUZUMDAR CHARTERED ACCOUNTANTS F.R. No.101569W **(CA DARSHIT DOSHI)** PARTNER M.No.133755 UDIN:20133755 AAAACJ3332	**For MUKUND M CHITALE & CO** CHARTERED ACCOUNTANTS F.R. No.106655W **(CA A.V.KAMAT)** PARTNER M.No.039585 UDIN:20039585AAAADX1018
For AAJV AND ASSOCIATES CHARTERED ACCOUNTANTS F.R. No.007739N **(CA DEEPAK GARG)** PARTNER M.No.093348 UDIN:20093348	**S JAYKISHAN** CHARTERED ACCOUNTANTS F.R. No. 309005E **(CA NEMAI GORAI)** PARTNER M.N.No.057892 UDIN:20057892 AAAAFN4042

Place: Mumbai
Date: June 29,2020

NOTES TO ACCOUNTS FORMING PART OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2020

1. The Consolidated Financial Results comprise financial statements of Central Bank of India (Parent Bank) and its two Subsidiaries and the share of its profit / loss in Associates consisting of two Regional Rural Banks and Indo-Zambia Bank Ltd (Collectively referred to as the "Group"). The Consolidated Financial Results for the year ended March 31, 2020 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Bank at their meeting held on June 29, 2020.

2. The Consolidated Financial Results of the Group comprises the Financial results of two Subsidiaries and the share of its profit/ loss in the three Associates consisting of two Regional Rural Banks sponsored by Parent Bank and Indo -Zambia Bank Ltd. as per details given below:

I. Subsidiaries

i) Cent Bank Home Finance Ltd
ii) Cent Bank Financial Services Ltd.

II. Associates

1) Regional Rural Bank
   (i) Uttar Bihar Gramin Bank, Muzzafarpur
   (ii) Uttar Banga Kshetriya Gramin Bank, Cooch Behar

2) Indo-Zambia Bank, Zambia

3. The Consolidated Financial Results have been prepared in accordance with the Accounting Standard 21 - "Consolidated Financial Statements" and Accounting Standard 23 - "Accounting for Investments in Associates in Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and the guidelines issued by the Reserve Bank of India.

4. There has been no change in the accounting policies followed during the year ended March 31, 2020 as compared to those followed in the preceding financial year ended March 31, 2019, except as otherwise stated.

5. The Consolidated Financial Results of the Group for the year ended March 31, 2020 have been arrived at after considering provisions for Non-Performing Assets, Restructured Assets, Standard Assets, Standard Derivative Exposures and Investment Depreciation in the case of Parent Bank which have been made on the basis of extant guidelines on Prudential Norms for Income Recognition, Asset Classification, Provisioning norms issued by the Reserve Bank of India and in case of the subsidiary Cent Bank Home Finance Limited as per the Income

Recognition and Provisions on Loans and Advances norms laid down by National Housing Bank [NHB]

6. Provisions for Contingencies, Employee Benefits and other usual and necessary provisions including Income Tax (after adjustment of deferred tax) have been made on estimated basis for the quarter and year ended March 31, 2020.

7. The Government of India vide their Notification dated No. F.No.11/8/2019-BOA-I dated October 3, 2019 increased the authorized capital of the Parent Bank from Rs.5,000 Crore to Rs.10,000 Crore.

8. The Parent Bank has received Capital funds of Rs. 3,353 Crore from Government of India on September 27, 2019 towards preferential allotment of 158,38,45,063 Equity Shares of Rs.10/- each fully paid up at an issue price of Rs.21.17 per equity shares. Post issue, Government of India's stake in the Parent Bank has increased to 92.39% as on March 31, 2020.

9. In accordance with RBI circular no. DBR.No.BP.BC.18/21.04.048/2018-19, dated January 01, 2019, on "Relief for MSME borrowers registered under Goods and Service Tax (GST)", the details of MSME restructured accounts as on March 31, 2020 are as under:

No. of Accounts Restructured	Amount (Rs. in crore)
17,480	697.52

The Parent Bank has maintained provision on standard restructured accounts @ 5%.

10. The Parent Bank has fully provided for the frauds reported during the quarter/year ended March 31, 2020.

11. As per RBI directives vide letter No. 10655/21.04.048/2018-19,dated 21.06.2019 to abide by Supreme Court's direction dated April 22, 2019 regarding Asset Classification of Delhi Airport Metro Express Pvt. Ltd. (DAMPEL), the asset classification of the account is treated as Standard. The parent Bank has made provisions on the basis of notional asset classification i.e. Sub Standard as per the actual record of recovery. Position as on March 31, 2020 is as follows:

Amount (Rs. in crore)

Amount not treated as NPA as per IRAC norms	Provisions required to be made as per IRAC norms	Provisions actually held
190.21	28.53	28.53

12. As per RBI circular No. DBRNo.BP.15199/21.04.048/2016-17 and DBR No.BP.1906/21.04.048/2017-18 dated June 23, 2017 and August 28, 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the Parent Bank is holding total provision (including provision on Funded Interest Term Loan) of Rs. 5,935.94 crore (i.e. 94.40% of total outstanding) as on March 31, 2020, as prescribed by the Regulator.

13. As per RBI Circular No. DBR No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, Parent Bank has made additional Provision of Rs. Rs.213.43 crore in 4 (four) borrowers, where the viable resolution plan has not been implemented within stipulated period of 180 days.

14. The Parent Bank as a prudent measure has made an additional provision of Rs. 306.93 crore in respect of one (1) borrower classified as substandard asset (NPA) in the quarter ended March 31. 2020 due to uncertainty of recovery.

15. Pursuant to proposed bipartite agreement on wage revision (due with effect from November 01, 2017), an estimated amount of Rs.75 crore (Rs. 300 crore for full year) has been provided by the Parent Bank towards wage revision in the quarter ended March 31, 2020 (Cumulative provision as on March 31, 2020 of Rs.735 crore).

16. Based on the available financial statements and the declarations received from borrowers, the Parent Bank has estimated the liability 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 and holds a provision of Rs 0.99 Crore as on March 31, 2020.

17. In terms of Reserve Bank of India (RBI) circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015, on 'Basel III Capital Adequacy' and RBI circulars DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standard Amendments', banks are required to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. These disclosures are available on the Parent Bank's website www.centralbankofindia.co.in along with publication of financial results. The disclosures have not been subjected to review or audit by the Statutory Central Auditors of the Bank.

18. On September 20, 2019 vide the Taxation Laws (Amendment) Ordinance, 2019, the Government of India inserted Section 115BAA in the Income Tax Act 1961, which provides the Parent Bank with a non-reversible option to pay corporate tax at reduced rates effective from Financial Year 2019-20 subject to certain conditions. The Parent Bank continues to recognise the Taxes on Income/ Deferred Taxes for the quarter/year ended March 31, 2020 as per the earlier tax provisions.

19. Keeping in view the significant provisioning requirements, tax review has been carried out based on Parent Bank management's estimate of possible tax benefits against timing difference and the Net Deferred tax Assets of Rs.7616.80 crore is recognized as at March 31, 2020 (Rs.7894.01 crore as at March 31, 2019).

20. Status of Investors' Complaints in Parent Bank as on 31st March, 2020

Complaints at the beginning of the Year	Received during the Year	Resolved during the Year	Pending as on March 31, 2020
NIL	65	65	NIL

21. The Provisioning Coverage Ratio (PCR) of the Parent Bank is 77.29% as at March 31, 2020. (76.60% as at March 31, 2019). The Provisioning Coverage Ratio (PCR) as at March 31, 2020 without Technical Write Off of the Parent Bank is 64.61%.

22. The outbreak of Corona virus (COVID-19) pandemic globally including India has resulted in slowdown of economic activities and increased volatility in financial markets. The extent to which the COVID-19 pandemic will impact the Group's financial results will depend on future developments, which are highly uncertain. Given the uncertainty because of COVID-

19 pandemic, the Group is continuously monitoring any material change in future economic condition which may impact the Group's operations and its financial results in future depending on the developments which may differ from that estimated as at the date of approval of the financial statements.

23. RBI vide Notification No. RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020, has announced measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. The measures include Rescheduling of Payments – Term Loans and Working Capital Facilities, Easing of Working Capital Financing, Classification as Special Mention Accounts (SMA) and Non- Performing Asset (NPA) etc.

In accordance with the RBI guidelines relating to COVID-19 dated April 17, 2020, the Bank would be granting a moratorium of three months on the payment of all installments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms).

The impact of above circulars on the Parent Bank is as under:

Sr. No	Particulars	Amount (Rs. in Crore)
1	Respective amounts in SMA/overdue categories, where the moratorium/ deferment was extended	33,577.18
2	Respective amount where asset classification benefits is extended	2,864.99
3	Provisions made during the Q4, FY 2019-20	143.25
4	Provisions adjusted during the respective accounting periods against slippages and the residual provisions	Nil

24. As the additional provisioning requirements assessed by RBI for FY 2018-19 exceeded threshold limit of 10% of the reported profit before provisions and contingencies, the following disclosure in respect of the Parent Bank is made pursuant to RBI circular no.DBR.BP.BC.No.32/21.04.018/2018-19 dated 01.04.2019 regarding Divergence in Asset Classification and Provisioning:

Sr	Particulars	Amount (Rs. in Crores)
1	Gross NPAs as on March 31, 2019 as reported by the Bank	32,356.04
2	Gross NPAs as on March 31, 2019 as assessed by RBI	34,921.04
3	Divergence in Gross NPAs (2-1)	2,565.00
4	Net NPAs as on March 31, 2019 as reported by the Bank	11,333.24
5	Net NPAs as on March 31, 2019 as assessed by RBI	13,898.24
6	Divergence in Net NPAs (5-4)	2,565.00
7	Provisions for NPAs as on March 31, 2019 as reported by the Bank	19,933.58
8	Provisions for NPAs as on March 31, 2019 as assessed by RBI	20,721.58
9	Divergence in provisioning (8-7)	788.00
10	Reported Net Profit after Tax (PAT)/(Loss) for the year ended March 31, 2019	(5,641.48)
11	Adjusted (notional) Net Profit after Tax (PAT)/(Loss) for the year ended March 31, 2019 after taking into account the divergence in provisioning	(6,429.48)

The Parent Bank has made required provision against the said divergence as at March 31, 2020.

25. The figures for last quarter of the current year and of the previous year are the balancing figures between the audited figures in respect of full financial year and the published year to date reviewed figures up to the end of the third quarter of relevant financial year. The figures up to the end of the third quarter were only reviewed by the Statutory Auditors of the Parent Bank and not subjected to audit

26. Figures of the previous period have been regrouped reclassified wherever considered necessary to confirm to current period classification.

ALOK SRIVASTAVA
EXECUTIVE DIRECTOR

B. S. SHEKHAWAT
EXECUTIVE DIRECTOR

Attended through V C

PALLAV MOHAPATRA
MANAGING DIRECTOR& CEO

TAPAN RAY
CHAIRMAN

Place: Mumbai
Date: June 29. 2020

CENTRAL BANK OF INDIA

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ 000 omitted)

PARTICULARS	As at 31.03.2020 Audited	As at 31.03.2019 Audited
CAPITAL & LIABILITIES		
Capital	57,097,627	40,472,014
Reserves and Surplus	158,287,393	151,362,928
Minorities Interest	453,179	434,572
Share application Money pending allotment	-	2,125,409
Deposits	3,142,011,415	3,003,113,856
Borrowings	60,760,328	56,396,659
Other Liabilities and Provisions	154,784,525	64,940,977
TOTAL	3,573,374,467	3,318,846,415
ASSETS		
Cash and Balances with Reserve Bank of India	300,219,245	207,794,497
Balances with Banks and Money at Call and Short Notice	60,445,599	105,181,420
Investments	1,425,256,688	1,254,527,365
Advances	1,519,523,754	1,474,254,768
Fixed Assets	43,368,163	43,109,150
Other Assets	224,472,102	233,890,319
Goodwill on Consolidation	88,896	88,896
TOTAL	3,573,374,467	3,318,846,415

ALOK SRIVASTAVA
EXECUTIVE DIRECTOR

B.S.SHEKHAWAT
EXCUTIVE DIRECTOR

PALLAV MOHAPATRA
MANAGING DIRECTOR & CEO

TAPAN RAY
CHAIRMAN

Place: Mumbai
Date : June 29, 2020

S. K. MEHTA & CO. Chartered Accountants, 302-306, Pragati Tower, 26, Rajendra Place, NEW DELHI-110008	**BORKAR & MUZUMDAR** Chartered Accountants, 21/168 Anand Nagar Om CHS, Anand Nagar Lane, Off Nehru Road, Vakola, Santacruz East, MUMBAI 400 055
MUKUND M CHITALE & CO Chartered Accountants, Second Floor, Kapur House, Paranjape 'B' Scheme, Road No. 1, Vile Parle East, MUMBAI -400057	**AAJV AND ASSOCIATES** Chartered Accountants, LGF-C 73, Lajpat Nagar-II, NEW DELHI- 110024

Auditor's Report on Quarterly Standalone Financial Results and Year to Date Results of the Central Bank of India pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

Board of Directors of Central Bank of India

1. We have audited the accompanying quarterly standalone financial Results of Central Bank of India (the "Bank") for the quarter ended March 31, 2019 and the year to date standalone financial results for the period April 1, 2018 to March 31, 2019, attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except for the disclosure relating to "Consolidated Pillar III Disclosure as at March 31, 2019" as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid financial results which has not been reviewed or audited by us.

2. These quarterly standalone financial results as well as the year to date financial results have been prepared from the Financial Statements, which are the responsibility of the Bank's Management and have been approved by the Board of Directors of the Bank. Our responsibility is to express an opinion on these quarterly financial results and the year to date financial results based on our audit of such Financial Statements, which have been prepared in accordance with Banking Regulation Act, 1949, Reserve Bank of India Guidelines and relevant accounting standards issued by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

MUMBAI

MUMBAI FRN 106655W

New Delhi FRN 027769N

4. These financial results incorporate the relevant returns of 20 Branches audited by us and 2549 branches audited by the other auditors specially appointed for this purpose and un–audited returns in respect of 2090 branches.

5. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date financial results:

   (i) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

   (ii) give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2019 and the year to date results for the year April 1, 2018 to March 31, 2019.

6. These Financial Results includes the results for the quarter ended March 31, 2019 being the balancing figure between audited figures in respect of full Financial Year and the published year to date figures upto December 31, 2018 of the current Financial Year, which were previously subjected to limited review as required under regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For S. K. MEHTA & CO. CHARTERED ACCOUNTANTS F.R. No.000478N **(CA JYOTI BAGGA)** PARTNER M.No.087002	**For BORKAR & MUZUMDAR** CHARTERED ACCOUNTANTS F.R. No.101569W DP Doshi **(CA DARSHIT DOSHI)** PARTNER M.No.133755 BORKAR & MUZUMDAR MUMBAI F.R.N. 101569W CHARTERED ACCOUNTANTS
For MUKUND M CHITALE & CO CHARTERED ACCOUNTANTS F.R. No.106655W **(CA A.V.KAMAT)** PARTNER M.No.039585 MUKUND M. CHITALE & CO. MUMBAI FRN 106655W CHARTERED ACCOUNTANTS	**For AAJV AND ASSOCIATES** CHARTERED ACCOUNTANTS F.R. No.007739N **(CA DEEPAK GARG)** PARTNER M.No.093348 AAJV AND ASSOCIATES New Delhi FRN. 007739N CHARTERED ACCOUNTANTS

Place: Mumbai
Date : May 15, 2019

CENTRAL BANK OF INDIA

Standalone Audited Financial Results for the Quarter and Year ended March 31, 2019

(Rs in Lakh)

	Particulars	Quarter Ended			Year Ended	Year Ended
		31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018
		Audited	Reviewed	Audited	Audited	Audited
1	Interest earned (a) + (b) + (c) + (d)	5,47,682	5,78,483	5,63,199	22,63,857	24,03,551
	(a) Interest/discount on advances/bills	2,94,625	3,35,862	3,39,936	12,94,975	14,47,875
	(b) Income on investments	2,33,935	2,10,146	1,87,148	8,45,424	7,13,736
	(c) Interest on balances with Reserve Bank of India and other inter bank funds	9,997	25,916	23,843	87,281	2,05,854
	(d) Others	9,125	6,559	12,272	36,177	36,086
2	Other Income	1,14,369	54,434	66,951	2,41,294	2,62,235
A.	TOTAL INCOME (1+2)	6,62,051	6,32,917	6,30,150	25,05,151	26,65,786
3	Interest Expended	3,87,436	3,96,878	4,13,214	15,86,639	17,51,851
4	Operating Expenses (e) + (f)	1,22,732	1,64,518	1,62,218	6,05,863	6,40,637
	(e) Employees cost	54,535	1,03,741	91,412	3,56,522	3,98,337
	(f) Other operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	68,197	60,777	70,806	2,49,341	2,42,300
B.	TOTAL EXPENDITURE (3)+(4) (excluding Provisions and Contingencies)	5,10,168	5,61,396	5,76,432	21,92,502	23,92,488
C.	OPERATING PROFIT (A-B) (Profit before Provisions & Contingencies)	1,51,883	71,521	54,718	3,12,649	2,73,298
D.	Provisions (other than tax) and Contingencies.	4,73,382	1,81,186	3,97,125	11,29,671	10,62,896
	(Of which provisions for Non-Performing Assets)	4,52,357	2,03,918	4,83,247	10,74,551	10,73,493
E.	Exceptional items	-	-	-	-	-
F.	Profit/ (Loss) from Ordinary Activities before Tax (C-D-E)	(3,21,499)	(1,09,664)	(3,42,407)	(8,17,022)	(7,89,598)
G.	Tax Expenses	(73,758)	(37,841)	(1,31,056)	(2,52,874)	(2,79,107)
H.	Net Profit / (Loss) from Ordinary Activities After Tax (F-G)	(2,47,741)	(71,823)	(2,11,351)	(5,64,148)	(5,10,491)
I.	Extraordinary items (net of tax expense)	-	-	-	-	-
J.	Net Profit / (Loss) for the period (H-I)	(2,47,741)	(71,823)	(2,11,351)	(5,64,148)	(5,10,491)
5	Paid-up equity share capital (Face value of Rs.10/- per share)	4,04,720	2,97,251	2,61,816	4,04,720	2,61,816
6	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	27,99,779	-	12,23,714	27,99,779	12,23,714
7	Analytical Ratios					
	(i) Percentage of shares held by Government of India	91.20	88.02	86.40	91.20	86.40
	(ii) Capital Adequacy Ratio-Basel III (%)	9.61	9.34	9.04	9.61	9.04
	(a) CET 1 Ratio (%)	7.49	7.39	7.01	7.49	7.01
	(b) Additional Tier 1 Ratio (%)	-	-	-	-	-
	(iii) Earning per Share(in Rs.) Basic and diluted EPS before and after Extraordinary Items, net of Tax Expense [not annualised]	(7.89)	(2.56)	(10.55)	(20.19)	(26.34)
	(iv) (a) Amount of Gross Non-performing Assets	32,35,604	35,33,268	38,13,070	32,35,604	38,13,070
	(b) Amount of Net Non-Performing Assets	11,33,324	15,80,507	17,37,787	11,33,324	17,37,787
	(c) % of Gross Non-performing Assets	19.29	20.64	21.48	19.29	21.48
	(d) % of Net Non-Performing Assets	7.73	10.32	11.10	7.73	11.10
	(v) Return on Assets (Annualised) - (%)	(2.96)	(0.86)	(2.75)	(1.70)	(1.61)

ALOK SRIVASTAVA
EXECUTIVE DIRECTOR

B.S.SHEKHAWAT
EXECUTIVE DIRECTOR

P.RAMANA MURTHY
EXECUTIVE DIRECTOR

PALLAV MOHAPATRA
MANAGING DIRECTOR & CEO

TAPAN RAY
CHAIRMAN

Place : Mumbai
Date : May 15, 2019

Dr. BHUSHAN KUMAR SINHA DIRECTOR	THOMAS MATHEW DIRECTOR	N. NITYANANDA DIRECTOR

PROF. (DR.) ATMANAND DIRECTOR	SMT. MINI IPE DIRECTOR

For S. K. MEHTA & CO. CHARTERED ACCOUNTANTS F.R. No.000478N (CA JYOTI BAGGA) PARTNER M.No.087002	**For BORKAR & MUZUMDAR** CHARTERED ACCOUNTANTS F.R. No.101569W (CA DARSHIT DOSHI) PARTNER M.No.133755
For MUKUND M CHITALE & CO CHARTERED ACCOUNTANTS F.R. No.106655W (CA A V.KAMAT) PARTNER M.No.039585	**For AAJV AND ASSOCIATES** CHARTERED ACCOUNTANTS F.R. No.007739N (CA DEEPAK GARG) PARTNER M.No.093348

Place: Mumbai
Date: May 15, 2019

CENTRAL BANK OF INDIA

STANDALONE SEGMENT REPORT FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019

(Rs. in Lakh)

S. No.	Particulars	Quarter Ended			Year Ended	
		Audited	Unaudited	Audited	Audited	Audited
		31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018
A.	Segment Revenue					
	1. Treasury Operations	2,80,983	2,60,993	2,22,314	[illegible]	10,23,955
	2. Retail Banking Operations	2,01,725	1,93,413	2,14,013	7,91,559	8,08,304
	3. Wholesale Banking Operations	1,79,343	1,78,511	1,93,823	7,11,512	8,33,547
	4. Other Banking Operations	-	-	-	-	-
	5. Unallocated	-	-	-	-	-
	Total	6,62,051	6,32,917	6,30,150	25,05,151	26,65,786
	Less: Inter Segment Revenue	-	-	-	-	-
	Net Sales/Income From Operations	6,62,051	6,32,917	6,30,150	25,05,151	26,65,786
B.	Segment Results(Profit(+)/Loss(-) before tax and interest from each segment)					
	1. Treasury Operations	24,081	54,535	58,609	1,077	94,090
	2. Retail Banking Operations	2,995	5,342	3,247	24,393	6,977
	3. Wholesale Banking Operations	(3,44,477)	(1,65,681)	(4,00,024)	(8,26,862)	(8,75,267)
	4. Other Banking Operations	-	-	-	-	-
	5. Unallocated	(4,098)	(3,860)	(4,238)	(15,630)	(15,398)
	Total	(3,21,499)	(1,09,664)	(3,42,407)	(8,17,022)	(7,89,598)
	Less: Interest	-	-	-	-	-
	(ii) Other Un-allocable Expenditure net off		-	-	-	-
	(iii) Un-allocable income	-	-	-	-	-
	Total Profit Before Tax	(3,21,499)	(1,09,664)	(3,42,407)	(8,17,022)	(7,89,598)
C.	Segment Assets					
	1 Treasury Operations	1,62,10,796	1,52,46,871	1,46,51,322	1,62,10,796	1,46,51,322
	2 Retail Banking Operations	81,04,022	83,19,766	86,96,340	81,04,022	86,96,340
	3. Wholesale Banking Operations	72,13,018	76,85,154	79,49,955	72,13,018	79,49,955
	4. Other Banking Operations	-	-	-	-	-
	5 Unallocated Assets	15,43,930	14,54,485	13,24,910	15,43,930	13,24,910
	Total	3,30,71,766	3,27,06,276	3,26,22,527	3,30,71,766	3,26,22,527
D.	Segment Liabilities					
	1 Treasury Operations	1,66,20,097	1,56,31,041	1,49,29,672	1,66,20,097	1,49,29,672
	2 Retail Banking Operations	76,91,081	78,99,281	83,03,484	76,91,081	83,03,484
	3. Wholesale Banking Operations	68,45,478	72,96,744	75,90,817	68,45,478	75,90,817
	4. Other Banking Operations		-		-	
	5. Unallocated Liabilities	-	-	-	-	-
	Total	3,11,56,656	3,08,27,066	3,08,23,973	3,11,56,656	3,08,23,973
E.	Capital Employed					
	1 Treasury Operations	(4,09,301)	(3,84,170)	(2,78,350)	(4,09,301)	(2,78,350)
	2. Retail Banking Operations	4,12,941	4,20,485	3,92,856	4,12,941	3,92,856
	3 Wholesale Banking Operations	3,67,540	3,88,410	3,59,138	3,67,540	3,59,138
	4 Other Banking Operations		-		-	-
	5 Unallocated	15,43,930	14,54,485	13,24,910	15,43,930	13,24,910
	Total	19,15,110	18,79,210	17,98,554	19,15,110	17,98,554

1) The Bank has recognised Treasury operations, Corporate/Wholesale Banking and Retail Banking as primary reporting segments. There are no secondary reporting segments.

2) Segment Revenue and Expenses have been apportioned on the basis of the segment assets, wherever direct allocation is not possible.

3) Figures have been regrouped wherever considered necessary to conform to current year classification.

ALOK SRIVASTAVA
EXECUTIVE DIRECTOR

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EXECUTIVE DIRECTOR

P.RAMANA MURTHY
EXECUTIVE DIRECTOR

PALLAV MOHAPATRA
MANAGING DIRECTOR & CEO

TAPAN RAY
CHAIRMAN

Place: Mumbai
Date May 15, 2019

MUMBAI F.R.N 101569W

MUMBAI FRN 106655W

New Delhi FRN 007739N

CENTRAL BANK OF INDIA

STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lacs)

PARTICULARS	As at 31.03.2019 Audited	As at 31.03.2018 Audited
CAPITAL & LIABILITIES		
Capital	404,720.14	261,815.58
Reserves and Surplus	1,488,765.52	1,536,737.78
Share application Money pending allottment	21,254.09	-
Deposits	29,985,543.68	29,483,885.73
Borrowings	523,906.16	570,611.62
Other Liabilities and Provisions	647,576.80	769,476.83
TOTAL	33,071,766.39	32,622,527.54
ASSETS		
Cash and Balances with Reserve Bank of India	2,077,908.50	3,599,990.88
Balances with Banks and Money at Call and Short Notice	1,042,084.58	322,852.65
Investments	12,529,806.97	10,263,161.22
Advances	14,652,536.06	15,654,217.71
Fixed Assets	431,024.38	434,338.11
Other Assets	2,338,405.90	2,347,966.97
TOTAL	33,071,766.39	32,622,527.54

ALOK SRIVASTAVA
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TAPAN RAY
CHAIRMAN

Place Mumbai
Date May 2019

BORKAR & MUZUMDAR
MUMBAI
F.R.N.
101569W
CHARTERED ACCOUNTANTS

MUKUND M. CHITALE & CO.
MUMBAI
FRN 106655W
CHARTERED ACCOUNTANTS

AAJV AND ASSOCIATES
New Delhi
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For S. K. MEHTA & CO. CHARTERED ACCOUNTANTS F.R. No.000478N (CA JYOTI BAGGA) PARTNER M.No.087002	**For BORKAR & MUZUMDAR** CHARTERED ACCOUNTANTS F.R. No.101569W (CA DARSHIT DOSHI) PARTNER M.No.133755
For MUKUND M CHITALE & CO CHARTERED ACCOUNTANTS F.R. No.106655W (CA A.V.KAMAT) PARTNER M.No.039585	**For AAJV AND ASSOCIATES** CHARTERED ACCOUNTANTS F.R. No.007739N (CA DEEPAK GARG) PARTNER M.No.093348

Place: Mumbai
Date: May 15, 2019

सेन्ट्रल बैंक ऑफ़ इंडिया
Central Bank of India
1911 से आपके लिए "केंद्रित" "CENTRAL" TO YOU SINCE 1911

NOTES ON ACCOUNTS FORMING PART OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019.

1. The above Financial Results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Bank at its meeting held on May 15, 2019. The same have been audited by Statutory Auditors of the Bank.

2. There has been no changes in the significant accounting policies followed during the quarter/year ended March 31, 2019 as compared to those followed in the preceding financial year ended March 31, 2018.

3. Financial Results for the quarter and year ended March 31, 2019 have been arrived at after considering provisions for Non-Performing Assets, Restructured Assets, Standard Assets, Standard Derivative Exposures and Investment Depreciation which have been made on the basis of extant guidelines on Prudential Norms for Income Recognition, Asset Classification, Provisioning norms issued by the Reserve Bank of India.

4. During the year, the Bank has allotted 35,43,57,970 Equity Shares of Rs.10/- each at a premium of Rs.56.43 per share on 13.11.2018, 38,74,39,390 Equity Shares of Rs.10/- each at a premium of Rs.33.31 per share on 28.02.2019 and 68,72,48,322 Equity Shares of Rs.10/- each at a premium of Rs.27.25 per share on 28.03.2019 to Government of India.

5. Bank has received Capital Funds of Rs.212.54 crore under Employees Stock Purchase Scheme (ESPS) on 31.03.2019 and the same has been kept in separate account viz."Central Bank of India Share application Money Account" and pending allotment of shares has been so disclosed as Share Application Money in the financial statements. These funds have been treated as part of Common Equity Tier (CET-1) for the quarter and year ended March 31, 2019 as permitted by RBI vide it's letter dated April 24, 2019.

6. The RBI had permitted Banks vide its Circular DBR.No.BP.BC.113/21.04.048/2017-18 dated 15th June 2018, to spread MTM losses on investments held in AFS and HFT category for the quarter ended 30th June 2018, over four quarters commencing from that quarter, in which loss has been incurred. The bank had incurred such loss amounting to Rs.74.81Crore during the quarter ended 30th June, 2018 and provided 1/4th of such loss each in June and September 2018 quarters by availing the benefit permitted for staggering of provision and un-amortised balance was Rs.37.40Crore. Since Bond rate has eased as on 31.12.2018, deferred provision was not required. Consequent to the above, entire MTM Losses stands fully covered as on 31.03.2019.

BORKAR & MUZUMDAR MUMBAI F.R.N. 101569W CHARTERED ACCOUNTANTS

MUMBAI FRN 106655W CHARTERED ACCOUNTANTS

New Delhi FRN 007739N CHARTERED ACCOUNTANTS

7. The RBI had permitted Banks vide its Circular DBR.No.BP.BC.108 21.04.048/2017-18, dated 6th June 2018 to continue the exposures to MSME borrowers to be classified as standard assets. Accordingly, the bank has retained advances of Rs.241.68 crore as standard assets as on 31.03.2019. In accordance with the provisions of the circular, the bank has not recognized un-realized interest on these accounts and maintained a standard assets provision of Rs.12.08 crores as on March 31, 2019 in respect of such borrowers. Further, in accordance with RBI vide circular no. DBR.No.BP.BC.18/21.04.048/2018-19, dated 1st January 2019, on "Relief for MSME borrowers registered under Goods and Service Tax (GST)", the details of MSME restructured accounts as on 31.03.2019 are as under:

No. of Accounts Restructured	Amount (Rs. in crore)
1202	97.13

8. The Bank has provided fully for the frauds reported during the quarter/year ended March 31, 2019.

9. As per RBI circular No. DBRNo.BP.15199/21.04.048/2016-17 and DBR No.BP.1906/21.04.048/2017-18 dated June 23, 2017 and August 28, 2017 respectively, for the accountscovered under the provisions of Insolvency and Bankruptcy Code (IBC), the Bank is holding total provision of Rs.6,479.59 crore (86.34% of total outstanding) as on March 31, 2019.

10. Pending settlement of the Bipartite agreement on wage revision (due from November 2017), an adhoc amount of Rs.75 crore (Rs. 300 crore for the full year) has been provided towards wage revision during the current quarter and Cumulative provision held as on March 31, 2019 is Rs.435 crore.

11. In terms of Reserve Bank of India (RBI) circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015, on 'Basel III Capital Adequacy' and RBI circulars DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standard Amendments', banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. The bank has made these disclosures which are available on the bank's website www.centralbankofindia.co.in along with publication of financial results. The Disclosures have not been subjected to audit by Statutory Central Auditors of the Bank.

12. Disclosure of Divergence in Asset Classification and Provisioning for NPAs

As the additional provisioning requirements assessed by RBI for FY 2017-18 exceeded the threshold limit of 10% of the reported profit before provisions and contingencies, the following disclosure is made pursuant to RBI circular nos. DBR.BP.BC.No. 63/21.04.018/2016-17 dated April 18, 2017 and DBR. BP. BC. No.32 / 21.04.018 / 2018-19

MUMBAI F.R.N. 101569W

MUMBAI FRN 106655W

New Delhi FRN 007739N

dated April 01, 2019 regarding Divergence in Asset Classification and Provisioning for NPAs:

Sr. No.	Particulars	Amount (Rs. in crore)
1.	Gross NPAs as on March 31, 2018 as reported by the Bank	38,130.70
2.	Gross NPAs as on March 31, 2018 as assessed by RBI	38,766.90
3.	Divergence in Gross NPAs (2 – 1)	636.20
4.	Net NPAs as on March 31, 2018 as reported by the Bank	17,377.87
5.	Net NPAs as on March 31,2018 as assessed by RBI	17,830.60
6.	Divergence in Net NPAs (5 – 4)	452.80
7.	Provisions for NPAs as on March 31, 2018 as reported by the Bank	19,601.31
8.	Provisions for NPAs as on March 31, 2018 as assessed by RBI	20,743.31
9.	Divergence in provisioning (8 – 7)	1,142.00
10.	Reported Net Profit after Tax (PAT) for the year ended March 31, 2018	(5,104.90)
11.	Adjusted (Notional) Net Profit after Tax (PAT) for the year ended March 31, 2018 after taking into account the divergence in provisioning	(6,246.90)

The Bank had duly recorded the impact of the above in its working results for the year ended March 31, 2019.

13. Keeping in view the significant provisioning requirements, tax review based on management's estimate of possible tax benefits against timing difference has been carried out and as at 31.03.2019Rs.7,894.01crore (Rs.5,368.03crore as at 31.03.2018) has been recognized as Deferred Tax Assets in the accounts.

14. Status of Investors' Complaints:

Complaints at the beginning of the Year	Received during the Year	Resolved during the Year	Pending as on March 31, 2019
NIL	73	73	NIL

15. The Provisioning Coverage Ratio (PCR) of the Bank is 76.86%. (Previous Year 63.31%)

16. These financial results includes the results for the quarter ended March 31, 2019, being the balancing figures between the audited figures in respect of the full financial year and the published year to date reviewed figures upto the end of the third quarter of the relevant financial year.

17. Figures of the previous period have been regrouped/ reclassified wherever considered necessary to confirm to current period classification.

ALOK SRIVASTAVA
EXECUTIVE DIRECTOR

B. S. SHEKHAWAT
EXECUTIVE DIRECTOR

P. RAMANA MURTHY
EXECUTIVE DIRECTOR

PALLAV MOHAPATRA
MANAGING DIRECTOR& CEO

TAPAN RAY
CHAIRMAN

Place: Mumbai
Date: May 15, 2019

BORKAR & MUZUMDAR CHARTERED ACCOUNTANTS MUMBAI F.R.N. 101569W

MUKUND M. CHITALE & CO. CHARTERED ACCOUNTANTS MUMBAI FRN 106655W

AAJV AND ASSOCIATES CHARTERED ACCOUNTANTS New Delhi FRN 007739N

CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Board of Directors
Central Bank of India

This is to certify that:

a. We have reviewed Financial Statements and the Cash Flow Statement of Central Bank of India for the year 2018-19 and to the best of our knowledge and belief:

   I. These Statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading

   II. These Statements together, present a true and fair view of the Bank's affairs and are in compliance with existing Accounting Standards, applicable law and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the financial year 2018-19, which are fraudulent, illegal or violative of the Bank's code of conduct

c. We accept responsibility for establishing and maintaining internal controls for the financial reporting and that we have evaluated the effectiveness of the internal control systems of the Bank pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit Committee:

   I. Significant changes in internal control over financial reporting during the financial year 2018-19.

   II. There are no significant changes in accounting policies during the financial year 2018-19 and the same have been disclosed in the notes to the financial statements and,

   III. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or any employee having a significant role in the Bank's Internal Control System over financial reporting.

(B.K. SINGAL)	(PALLAV MOHAPATRA)
GENERAL MANAGER & CFO	MANAGING DIRECTOR & CEO

Place: Mumbai
Date: May [illegible], [illegible]

S.K.MEHTA & CO. Chartered Accountants, 302-306, Pragati Tower, 26, Rajendra Place, NEW DELHI-110008	**BORKAR & MUZUMDAR** Chartered Accountants, 21/168 Anand Nagar Om CHS, Anand Nagar Lane, Off Nehru Road, Vakola, Santacruz East, MUMBAI 400 055
MUKUND M CHITALE & CO Chartered Accountants, Second Floor, Kapur House, Paranjape 'B' Scheme, Road No. 1, Vile Parle East, MUMBAI -400057	**AAJV AND ASSOCIATES** Chartered Accountants, LGF-C 73, Lajpat Nagar-II, NEW DELHI- 110024

Auditor's Report on Consolidated Financial Results of Central Bank of India pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Board of Directors of Central Bank of India

1. We have audited the accompanying Consolidated Financial Results of Central Bank of India (the "Parent Bank") and its subsidiaries (collectively referred to as the "Group") and share of profit or loss of its associates for the year ended March 31, 2019 (the "Statement"), being submitted by the Parent Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement which is the responsibility of the Parent Bank's management and approved by the Board of Directors, has been prepared in accordance with the Banking Regulation Act, 1949, accounting principles generally accepted in India along with recognition and measurement principle's laid down in Accounting Standards issued by the Institute of Chartered Accountants of India so far as they are applicable to the Parent Bank and Reserve Bank of India guidelines from time to time. Our responsibility is to express an opinion on the presentation of the statements and financial results for the year ended March 31, 2019.

2. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of risk of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Group's and its Associate's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the

BORKAR & MUZUMDAR MUMBAI F.R.N. 101569W CHARTERED ACCOUNTANTS

MUKUND M. CHITALE & CO. MUMBAI FRN 106655W CHARTERED ACCOUNTANTS

AAJV AND ASSOCIATES New Delhi FRN 007739N CHARTERED ACCOUNTANTS circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and other auditors in terms of their report of Subsidiary Company and unaudited financial statement provided by Associates' management is sufficient and appropriate to provide a reasonable basis for our opinion.

3. These financial results incorporate the relevant returns of 20 Branches audited by us, 2549 branches audited by the other auditors specially appointed for this purpose and un–audited returns in respect of 2090 branches of the Parent Bank.

4. (i) We did not audit the financial statements incorporated in the Consolidated Financial Statements of two subsidiaries whose financial statement reflect total assets of Rs.1442.88 crore as at March 31, 2019, total revenue of Rs.146.50 crore and net cash inflows of Rs.71.63 crore for the year ended March 31, 2019. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion is based solely on the reports of the other auditors.

   (ii) The Consolidated Financial Statement also includes the Group's share of net profit after tax of Rs.16.59 crore for the year ended March 31, 2019, as considered in the consolidated financial statements in respect of 4 associates, whose financial statements has not been audited by us. The financial statements of 3 associates namely Uttarbanga Kshetriya Gramin Bank, Uttar Bihar Gramin Bank and Central Madhya Pradesh Gramin Bank are unaudited and have been furnished to us by the Management. In case of an associate namely Indo Zambia Bank Ltd., whose reporting period is calendar year, share in profit has been taken for nine months ended December 31, 2018 based on audited financial statements for the calendar year ended December 31, 2018 and profit for three months ended March 31, 2019 is taken based on unaudited financial statements as furnished by the Management. Our opinion and our report on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management of the Bank, the impact of the above is not material to the Group.

   Our opinion is not modified in respect of the above matters.

5. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors and management's certified financial statements as referred to in paragraph 4 above, the Statement :

   i) includes the results of the following entities included in the consolidation

      (a) Subsidiaries

      (i) Cent Bank Home Finance Ltd.
      (ii) Cent Bank Financial Services Ltd.

BORKAR & MUZUMDAR MUMBAI F.R.N. 101569W CHARTERED ACCOUNTANTS

MUKUND M. CHITALE & CO. MUMBAI FRN 106655W CHARTERED ACCOUNTANTS

AAJV AND ASSOCIATES New Delhi FRN 007739N CHARTERED ACCOUNTANTS

(b) **Associates**

(i) Central Madhya Pradesh Gramin Bank, Chhindwara

(ii) Uttar Bihar Gramin Bank, Muzzaffarpur

(iii) Uttarbanga Kshetriya Gramin Bank, Cooch Behar

(iv) Indo-Zambia Bank Ltd., Zambia

ii) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

iii) give a true and fair view of the consolidated net loss and other financial information for the year ended March 31, 2019 of the Group.

For S.K.MEHTA & CO. CHARTERED ACCOUNTANTS F.R. No.000478N **(CA JYOTI BAGGA)** **PARTNER** M.No.087002	**For BORKAR & MUZUMDAR** CHARTERED ACCOUNTANTS F.R. No.101569W **(CA DARSHIT DOSHI)** **PARTNER** M.No.133755
FOR MUKUND M CHITALE & CO CHARTERED ACCOUNTANTS F.R. No.106655W **(CA A.V.KAMAT)** **PARTNER** M.No.039585	**FOR AAJV AND ASSOCIATES** CHARTERED ACCOUNTANTS F.R. No.007739N **(CA DEEPAK GARG)** **PARTNER** M.No.093348

Place: Mumbai
Date: May 22, 2019

CENTRAL BANK OF INDIA

Consolidated Audited Financial Results for the Year ended March 31, 2019

		Particulars	Year Ended 31.03.2019 Audited	Year Ended 31.03.2018 Audited
1		Interest earned (a) + (b) + (c) + (d)	22,74,862	24,16,312
	(a)	Interest/discount on advances/bills	13,05,383	14,60,095
	(b)	Income on investments	8,46,020	7,14,271
	(c)	Interest on balances with Reserve Bank of India and other inter bank funds	87,281	2,05,854
	(d)	Others	36,178	36,092
2		Other income	2,41,633	2,62,040
A.		TOTAL INCOME (1+2)	25,16,495	26,78,352
3		Interest Expended	15,93,460	17,60,332
4		Operating Expenses (e) + (f)	6,08,016	6,42,577
	(e)	Employees cost	3,57,448	3,99,005
	(f)	Other operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	2,50,568	2,43,572
B.		TOTAL EXPENDITURE (3)+(4) (excluding Provisions and Contingencies)	22,01,482	24,02,909
C.		OPERATING PROFIT (A-B) (Profit before Provisions & Contingencies)	3,15,013	2,75,443
D.		Provisions (other than tax) and Contingencies.	11,29,785	10,63,029
		(Of which provisions for Non-Performing Assets)	10,62,826	[illegible]
E.		Exceptional Items	-	-
F.		Profit/ (Loss) from Ordinary Activities before Tax (C-D-E)	(8,14,772)	(7,87,586)
G.		Tax Expenses	(2,52,000)	(2,78,029)
H.		Net Profit / (Loss) from Ordinary Activities After Tax (F-G)	(5,62,772)	(5,09,557)
I.		Extraordinary Items (net of tax expense)	-	-
J.		Share in Profit of Associates	1,669	(3,604)
K		Share of Minorities Interest	(878)	(599)
L.		Net Profit / (Loss) for the period (H-I+J+K)	(5,01,692)	(5,13,960)
5		Paid-up equity share capital (Face value of Rs.10/- per share)	4,04,720	2,61,916
6		Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	12,06,170	12,46,206
7		Analytical Ratios		
	(i)	Percentage of shares held by Government of India (Parent Bank)	91.20	88.40
	(ii)	Capital Adequacy Ratio-Basel III (%) (Parent Bank)	9.61	9.04
		(a) CET 1 Ratio (%)	7.40	7.01
		(b) Additional Tier 1 Ratio (%)		
	(iii)	Earning per Share(in Rs.) Basic and diluted EPS before and after Extraordinary items, net of Tax Expense (not annualised)	(20.10)	(26.52)
	(iv)	(a) Amount of Gross Non-performing Assets (Parent Bank)	32,35,904	[illegible]
		(b) Amount of Net Non-Performing Assets (Parent Bank)	11,33,324	17,37,78
		(c) % of Gross Non performing Assets (Parent Bank)	19.29	[illegible]
		(d) % of Net Non Performing Assets (Parent Bank)	7.73	[illegible]
	(v)	Return on Assets (Annualised) - (%) (Parent Bank)	[illegible]	

ALOK SRIVASTAVA
EXECUTIVE DIRECTOR

B S SHEKHAWAT
EXECUTIVE DIRECTOR

P RAMANA MURTHY
EXECUTIVE DIRECTOR

PALLAV MOHAPATRA
MANAGING DIRECTOR & CEO

TAPAN RAY
CHAIRMAN

Place : Mumbai
Date : May 22, 2019

CENTRAL BANK OF INDIA

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ 000 omitted)

PARTICULARS	As at 31.03.2019 Audited	As at 31.03.2018 Audited
CAPITAL & LIABILITIES		
Capital	4,04,72,014	2,01,81,558
Reserves and Surplus	15,13,82,926	15,59,23,052
Minorities Interest	4,34,572	3,98,088
Share application Money pending allotment	21,25,409	-
Deposits	3,00,31,13,856	2,95,35,44,875
Borrowings	5,83,96,859	6,02,58,819
Other Liabilities and Provisions	6,49,40,977	7,71,88,594
TOTAL	3,31,88,46,415	3,27,34,92,986
ASSETS		
Cash and Balances with Reserve Bank of India	20,77,94,497	36,00,01,196
Balances with Banks and Money at Call and Short Notice	10,31,01,420	3,28,22,898
Investments	1,25,45,27,385	1,02,78,94,647
Advances	1,47,42,54,768	1,57,47,95,268
Fixed Assets	4,31,09,150	4,34,39,644
Other Assets	23,38,90,319	23,48,50,439
Goodwill on Consolidation	88,896	88,896
TOTAL	3,31,88,46,415	3,27,34,92,986

ALOK SRIVASTAVA
EXECUTIVE DIRECTOR

B.S. SHEKHAWAT
EXECUTIVE DIRECTOR

P.RAMANA MURTHY
EXECUTIVE DIRECTOR

PALLAV MOHAPATRA
MANAGING DIRECTOR & CEO

TAPAN RAY
CHAIRMAN

Place: Mumbai
Date : May 22, 2019

सेन्ट्रल बैंक ऑफ़ इंडिया
Central Bank of India

"CENTRAL" TO YOU SINCE 1911

NOTES TO ACCOUNTS FORMING PART OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2019

1. The Consolidated Financial Results comprise financial statements of Central Bank of India [Parent Bank] and its two Subsidiaries (Collectively referred to as the "Group") and the share of its profit / loss in Associates consisting of three Regional Rural Banks and Indo-Zambia Bank Ltd. The Consolidated Financial Results for the year ended March 31, 2019 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Bank at its meeting held on May 22, 2019.

2. The Consolidated Financial Results have been prepared in accordance with the Accounting Standard 21 – "Consolidated Financial Statements" and Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and the guidelines issued by the Reserve Bank of India.

3. There has been no change in the accounting policies followed during the year ended March 31, 2019 as compared to those followed in the preceding financial year ended March 31, 2018.

4. The Consolidated Financial Results of the Group for the year ended March 31, 2019 have been arrived at after considering provisions for Non-Performing Assets, Restructured Assets, Standard Assets, Standard Derivative Exposures and Investment Depreciation in the case of Parent Bank which have been made on the basis of extant guidelines on Prudential Norms for Income Recognition, Asset Classification, Provisioning norms issued by the Reserve Bank of India and in case of the subsidiary Cent Bank Home Finance Limited as per the Income Recognition and Provisions on Loans and Advances norms laid down by National Housing Bank [NHB].

5. During the year, the Parent Bank has allotted 35,43,57,970 Equity Shares of Rs.10/- each at a premium of Rs.56.43 per share on 13.11.2018, 38,74,39,390 Equity Shares of Rs.10/- each at a premium of Rs.33.31 per share on 28.02.2019 and 68,72,48,322 Equity Shares of Rs.10/- each at a premium of Rs.27.25 per share on 28.03.2019 on preferential basis to Government of India.

6. The Parent Bank has received Capital Funds of Rs.212.54 crore under Employees Stock Purchase Scheme (ESPS) on 30.03.2019 and the same has been kept in separate account viz."Central Bank of India Share application Money Account" and pending allotment of shares has been so disclosed as Share Application Money in the financial statements. These

funds have been treated as part of Common Equity Tier (CET-1) for the quarter and year ended March 31, 2019 as permitted by RBI vide it's letter dated April 24, 2019.

7. The RBI had permitted Banks vide its Circular DBR.No.BP.BC.113/21.04.048/2017-18 dated 15th June 2018, to spread MTM losses on investments held in AFS and HFT category for the quarter ended 30th June 2018, over four quarters commencing from that quarter, in which loss has been incurred. The Parent Bank had incurred such loss amounting to Rs.74.81Crore during the quarter ended 30th June, 2018 and provided 1/4th of such loss each in June and September 2018 quarters by availing the benefit permitted for staggering of provision and un-amortised balance was Rs.37.40 Crore. Since Bond rate has eased as on 31.12.2018, deferred provision was not required. Consequent to the above, entire MTM Losses stands fully covered as on 31.03.2019.

8. The RBI had permitted Banks vide its Circular DBR.No.BP.BC.108/21.04.048/2017-18, dated 6th June 2018 to continue the exposures to MSME borrowers to be classified as standard assets. Accordingly, the Parent Bank has retained advances of Rs.241.68 crore as standard assets as on 31.03.2019. In accordance with the provisions of the circular, the Parent Bank has not recognized un-realized interest on these accounts and maintained a standard assets provision of Rs.12.08 crores as on March 31, 2019 in respect of such borrowers. Further, in accordance with RBI vide circular no. DBR.No.BP.BC.18/21.04.048/2018-19, dated 1st January 2019, on "Relief for MSME borrowers registered under Goods and Service Tax (GST)", the details of MSME restructured accounts as on 31.03.2019 by the Parent Bank are as under:

No. of Accounts Restructured	Amount (Rs. in crore)
1202	97.13

9. The Parent Bank has provided fully for the frauds reported during the quarter/year ended March 31, 2019.

10. As per RBI circular No. DBRNo.BP.15199/21.04.048/2016-17 and DBR No.BP.1906/21.04.048/2017-18 dated June 23, 2017 and August 28, 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the Parent Bank is holding total provision of Rs.6,479.59 crore (86.34% of total outstanding) as on March 31, 2019.

11. Pending settlement of the Bipartite agreement on wage revision (due from November 2017), an adhoc amount of Rs.75 crore (Rs. 300 crore for the full year) has been provided by the Parent Bank towards wage revision during the current quarter and Cumulative provision held as on March 31, 2019 is Rs.435 crore.

12. In terms of Reserve Bank of India (RBI) circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015, on 'Basel III Capital Adequacy' and RBI circulars DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standard Amendments', banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. The bank has made these disclosures which are available on the bank's website www.centralbankofindia.co.in along with publication of financial results. The Disclosures have not been subjected to audit by Statutory Central Auditors of the Bank.

13. Disclosure of Divergence in Asset Classification and Provisioning for NPAs

As the additional provisioning requirements assessed by RBI for FY 2017-18 exceeded the threshold limit of 10% of the reported profit before provisions and contingencies, the following disclosure is made by the Parent Bank pursuant to RBI circular nos. DBR.BP.BC.No. 63/21.04.018/2016-17 dated April 18, 2017 and DBR. BP. BC. No.32 / 21.04.018 / 2018-19 dated April 01, 2019 regarding Divergence in Asset Classification and Provisioning for NPAs:

Sr. No.	Particulars	Amount (Rs. in crore)
1.	Gross NPAs as on March 31, 2018 as reported by the Bank	38,130.70
2.	Gross NPAs as on March 31, 2018 as assessed by RBI	38,766.90
3.	Divergence in Gross NPAs (2 – 1)	636.20
4.	Net NPAs as on March 31, 2018 as reported by the Bank	17,377.87
5.	Net NPAs as on March 31,2018 as assessed by RBI	17,830.67
6.	Divergence in Net NPAs (5 – 4)	452.80
7.	Provisions for NPAs as on March 31, 2018 as reported by the Bank	19,601.31
8.	Provisions for NPAs as on March 31, 2018 as assessed by RBI	20,743.31
9.	Divergence in provisioning (8 – 7)	1,142.00
10.	Reported Net Profit after Tax (PAT) for the year ended March 31, 2018	(5,104.90)
11.	Adjusted (Notional) Net Profit after Tax (PAT) for the year ended March 31, 2018 after taking into account the divergence in provisioning	(6,246.90)

The Parent Bank had duly recorded the impact of the above in its working results for the year ended March 31, 2019.

14. Keeping in view the significant provisioning requirements, tax review based on the management's estimate of possible tax benefits against timing difference has been carried out and as at 31.03.2019 Rs.7882.11 crore (Rs.5,357.59 crore as at 31.03.2018) has been recognized as Deferred Tax Assets in the accounts.

15. Status of Investors' Complaints in Parent Bank:

Complaints at the beginning of the Year	Received during the Year	Resolved during the Year	Pending as on March 31, 2019
NIL	73	73	NIL

16. The Provisioning Coverage Ratio (PCR) of the Parent Bank is 76.60% as on March 31, 2019 (Previous Year 63.31%) (In case of standalone financial results of the Bank, PCR is 76.60% as on March 31, 2019, which was inadvertently stated as 76.86%)

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17. Figures of the previous period have been regrouped/ reclassified wherever considered necessary to conform to current period classification.

ALOK SRIVASTAVA EXECUTIVE DIRECTOR	B. S. SHEKHAWAT EXECUTIVE DIRECTOR	P. RAMANA MURTHY EXECUTIVE DIRECTOR
	PALLAV MOHAPATRA MANAGING DIRECTOR& CEO	TAPAN RAY CHAIRMAN

Place: Mumbai
Date: May 22, 2019

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CENTRAL BANK OF INDIA

CONSOLIDATED SEGMENT REPORT FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakh)

Sr. No.	Particulars	Year Ended Audited 31.03.2019	Year Ended Audited 31.03.2018
A.	Segment Revenue		
	1. Treasury Operations	10,01,680	10,23,935
	2. Retail Banking Operations	8,02,882	8,20,457
	3. Wholesale Banking Operations	7,11,512	8,33,547
	4. Other Banking Operations	420	414
	5. Unallocated	-	-
	Total	25,16,495	26,78,352
	Less: Inter Segment Revenue	-	-
	Net Sales/Income From Operations	25,16,495	26,78,352
B.	Segment Results(Profit(+)/Loss(-) before tax and interest from each segment)		
	1. Treasury Operations	1,077	94,090
	2. Retail Banking Operations	28,027	5,000
	3. Wholesale Banking Operations	(8,26,862)	(8,75,266)
	4. Other Banking Operations	275	185
	5. Unallocated	(16,209)	(15,998)
	Total	(8,13,692)	(7,91,989)
	Less: (i) Interest	-	-
	(ii) Other Unallocable Expenditure net off	-	
	(iii) Un-allocable income	-	-
	Total Profit Before Tax	(8,13,692)	(7,91,989)
C.	Segment Assets		
	1. Treasury Operations	1,62,10,796	1,46,51,322
	2. Retail Banking Operations	82,18,987	88,06,990
	3. Wholesale Banking Operations	72,13,018	79,49,855
	4. Other Banking Operations	1,733	1,753
	5. Unallocated Assets	15,43,930	13,24,910
	Total	3,31,88,464	3,27,34,930
D.	Segment Liabilities		
	1. Treasury Operations	1,66,20,097	1,49,29,672
	2. Retail Banking Operations	77,82,781	83,92,732
	3. Wholesale Banking Operations	68,45,478	75,90,817
	4. Other Banking Operations	505	663
	5. Unallocated Liabilities	-	-
	Total	3,12,48,861	3,09,13,884
E.	Capital Employed		
	1. Treasury Operations	(4,09,301)	(2,78,350)
	2. Retail Banking Operations	4,36,206	4,14,258
	3. Wholesale Banking Operations	3,67,540	3,59,138
	4. Other Banking Operations	1,228	1,090
	5. Unallocated	15,43,930	13,24,910
	Total	19,39,603	18,21,046

1) The Bank has recognised Treasury operations, Corporate/Wholesale Banking and Retail Banking as primary reporting segments. There are no secondary reporting segments.

2) Segment Revenue and Expenses have been apportioned on the basis of the segment assets wherever direct allocation is not possible.

3) Figures have been regrouped wherever considered necessary to conform to current year classification.

ALOK SRIVASTAVA
EXECUTIVE DIRECTOR

B.S. SHEKHAWAT
EXECUTIVE DIRECTOR

P. RAMANA MURTHY
EXECUTIVE DIRECTOR

PALLAV MOHAPATRA
MANAGING DIRECTOR & CEO

TAPAN RAY
CHAIRMAN

Place: Mumbai

Date: May 22, 2019

BORKAR & MUZUMDAR
MUMBAI
F.R.N.
101569W

MUKUND M. CHITALE & CO.
MUMBAI

New Delhi

LODHA & CO. Chartered Accountants, 14 Government Place East KOLKATA-700069	PATHAK H D & ASSOCIATES Chartered Accountants, 814-815, Tulsiani Chambers, 212, Nariman Point, MUMBAI- 400021
S. K. MEHTA & CO. Chartered Accountants, 504, KirtiMahal, 19, Rajendra Place NEW DELHI-110008	BORKAR & MUZUMDAR Chartered Accountants, 21/168, Anand Nagar Om CHS, Anand Nagar Lane, Off Nehru Road, Vakola , Santacruz East, MUMBAI 400 055

INDEPENDENT AUDITORS' REPORT

To

The Members of Central Bank of India

Report on the Standalone Financial Statements

1. We have audited the accompanying Standalone Financial Statementsof Central Bank of India (the "Bank") as at March 31, 2018 which comprise the Balance Sheet as at March 31, 2018 and the Profit and Loss Account, and the Cash Flow Statement for the year then ended and a summary of significant accounting policies, notes and other explanatory information. Incorporated in these Standalone Financial Statements are the returns of 20 Branches audited by us and 2400branches audited by Statutory Branch Auditors. The branches audited by us and those audited by other auditors have been selected by Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in the Balance Sheet and Profit and Loss Account are the returns of 2265 branches, which have not been subjected to audit. These unaudited branches account for 9.94per cent of advances, 21.67 per cent of deposits,5.16per cent of interest income and 19.09per cent of interest expense.

Management's Responsibility for the Financial Statements

2. The Bank's Management is responsible for the preparation of these Standalone Financial Statements in accordance with Banking Regulation Act, 1949, Reserve Bank of India Guidelines and circulars issued from time to time and accounting standards generally accepted in India. This responsibility of the management includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Standalone Financial Statementsthat are free from material misstatements, whether due to fraud or error

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the Standalone Financial Statements are free from material misstatement.

LODHA & CO. KOLKATA

PATHAK H.D. & ASSOCIATES MUMBAI

S.K. MEHTA & CO.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the Standalone Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the Standalone Financial Statements.

5. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide basis for our audit opinion.

Opinion

6. In our opinion, as shown by the books of the bank, and to the best of our information and according to the explanations given to us:

   a. the Balance Sheet, read with significant accounting policies and the notes thereon, is 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 March 31, 2018 in conformity with accounting principles generally accepted in India;
   b) the Profit and Loss Account, read with significant accounting policies and the notes thereon shows a true balance of loss, in conformity with accounting principles generally accepted in India, for the year covered by the account; and
   c) the Cash Flow Statement gives true and fair view of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;

8. Subject to the limitations of the audit indicated in paragraph 1 to 5 above and as required by the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970/1980 and also subject to the limitations of disclosures 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, which have come to our notice, have been within the powers ofthe Bank; and
   c) The returns received from the offices and branches of the Bank, as supplemented by the information furnished by the Management, have been found adequate for the purposes of our audit

LODHA & CO. KOLKATA Chartered Accountants

2

S.K. MEHTA & CO. Chartered Accountants

BORKAR & MUZUMDAR MUMBAI F. R. NO. 101569W CHARTERED ACCOUNTANTS

9. We further report that:

a) the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and returns;

b) 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,

c) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable Accounting Standards.

For LODHA & CO. CHARTERED ACCOUNTANTS F.R.No.301051E (CA GAURAV LODHA) PARTNER M.No.507462	**For PATHAK H D & ASSOCIATES** CHARTERED ACCOUNTANTS F.R.No.107783W (CA B.P. CHATURVEDI) PARTNER M.No.015585
For S. K. MEHTA & CO. CHARTERED ACCOUNTANTS F.R. No.000478N (CA JYOTI BAGGA) PARTNER M.No.087002	**For BORKAR & MUZUMDAR** CHARTERED ACCOUNTANTS F.R. No. 101569W (CA B M AGARWAL) PARTNER M.No.033254

Place: Delhi

Date: May 17, 2018

CENTRAL BANK OF INDIA

Audited Financial Results for the Quarter and Year ended March 31, 2018

Rs in Lakh)

	Particulars		Quarter Ended			Year Ended	Year Ended
			31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
			Audited	Reviewed	Audited	Audited	Audited
1	Interest earned (a) + (b) + (c) + (d)		5,63,199	6,02,655	6,23,995	24,03,551	24,66,141
	(a)	Interest/discount on advances/bills	3,39,936	3,79,574	3,78,887	14,47,875	16,28,341
	(b)	Income on investments	1,87,148	1,76,597	1,93,609	7,13,736	7,37,185
	(c)	Interest on balances with Reserve Bank of India and other inter bank funds	23,843	37,208	34,320	2,05,854	63,882
	(d)	Others	12,272	9,276	17,179	36,086	36,733
2	Other Income		66,951	56,277	88,110	2,62,235	2,87,564
A.	**TOTAL INCOME (1+2)**		**6,30,150**	**6,58,932**	**7,12,105**	**26,65,786**	**27,53,705**
3	Interest Expended		4,13,214	4,04,913	4,52,447	17,51,851	18,08,740
4	Operating Expenses (e) + (f)		1,62,218	1,67,437	1,53,078	6,40,637	6,36,102
	(e)	Employees cost	91,412	1,06,764	90,321	3,98,337	4,21,431
	(f)	Other operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	70,806	60,673	62,757	2,42,300	2,14,671
B.	**TOTAL EXPENDITURE (3)+(4)** (excluding Provisions and Contingencies)		**5,75,432**	**5,72,350**	**6,05,625**	**23,92,488**	**24,44,842**
C.	**OPERATING PROFIT (A-B)** (Profit before Provisions & Contingencies)		**54,718**	**86,582**	**1,06,680**	**2,73,298**	**3,08,863**
D.	**Provisions (other than tax) and Contingencies**		3,97,125	3,42,703	1,92,666	10,62,896	6,61,753
	(Of which provisions for Non-Performing Assets)		4,53,241	3,08,156	2,02,270	10,73,493	5,98,263
E.	**Exceptional Items**		-	-	-	-	-
F	**Profit/ (Loss) from Ordinary Activities before Tax (C-D-E)**		(3,42,407)	(2,56,121)	(86,086)	(7,89,598)	(3,52,890)
G.	**Tax Expenses**		**(1,31,056)**	**(89,699)**	**(26,909)**	**(2,79,107)**	**(1,08,980)**
H.	**Net Profit / (Loss) from Ordinary Activities After Tax (F-G)**		**(2,11,351)**	**(1,66,422)**	**(59,177)**	**(5,10,491)**	**(2,43,910)**
I.	**Extraordinary items (net of tax expense)**		-	-	-	-	-
J.	**Net Profit / (Loss) for the period (H-I)**		**(2,11,351)**	**(1,66,422)**	**(59,177)**	**(5,10,491)**	**(2,43,910)**
5	Paid-up equity share capital (Face value of Rs.10/- per share)		2,61,816	1,96,775	1,90,217	2,61,816	1,90,217
6	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)		12,23,714	-	12,16,059	12,23,714	12,16,059
7	Analytical Ratios						
	(i)	Percentage of shares held by Government of India	86.40	81.91	81.28	86.40	81.28
	(ii)	Capital Adequacy Ratio-Basel III (%)	9.04	7.87	10.95	9.04	10.95
		(a) CET 1 Ratio (%)	7.01	5.87	8.62	7.01	8.62
		(b) Additional Tier 1 Ratio (%)	-	-	-	-	-
	(iii)	Earning per Share(in Rs.) Basic and diluted EPS before and after Extraordinary items net of Tax Expense [not annualised]	(10.55)	(8.58)	(3.11)	(26.34)	(13.35)
	(iv)	(a) Amount of Gross Non-performing Assets	38,13,070	32,49,055	27,25,133	38,13,070	27,25,133
		(b) Amount of Net Non-Performing Assets	17,37,587	15,31,588	14,21,783	[illegible]	14,21,783
		(c) % of Gross Non-performing Assets	21.48	18.08	17.81	21.48	17.81
		(d) % of Net Non-Performing Assets	11.10	9.45	10.20	11.10	10.20
	(v)	Return on Assets (Annualised) - (%)	(2.75)	(2.13)	(0.76)	(1.61)	(0.80)

B.S.SHEKHAWAT	P RAMANA MURTHY	B.K.DIVAKARA	RAJEEV RISHI
EXECUTIVE DIRECTOR	EXECUTIVE DIRECTOR	EXECUTIVE DIRECTOR	CHAIRMAN & MANAGING DIRECTOR

Place : Delhi
Date : May 17, 2018

LODHA & CO. KOLKATA Chartered Accountants

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

BORKAR & MUZUMDAR MUMBAI F.R. NO. 101569W CHARTERED ACCOUNTANTS

CENTRAL BANK OF INDIA

SEGMENT REPORT FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

(Rs. In Lakh)

Sl. No.	Particulars	Quarter Ended			Year Ended	
		Audited	Unaudited	Audited	Audited	Audited
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
A	**Segment Revenue**					
	1. Treasury Operations	2,22,314	2,39,470	2,78,403	10,23,935	9,86,404
	2. Retail Banking Operations	2,14,013	2,12,185	2,03,602	8,08,304	8,16,026
	3. Wholesale Banking Operations	1,93,823	2,07,277	2,30,101	8,33,547	9,51,276
	4. Other Banking Operations	-	-	-	-	-
	5. Unallocated	-	-	-	-	-
	Total	**6,30,150**	**6,58,932**	**7,12,106**	**26,65,786**	**27,53,706**
	Less: Inter Segment Revenue	-	-	-	-	-
	Net Sales/Income From Operations	**6,30,150**	**6,58,932**	**7,12,106**	**26,65,786**	**27,53,706**
B.	Segment Results(Profit(+)/Loss(-) before tax and interest from each segment)					
	1. Treasury Operations	58,609	(50,351)	62,333	94,090	2,09,030
	2. Retail Banking Operations	3,247	2,272	2,634	6,978	15,514
	3. Wholesale Banking Operations	(4,00,024)	(2,04,199)	(1,47,036)	(8,75,266)	(5,61,316)
	4. Other Banking Operations	-	-	-	-	-
	5. Unallocated	(4,238)	(3,843)	(4,017)	(15,398)	(16,118)
	Total	**(3,42,407)**	**(2,56,121)**	**(86,086)**	**(7,89,597)**	**(3,52,890)**
	Less: (i) Interest	-	-	-	-	-
	(ii) Other Un-allocable Expenditure net off		-	-	-	
	(iii) Un-allocable income	-	-	-	-	-
	Total Profit Before Tax	**(3,42,407)**	**(2,56,121)**	**(86,086)**	**(7,89,597)**	**(3,52,890)**
C	**Segment Assets**					
	1. Treasury Operations	1,46,51,322	1,42,82,058	1,52,95,941	1,46,51,322	1,52,95,941
	2. Retail Banking Operations	86,96,340	79,20,464	74,00,125	86,96,340	74,00,125
	3. Wholesale Banking Operations	79,49,955	91,82,577	96,18,754	79,49,955	96,18,754
	4. Other Banking Operations	-	-	-	-	-
	5. Unallocated Assets	13,24,910	12,05,813	10,25,374	13,24,910	10,25,374
	Total	**3,26,22,527**	**3,25,90,912**	**3,33,40,194**	**3,26,22,527**	**3,33,40,194**
D.	**Segment Liabilities**					
	1. Treasury Operations	1,49,29,672	1,45,81,215	1,54,77,906	1,49,29,672	1,54,77,906
	2. Retail Banking Operations	83,03,484	83,32,639	75,38,283	83,03,484	75,38,283
	3. Wholesale Banking Operations	75,90,817	81,50,654	85,28,891	75,90,817	85,28,891
	4. Other Banking Operations	-	-	-	-	-
	5. Unallocated Liabilities	-	-	-	-	-
	Total	**3,08,23,973**	**3,10,64,508**	**3,15,45,080**	**3,08,23,973**	**3,15,45,080**
E.	**Capital Employed**					
	1. Treasury Operations	(2,78,350)	(2,99,157)	(1,81,965)	(2,78,350)	(1,81,965)
	2. Retail Banking Operations	3,92,856	(4,12,175)	(1,38,158)	3,92,856	(1,38,158)
	3. Wholesale Banking Operations	3,59,138	10,31,923	10,89,863	3,59,138	10,89,863
	4. Other Banking Operations	-	-	-	-	
	5. Unallocated	13,24,910	12,05,813	10,25,374	13,24,910	10,25,374
	Total	**17,98,554**	**15,26,404**	**17,95,114**	**17,98,554**	**17,95,114**

* Segment Revenue and expenses have been apportioned on the basis of the segment assets wherever direct allocation is not possible. Figures have been regrouped wherever considered necessary to conform to current year classification

B.S. SHEKHAWAT	P.RAMANA MURTHY	B.K. DIVAKARA	RAJEEV RISHI
Executive Director	Executive Director	Executive Director	Chairman & Managing Director

Place: Delhi
Date : May 17, 2018

LODHA & CO. KOLKATA · PATHAK H.D. & ASSOCIATES MUMBAI · BORKAR & MUZUMDAR MUMBAI FRN. NO. 101569W

CENTRAL BANK OF INDIA

STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lacs)

PARTICULARS	As at 31.03.2018 Audited	As at 31.03.2017 Audited
CAPITAL & LIABILITIES		
Capital	2,61,815.58	1,90,217.10
Reserves and Surplus	15,36,737.78	15,36,596.90
Share application Money pending allottment	-	68,300.00
Deposits	2,94,83,885.73	2,96,67,119.34
Borrowings	5,70,611.62	9,28,244.53
Other Liabilities and Provisions	7,69,476.83	9,49,716.55
TOTAL	**3,26,22,527.54**	**3,33,40,194.42**
ASSETS		
Cash and Balances with Reserve Bank of India	35,99,990.86	75,08,675.51
Balances with Banks and Money at Call and Short Notice	3,22,852.65	3,67,977.71
Investments	1,02,63,161.22	92,09,487.79
Advances	1,56,54,217.71	1,39,39,876.98
Fixed Assets	4,34,338.11	4,29,037.40
Other Assets	23,47,966.91	18,85,139.03
TOTAL	**3,26,22,527.54**	**3,33,40,194.42**

B.S. SHEKHAWAT	P. RAMANA MURTHY	B. K. DIVAKARA	RAJEEV RISHI
EXECUTIVE DIRECTOR	EXECUTIVE DIRECTOR	EXECUTIVE DIRECTOR	CHAIRMAN & MANAGING DIRECTOR

Place: Delhi

Date: May 17, 2018

LODHA & CO. KOLKATA Chartered Accountants

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

BORKAR & MUZUMDAR MUMBAI F.R. NO. 101569W CHARTERED ACCOUNTANTS

NOTES ON ACCOUNTS FORMING PART OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018.

1. The above Financial Results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Bank at its meeting held on May 17, 2018. The same have been audited by Statutory Auditors of the Bank.

2. There has been no change in the accounting policies followed during the quarter/year ended March 31, 2018 as compared to those followed in the preceding financial year ended March 31, 2017.

3. Financial Results for the quarter and year ended March 31, 2018 have been arrived at after considering provisions for Non-Performing Assets, Restructured Assets, Standard Assets, Standard Derivative Exposures and Investment Depreciation which have been made on the basis of extant guidelines on Prudential Norms for Income Recognition, Asset Classification, Provisioning norms issued by the Reserve Bank of India.

4. During the year, the Bank has allotted 96,01,536 Equity Shares of Rs.10/- each at a premium of Rs.94.15 per share on18.08.2017, 5,59,76,956 Equity Shares of Rs.10/- each at a premium of Rs.94.15 per share on 16.11.2017 (against share application money of Rs. 583 crore held on March 31, 2017, arising on extinguishment of 5830 Innovative Perpetual Debt Instruments (IPDI) of face value of Rs.10 lakh each held by Government of India), 3,88,45,460 Equity Shares of Rs.10/- each at a premium of Rs.73.15 per share and 61,15,60,839 Equity Shares of Rs.10/- each at a premium of Rs.69.06 per share on 27.03.2018 on preferential basis to Government of India.

5. As per RBI Circular No.DBR.No.BP.BC.102/21.04.048/2017-18dated April 02, 2018, RBI grants the banks an option to spread provisioning for MTM Losses on investments in AFS and HFT portfolio for the quarters ended 31st December 2017 and 31st March 2018 equally over the four quarters commencing with the quarter in which the loss has been incurred. The bank has availed this option and accordingly the Bank has charged depreciation of Rs.346.21crore related to quarter ended December 31, 2017 and March 31, 2018 and MTM losses to the tune of Rs.450.82 crore is spread over to the subsequent quarters of ensuing financial year.

6. As per RBI Circular Nos. DBR No.BP.15199/21.04.048/2016-17 and DBR No.BP.1906/21.04.048/2017-18 dated 23.06.2017 and 28.08.2017 respectively in respect of NPA Accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the Bank has made additional provision of Rs.1435 crore during the year ended March 31, 2018 including Rs.725 crore during quarter ended March 31, 2018. Further, as per RBI communication No. BP.8756/21.04.048/2017-18 dated April 2, 2018 with respect to spreading of the provisions in accounts covered in 1 & 2 list covered under the Insolvency and Bankruptcy Code (IBC), the Bank has availed the option of dispensation available and additional provisions of Rs.627.46 crore will be provided in the quarter ending June 2018.

7. In respect of two Gems and Jewellery borrower group where fraud was declared by some banks, the Bank has classified these accounts as NPA and fully provided for the entire funded exposure of Rs.378.96 crore during the quarter ended March 31, 2018.

LODHA & CO. KOLKATA Chartered Accountants

PATHAK H.D. & ASSOCIATES MUMBAI

BORKAR & MUZUMDAR MUMBAI F.R. NO. 101569W

8. In terms of Reserve Bank of India (RBI) circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015, on 'Basel III Capital Adequacy' and RBI circulars DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standard Amendments', banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. The bank has made these disclosures which are available on the bank's website www.centralbankofindia.co.inalong with publication of financial results. The Disclosures have not been subjected to audit by Statutory Central Auditors of the Bank.

9. RBI vide its circular DBR.No.BP.BC.101/21.04.18/2017-18 dated February 12, 2018 issued a revised framework for resolution of Stressed Assets, which supersedes the existing guidelines of SDR, Corporate Debt Restructuring Scheme, Flexible Structuring of existing long term project loans, Change in Ownership Outside SDR and S4A with immediate effect. Under the revised framework, the benefits for accounts where any of these Schemes had been invoked but not yet fully implemented were revoked and accordingly, all accounts have been downgraded as per extant RBI norms on Income Recognition and Asset Classification

10. In terms of RBI guidelines DBOD No.BP.BC.57/62-88 dated December 31, 1988, Inter-Bank Participation Certificates (IBPC) of Rs. 2,115.52 crore (Previous year Rs. 22,991.22 crore) were issued on risk sharing basis for a maximum period of 120 days ending July 30, 2018, thereby reducing the Bank's Total Advances as on March 31, 2018to same extent.

11. The Bank has recognized Treasury operations, Corporate / Wholesale Banking and Retail Banking as primary reporting segments. There are no secondary reporting segments.

12. Disclosure of Divergence in Asset Classification and Provisioning for NPAs

As the additional provisioning requirements and additional Gross NPA assessed by RBI for FY 2016-17 exceeded 15% of the published Net Loss after Tax and incremental Gross NPA respectively, the following disclosure is made pursuant to RBI circular no. DBR.BP.BC.No. 63/21.04.018/2016-17 dated April 18, 2017 regarding Divergence in Asset Classification and Provisioning for NPAs:

Sr. No.	Particulars	Amount (Rs. in crore)
1.	Gross NPAs as on March 31, 2017 as reported by the Bank	27,251.00
2.	Gross NPAs as on March 31, 2017 as assessed by RBI	28,910.80
3.	Divergence in Gross NPAs (2 – 1)	1,659.80
4.	Net NPAs as on March 31, 2017 as reported by the Bank	14,218.00
5.	Net NPAs as on March 31,2017 as assessed by RBI	15,514.80
6.	Divergence in Net NPAs (5 – 4)	1,296.80
7.	Provisions for NPAs as on March 31, 2017 as reported by the Bank	11,862.00
8.	Provisions for NPAs as on March 31, 2017 as assessed by RBI	12,932.30
9.	Divergence in provisioning (8 – 7)	1,070.00
10.	Reported Net Profit after Tax (PAT) for the year ended March 31, 2017	(2,439.10)
11.	Adjusted (Notional) Net Profit after Tax (PAT) for the year ended March 31, 2017 after taking into account the divergence in provisioning	(3,138.79)

The Bank had duly recorded the impact of the above in its working results for the year ended March 31, 2018.

LODHA & CO KOLKATA CHARTERED ACCOUNTANTS

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

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MUMBAI F.R. NO.

13. Keeping in view the significant provisioning requirements, tax review based on management's estimate of possible tax benefits against timing difference has been carried out and as at 31.03.2018 Rs.5,368.03 crore (Rs.2,353.68 crore as at 31.03.2017) has been recognized as Deferred Tax Assets in the accounts.

14. Status of investors' Complaints:

Complaints at the beginning of the Year	Received during the Year	Resolved during the Year	Pending as on March 31, 2018
NIL	127	127	NIL

15. The Provisioning Coverage Ratio (PCR) of the Bank is 63.31%. (Previous Year 58.43%)

16. These financial results includes the results for the quarter ended 31st March, being the balancing figures between the audited figures in respect of the full financial year and the published year to date reviewed figures upto the end of the third quarter of the relevant financial year.

17. Figures of the previous period have been regrouped reclassified wherever considered necessary to confirm to current period classification.

B S SHEKHAWAT	P. RAMANA MURTHY	B. K. DIVAKARA	RAJEEV RISHI
EXECUTIVE DIRECTOR	EXECUTIVE DIRECTOR	EXECUTIVE DIRECTOR	CHAIRMAN & MANAGING DIRECTOR

Place:Delhi
Date: May 17, 2018

LODHA & CO. KOLKATA Chartered Accountants

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

BORKAR & MUZUMDAR MUMBAI F. R. NO. 101569W CHARTERED ACCOUNTANTS

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LODHA & CO. Chartered Accountants, 14 Government Place East KOLKATA-700069	**PATHAK H D & ASSOCIATES** Chartered Accountants, 814-815, Tulsiani Chambers, 212, Nariman Point, MUMBAI- 400021
S. K. MEHTA & CO. Chartered Accountants, 504, Kirti Mahal, 19, Rajendra Place, NEW DELHI-110008	**BORKAR & MUZUMDAR** Chartered Accountants, 21/168 Anand Nagar Om CHS, Anand Nagar Lane, Off Nehru Road, Vakola, Santacruz East, MUMBAI 400 055

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

The Board of Directors of Central Bank of India

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Central Bank of India (the "Parent Bank") and its subsidiaries (collectively referred to as the "Group") and share of profit or loss of its associates at March 31, 2018 which comprise the Consolidated Balance Sheet as at March 31, 2018 and the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies, notes and other explanatory information (hereinafter referred to as "Consolidated Financial Statements"), in which are incorporated financial statements of Parent Bank, It's two subsidiaries and four associates.

Management's Responsibility for the Consolidated Financial Statements

The management is responsible for 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 Group and its associates in accordance with the requirement of Banking Regulation Act, 1949, Reserve Bank of India Guidelines and recognized accounting policies and practices, including the applicable Accounting Standards issued by Institute of Chartered Accountants of India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

1. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

2. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's and its associates' preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and its associates' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

3. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

Based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and associates as noted in Other Matter paragraph below, in our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2018;
(ii) in the case of Consolidated Profit and Loss Account, of the loss for the year ended on that date of the Group and its Associates ; and
(iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

(i) We did not audit the financial statements incorporated in the Consolidated Financial Statements of two subsidiaries whose financial statement reflect total assets of Rs. 1375.29 crore as at March 31, 2018, total revenue of Rs. 156.64 crore and net cash outflows of Rs. 9.80 crore for the year ended on that date and for two associates reflecting the share of net loss of Rs. 54.44 crore for the year ended March 31, 2018.
These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion is based solely on the reports of the other auditors.

(ii) In case of an associates Uttarbanga Kshetriya Gramin Bank, the share of profit of Rs. 1.07 crore is based on unaudited financial statement as furnished by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to amount included in respect of this associate is based on unaudited financial statements.

(iii) In case of an associate Indo Zambia Bank Ltd., whose reporting period is calendar year, share in profit has been taken for nine months ended December 31, 2017 based on audited financial statements for the calendar year ended December 31, 2017 and profit for three months ended March 31, 2018 is taken based on unaudited financial statements as furnished

LODHA & CO. KOLKATA Chartered Accountants

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

S.K. MEHTA & CO. CHARTERED ACCOUNTANTS

BORKAR & MUZUMDAR CHARTERED ACCOUNTANTS

by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to share of profit of Rs. 15.33 crore included in respect of this associate is based on these financial statements for the year ended March 31, 2018.

Our opinion is not modified in respect of above matters.

For LODHA & CO. CHARTERED ACCOUNTANTS F.R.No.301051E **(CA H.K. VERMA)** PARTNER M.No.055104	**For PATHAK H D & ASSOCIATES** CHARTERED ACCOUNTANTS F.R.No.107783W **(CA B.P. CHATURVEDI)** PARTNER M.No.015585
For S. K. MEHTA & CO. CHARTERED ACCOUNTANTS F.R. No.000478N **(CA JYOTI BAGGA)** PARTNER M.No.087002	**For BORKAR & MUZUMDAR** CHARTERED ACCOUNTANTS F.R. No. 101569W **(CA B M AGARWAL)** PARTNER M.No.033254

Place: Mumbai
Date: May 25, 2018

CENTRAL BANK OF INDIA

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(000's omitted)

Particulars	Schedule No.	AS AT 31-Mar-2018 Rs.	AS AT 31-Mar-2017 Rs.
CAPITAL & LIABILITIES			
Capital	1	2,61,81,558	1,90,21,710
Reserves and Surplus	2	15,59,23,052	15,62,62,574
Minorities Interest	2A	3,98,088	3,46,226
Share Application Money Pending Allotment		-	68,30,000
Deposits	3	2,95,35,44,875	2,97,30,92,266
Borrowings	4	6,02,56,819	9,62,33,038
Other Liabilities and Provisions	5	7,71,88,594	9,51,63,415
TOTAL		3,27,34,92,986	3,34,69,49,229
ASSETS			
Cash and Balances with Reserve Bank of India	6	36,00,01,196	75,08,71,801
Balances with Banks and Money at Call and Short Notice	7	3,26,22,898	3,70,77,881
Investments	8	1,02,76,94,647	92,27,65,612
Loans & Advances	9	1,57,47,95,266	1,40,46,39,642
Fixed Assets	10	4,34,39,644	4,29,10,404
Other Assets	11	23,48,50,439	18,85,94,993
Goodwill on Consolidation		88,896	88,896
TOTAL		3,27,34,92,986	3,34,69,49,229
Contingent Liabilities	12	1,19,40,26,626	83,36,78,266
Bills for Collection		14,48,60,670	9,16,89,353
Significant Accounting Policies	17		
Notes to Accounts	18		

The schedules referred to above form an integral part of the Consolidated Balance Sheet.

B.S. SHEKHAWAT
EXECUTIVE DIRECTOR

P.RAMANA MURTHY
EXECUTIVE DIRECTOR

B.K. DIVAKARA
EXECUTIVE DIRECTOR

RAJEEV RISHI
MANAGING DIRECTOR & CEO

Leave of absence granted

TAPAN RAY
CHAIRMAN

Place: Mumbai
Date: May 25, 2018

LODHA & CO. KOLKATA Chartered Accountants

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

S.K. MEHTA & CO. CHARTERED ACCOUNTANTS

BORKAR & MUZUMDAR MUMBAI CHARTERED ACCOUNTANTS

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(000's Omitted)

Particulars	AS AT 31-Mar-18		AS AT 31-Mar-17	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 1 : CAPITAL				
Authorised Capital 500.00.00,000 shares of Rs. 10/- each		5,00,00,000		5,00,00,000
Issued Subscribed and Paid up Capital : 2618155800 Equity Shares (previous year 1902170964 equity shares) of Rs. 10/- each (Includes 2262123970 Equity Shares (previous year 154613979 Equity Shares) of Rs. 10/- each held by Central Govt.)	2,61,81,558		1,90,21,710	
TOTAL		2,61,81,558		1,90,21,710
SCHEDULE 2 : RESERVES AND SURPLUS				
I. Statutory Reserves				
Balance as per last Balance Sheet	2,07,59,131		2,07,59,131	
Additions during the year	-		-	
		2,07,59,131		2,07,59,131
II. Capital Reserves				
i) Revaluation Reserve				
Balance as per last Balance Sheet	3,20,53,778		3,29,23,456	
Additions on account of revaluation during the year	-		-	
Less: Transfer to Revenue and Other Reserves	(7,51,349)		(8,69,678)	
Deductions during the year	-		-	
		3,13,02,429		3,20,53,778
ii) Investment Reserve				
Balance as per last Balance Sheet	1,01,72,698		63,35,315	
Additions during the year	9,18,685		38,37,383	
		1,10,91,383		1,01,72,698
III. Share Premium				
Balance as per last Balance Sheet	11,86,58,639		10,08,95,300	
Additions/Adjustments during the year	5,12,50,152		1,77,63,339	
		16,99,08,791		11,86,58,639
IV. Revenue and Other Reserves				
Balance as per last Balance Sheet	2,43,29,723		2,31,48,989	
Add: Transfer from Capital Reserves	7,51,349		8,69,678	
Addition during the year	24,286		4,05,145	
Less: Deductions during the year	(1,87,090)		-	
(*) Less: Opening Balance Adjustments	-		(94,089)	
		2,49,18,268		2,43,29,723
V Special Reserve U/S 36 (1)(viii)		12,30,915		11,73,769
VI. Balance in Profit and Loss Account		(10,32,87,865)		(5,08,85,164)
TOTAL		15,59,23,052		15,62,62,574

(*) The adjustment is mainly on account of change in results of RRBs post audit. The consolidated financial statements of previous year was compiled based on unaudited financial statements of such RRBs.

LODHA & CO. KOLKATA Chartered Accountants

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

S.K. MEHTA & CO. CHARTERED ACCOUNTANTS

BORKAR & MUZUMDAR CHARTERED ACCOUNTANTS

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(Rs.000's omitted)

Particulars	AS AT 31-Mar-18		AS AT 31-Mar-17	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 2 A : MINORITIES INTEREST				
Minority Interest at the date on which the parent/ subsidiary relationship came into existence	24,500		24,500	
Subsequent increase / decrease	3,73,588		3,21,726	
Minority interest on the date of Balance-Sheet		3,98,088		3,46,226
SCHEDULE 3 : DEPOSITS				
A. I. Demand Deposits				
i) From Banks	43,03,783		39,70,883	
ii) From Others	14,24,78,002		12,79,96,864	
		14,67,81,785		13,19,67,747
II. Savings Bank Deposits		1,10,50,92,892		1,03,10,24,978
III. Term Deposits				
i) From Banks	4,23,06,308		5,57,91,734	
ii) From Others	1,65,93,63,890		1,75,43,07,807	
		1,70,16,70,198		1,81,00,99,541
TOTAL		2,95,35,44,875		2,97,30,92,266
B. I) Deposits of Branches in India		2,95,35,44,875		2,97,30,92,266
II) Deposits of Branches outside India		-		-
SCHEDULE 4 : BORROWINGS				
I. Borrowings in India				
i) Reserve Bank of India	-		1,10,053	
ii) Other Banks	29,07,191		3,20,39,249	
iii) Other Institutions & Agencies	41,08,628		69,61,736	
iv) Unsecured Reedeemable Bonds (Subordinated Debt)	80,00,000		1,18,81,000	
v) Upper Tier II Bonds	2,88,50,000		2,88,50,000	
vi) Innovative Perpetual Debt Instrument	13,91,000		13,91,000	
vi) Unsecured Redeemable NC Basel III Bonds(Tier II)	1,50,00,000		1,50,00,000	
		6,02,56,819		9,62,33,038
II. Borrowings outside India		-		-
TOTAL		6,02,56,819		9,62,33,038

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(Rs.000's omitted)

Particulars	AS AT 31-Mar-18		AS AT 31-Mar-17	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 5 : OTHER LIABILITIES AND PROVISIONS				
I. Bills Payable	69,18,635		75,02,369	
II. Inter Office Adjustments (Net)	55,26,439		-	
III. Interest Accrued	77,60,143		81,03,468	
IV. Deferred Tax Liailities (Net)	-		-	
V. Others(including provisions)	5,69,83,377	7,71,88,594	7,95,57,578	9,51,63,415
TOTAL		7,71,88,594		9,51,63,415
SCHEDULE 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA				
I. Cash in hand (including foreign currency notes)		1,50,56,892		1,76,98,362
II. Balances with Reserve Bank of India				
In Current Accounts	13,59,44,304		12,61,73,439	
In Other Accounts	20,90,00,000		60,70,00,000	
		34,49,44,304		73,31,73,439
TOTAL		36,00,01,196		75,08,71,801
SCHEDULE 7 : BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE				
I. In India				
i) Balances with Banks				
a) In Current Accounts	11,47,268		15,66,022	
b) In Other Deposit Accounts	3,50,455		2,85,627	
		14,97,723		18,51,649
ii) Money at Call and Short Notice				
a) With Banks	-		-	
b) With Other Institutions	2,01,07,348		3,49,99,852	
		2,01,07,348		3,49,99,852
TOTAL.... I		2,16,05,071		3,68,51,501
II. Outside India				
a) In Current Accounts	-		2,26,380	
b) In Other Deposit Accounts	68,427		-	
c) Money at Call & Short Notice	1,09,49,400		-	
TOTAL.... II		1,10,17,827		2,26,380
TOTAL.... (I+II)		3,26,22,898		3,70,77,881

LODHA & CO. KOLKATA Chartered Accountants

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

S.K. MEHTA & CO. CHARTERED ACCOUNTANTS

BORKAR & MUZUMDAR MUMBAI CHARTERED ACCOUNTANTS

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(Rs.000's omitted)

Particulars	AS AT 31-Mar-18 Rs.	Rs.	AS AT 31-Mar-17 Rs.	Rs.
SCHEDULE 8 : INVESTMENTS				
I. Investments in India in : *				
i) Government Securities	81,34,68,949		74,10,04,932	
ii) Other approved Securities	-		-	
iii) Shares	1,26,11,655		1,35,70,132	
iv) Debentures and Bonds	14,22,05,198		10,35,12,402	
v) Investment in Associates	32,44,310		37,77,972	
vi) Others (UTI Shares & Commercial Papers Mutual Fund Units etc.)	5,48,28,052		5,96,44,045	
		1,02,63,58,164		92,15,09,483
II. Investments outside India in **				
i) Government Securities	-		-	
ii) Associates	13,36,483		12,56,129	
		13,36,483		12,56,129
TOTAL		1,02,76,94,647		92,27,65,612
* Investments in India :				
Gross Value of Investments	1,05,29,88,662		93,84,76,113	
LESS: Provision for Depreciation	2,66,30,498		1,69,66,630	
Net Investments		1,02,63,58,164		92,15,09,483
** Investments outside India :				
Gross Value of Investments	13,36,483		12,56,129	
LESS: Provision for Depreciation	-		-	
Net Investments		13,36,483		12,56,129
TOTAL		1,02,76,94,647		92,27,65,612
SCHEDULE 9 : LOANS AND ADVANCES				
A. i) Bills Purchased and Discounted	1,21,08,770		1,62,94,564	
ii) Cash Credits Overdrafts & Loans repayable on demand	70,67,85,403		66,03,96,248	
iii) Term Loans	85,59,01,093	1,57,47,95,266	72,79,48,830	1,40,46,39,642
TOTAL		1,57,47,95,266		1,40,46,39,642
B. Particulars of Advances :				
i) Secured by tangible assets (including advances against Book Debts)	1,47,39,79,953		1,30,94,98,353	
ii) Covered by Bank/ Government Guarantees	41,63,297		26,40,519	
iii) Unsecured	9,66,52,016	1,57,47,95,266	9,25,00,770	1,40,46,39,642
TOTAL		1,57,47,95,266		1,40,46,39,642
C. Sectoral Classification of Advances				
(I) Advances in India				
i) Priority Sector	79,61,05,458		70,53,10,065	
ii) Public Sector	4,39,19,258		4,77,56,724	
iii) Banks	1,643		9,461	
iv) Others	73,47,68,907	1,57,47,95,266	65,15,63,392	1,40,46,39,642
TOTAL		1,57,47,95,266		1,40,46,39,642
(II) Advances outside India		-		-

LODHA & CO. KOLKATA Chartered Accountants

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BORKAR & MUZUMDAR MUMBAI CHARTERED ACCOUNTANTS

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(Rs.000's omitted)

Particulars	AS AT 31-Mar-18 Rs.	Rs.	AS AT 31-Mar-17 Rs.	Rs.
SCHEDULE 10 : FIXED ASSETS				
I. Premises				
(At cost / revalued cost)				
Balance as at 31st March of the preceding year	40,128,537		40,106,596	
Additions during the year (including revaluation)	199,464		21,941	
Total	40,328,001		40,128,537	
Deduction/Adjustments during the year	-		-	
Total	40,328,001		40,128,537	
Depreciation to date	6,785,203		5,940,880	
TOTAL.... I		33,542,798		34,187,657
II. Other Fixed Assets				
(Including furniture and fixtures)				
At cost as on 31st March of the preceding year	26,373,484		24,716,664	
Additions/Adjustments during the year	3,489,485		2,480,698	
Total	29,862,969		27,197,362	
Deductions/Adjustments during the year	(771,191)		(823,878)	
Total	29,091,778		26,373,484	
Depreciation to date	19,194,932		17,650,737	
TOTAL... II		9,896,846		8,722,747
TOTAL.... (I + II)		43,439,644		42,910,404
SCHEDULE 11 : OTHER ASSETS				
I. Interest accrued	16,833,027		14,945,208	
II. Tax paid in advance/tax deducted at source (Net of Provisions)	53,502,038		52,821,130	
III. Stationery and Stamps	199,846		179,363	
IV. Deferred Tax Assets	53,575,850		23,443,616	
V. Inter office adjutments (Net).	-		3,061,561	
VI. Others	110,739,678		94,144,115	
		234,850,439		188,594,993
TOTAL		234,850,439		188,594,993
SCHEDULE 12 : CONTINGENT LIABILITIES				
I. (a) Claims against the Bank not acknowledged as Debts		1,106,450		1,093,047
(b) Disputed income tax demands under appeals, revisions etc		29,842,036		33,024,359
II. Liability for partly paid Investments		76,140		139,225
III. Liability on account of outstanding forward exchange contracts		928,313,329		547,105,565
IV. Guarantees given on behalf of constituents				
a) In India	104,410,635		107,887,762	
b) Outside India	2,839,496		3,852,663	
		107,250,131		111,740,425
V. Acceptances Endorsements and Other Obligations		123,009,267		137,965,386
VI. Other items for which the bank is contingently liable		4,429,273		2,610,259
TOTAL		1,194,026,626		833,678,266

LODHA & CO KOLKATA Chartered Accountants

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

S. K. MEHTA & CO. CHARTERED ACCOUNTANTS

BORKAR & MUZUMDAR

CENTRAL BANK OF INDIA

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

(000's omitted)

Particulars	Schedule No.	YEAR ENDED 31.03.2018 Rs.	YEAR ENDED 31.03.2017 Rs.
I. INCOME			
Interest and Dividend Earned	13	24,16,31,164	24,77,49,599
Other Income	14	2,62,04,076	2,87,11,585
TOTAL		**26,78,35,240**	**27,64,61,184**
II. EXPENDITURE			
Interest Expended	15	17,60,33,211	18,16,64,503
Operating Expenses	16	6,42,54,697	6,37,82,732
Provisions and Contingencies		7,84,99,996	5,54,26,865
TOTAL		**31,87,87,904**	**30,08,74,100**
III. PROFIT/(LOSS)			
Consolidated Net Profit/(Loss) for the year of the parent & subsidiaries before Minority Interest & Prior Period Item		(5,09,52,664)	(2,44,12,916)
Less: Prior Period Item		(3,043)	(5,865)
Less: Minority Interest		(59,936)	(25,806)
Consolidated Net Profit/(Loss) for the year after deducting Minority's Interest & Prior Period Item		(5,10,15,643)	(2,44,44,587)
Add: Share of earnings/(loss) in Associates		(3,80,386)	(1,49,023)
Consolidated Profit/(Loss) for the year attributable to the Group		**(5,13,96,029)**	**(2,45,93,610)**
Add: Brought forward consolidated Profit/(Loss) attributable to the Group		(5,08,85,164)	(2,23,69,074)
Profit Available for Appropriation		**(10,22,81,193)**	**(4,69,62,684)**
IV. APPROPRIATIONS			
Transfer to :			
Statutory Reserve		-	-
Investment Reserve		9,18,685	38,37,383
Revenue Reserve		24,286	12,081
Tax on Dividend		6,555	5,711
Special Reserve U/S 36 (1) (viii)		57,146	38,322
Appropriation of Deferred Tax Liability on Special Reserve as per NHB guidelines		-	27,212
CSR Reserves		-	1,771
Balance Carried over to the Balance Sheet		(10,32,87,865)	(5,08,85,164)
TOTAL		**(10,22,81,193)**	**(4,69,62,684)**
Earnings Per Share (In Rs.)- Basic (Nominal Value Rs 10/- per share)		**(26.52)**	**(13.46)**
Earnings Per Share (In Rs.)- Diluted (Nominal Value Rs 10/- per share)		**(26.52)**	**(13.46)**
Significant Accounting Policies	17		
Notes to Accounts	18		

The schedules referred to above form an integral part of the Consolidated Profit and Loss Account

B.S. SHEKHAWAT
EXECUTIVE DIRECTOR

P.RAMANA MURTHY
EXECUTIVE DIRECTOR

B.K. DIVAKARA
EXECUTIVE DIRECTOR

RAJEEV RISHI
MANAGING DIRECTOR & CEO

Leave of absence granted

TAPAN RAY
CHAIRMAN

Place: Mumbai
Date: May 25, 2018

LODHA & CO. KOLKATA Chartered Accountants

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

S.K.MEHTA & CO. CHARTERED ACCOUNTANTS

BORKAR & MUZUMDAR MUMBAI F. R. NO 101569W CHARTERED ACCOUNTANTS

Leave of absence granted

Attended through V C

Dr. BHUSHAN KUMAR SINHA
DIRECTOR

SHEKHAR BHATNAGAR
DIRECTOR

KETUL R. PATEL
DIRECTOR

N. NITYANANDA
DIRECTOR

Atmanand
PROF. (DR.) ATMANAND
DIRECTOR

For LODHA & CO. CHARTERED ACCOUNTANTS F.R.No.301051E **(CA H.K. VERMA)** PARTNER M.No.055104	**For PATHAK H. D. & ASSOCIATES** CHARTERED ACCOUNTANTS F.R.No.107783W BP Chaturvedi **(CA B.P. CHATURVEDI)** PARTNER M.No.015585
For S. K. MEHTA & CO. CHARTERED ACCOUNTANTS F.R. No.000478N **(CA JYOTI BAGGA)** PARTNER M.No.087002	**For BORKAR & MUZUMDAR** CHARTERED ACCOUNTANTS F.R. No.101569W **(CA B. M. AGARWAL)** PARTNER M. No. 033254

Place: Mumbai
Date: May 25, 2018

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

(000's omitted)

Particulars	YEAR ENDED 31-Mar-18 Rs.		YEAR ENDED 31-Mar-17 Rs.
SCHEDULE 13 : INTEREST AND DIVIDEND EARNED			
I. Interest/Discount on Advances / Bills	14,60,09,458		16,39,17,064
II. Income on Investments	7,14,27,065		7,37,67,956
III. Interest on balances with Reserve Bank of India and other inter-bank funds	2,05,85,442		63,88,242
IV. Others	36,09,199		36,76,337
TOTAL	**24,16,31,164**		**24,77,49,599**
SCHEDULE 14 : OTHER INCOME			
I. Commission, Exchange and Brokerage	1,26,57,307		93,23,573
II. Profit/ (Loss) on sale of Investments (Net)	57,66,755		1,54,16,557
III. Profit / (Loss) on Exchange transactions (Net)	14,09,054		16,90,688
IV. Profit / (Loss) on sale of land, buildings and Other Assets	(44,917)		(12,412)
V. Income earned by way of dividends etc. from subsidiaries and Associates abroad/ in India	-		-
VI. Miscellaneous Income	64,15,877		22,93,179
TOTAL	**2,62,04,076**		**2,87,11,585**

LODHA & CO. KOLKATA Chartered Accountants

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

S.K. MEHTA & CO. CHARTERED ACCOUNTANTS

BORKAR & MUZUMDAR MUMBAI CHARTERED ACCOUNTANTS

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2018

(000's omitted)

Particulars	YEAR ENDED 31-Mar-18 Rs.		YEAR ENDED 31-Mar-17 Rs.
SCHEDULE 15 : INTEREST EXPENDED			
I. Interest on Deposits	16,22,07,541		17,32,72,028
II. Interest on Reserve Bank of India / Inter-Bank borrowings	9,11,046		8,43,086
III. Others	1,29,14,624		75,49,389
TOTAL	**17,60,33,211**		**18,16,64,503**
SCHEDULE 16 : OPERATING EXPENSES			
I. Payments to and Provisions for employees	3,99,00,472		4,22,12,011
II. Rent, Taxes and Lighting	47,66,150		44,79,501
III. Printing and Stationery	3,63,888		4,38,870
IV. Advertisement and Publicity	2,41,820		3,33,911
V. Depreciation on Bank's property	26,04,989		25,76,928
VI. Directors' Fees, Allowances and Expenses	13,930		11,519
VII. Auditors' Fees and Expenses (including Branch Auditors', Fees & expenses)	2,01,056		3,02,344
VIII. Law Charges	1,86,076		2,16,489
IX. Postages, Telegrams, Telephones etc.	6,65,475		4,71,712
X. Repairs and Maintenance	11,33,762		12,08,221
XI. Bad Debts Written Off	731		5,130
XII. Insurance	35,72,072		32,53,827
XIII. Other Expenditure	1,06,04,276		82,72,269
TOTAL	**6,42,54,697**		**6,37,82,732**

LODHA & CO. KOLKATA Chartered Accountants

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

S.K. MEHTA & CO. CHARTERED ACCOUNTANTS

BORKAR & MUZUMDAR MUMBAI CHARTERED ACCOUNTANTS

CENTRAL BANK OF INDIA

Consolidated Audited Financial Results for the Year ended March 31, 2018

(Rs in Lakh)

		Particulars	Year Ended 31.03.2018 Audited	Year Ended 31.03.2017 Audited
1		Interest earned (a) + (b) + (c) + (d)	24,16,312	24,77,496
	(a)	Interest/discount on advances/bills	14,60,095	16,39,171
	(b)	Income on investments	7,14,271	7,37,680
	(c)	Interest on balances with Reserve Bank of India and other inter bank funds	2,05,854	63,882
	(d)	Others	36,092	36,763
2		Other Income	2,62,041	2,87,116
A.		**TOTAL INCOME (1+2)**	**26,78,353**	**27,64,612**
3		Interest Expended	17,60,332	18,16,645
4		Operating Expenses (e) + (f)	6,42,547	6,37,827
	(e)	Employees cost	3,99,005	4,22,120
	(f)	Other operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	2,43,542	2,15,707
B.		**TOTAL EXPENDITURE (3)+(4)** (excluding Provisions and Contingencies)	**24,02,879**	**24,54,472**
C.		**OPERATING PROFIT (A-B)** (Profit before Provisions & Contingencies)	**2,75,474**	**3,10,140**
D.		**Provisions (other than tax) and Contingencies.**	**10,63,060**	**6,62,449**
		(Of which provisions for Non-Performing Assets)	10,73,688	5,98,570
E.		**Exceptional Items**	-	-
F.		**Profit/ (Loss) from Ordinary Activities before Tax (C-D-E)**	**(7,87,586)**	**(3,52,309)**
G.		**Tax Expenses**	**(2,78,029)**	**(1,08,121)**
H.		**Net Profit / (Loss) from Ordinary Activities After Tax (F-G)**	**(5,09,557)**	**(2,44,188)**
I.		**Extraordinary items (net of tax expense)**	-	-
J.		Add/Less Share of earnings from Associates	**(3,804)**	**(1,490)**
K		Add/Less Minorities Interest	**(599)**	**(258)**
L		Add/Less Profit pre acquisition of additional Share	-	-
M		**Net Profit / (Loss) for the period (H-I+J+K+L)**	**(5,13,960)**	**(2,45,936)**
5		Paid-up equity share capital (Face value of Rs.10/- per share)	2,61,816	1,90,217
6		Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	12,46,206	12,42,086
7		Analytical Ratios		
	(i)	Percentage of shares held by Government of India(Parent Bank)	86.40	81.28
	(ii)	Capital Adequacy Ratio-Basel III (%) (Parent Bank)	9.04	10.95
		(a) CET 1 Ratio	7.01	8.62
		(b) Additional Tier 1 Ratio	-	-
	(iii)	Earning per Share (EPC) (in Rs.) Basic and diluted EPS before and after Extraordinary Items, net of Tax	(26.52)	(13.46)
	(iv)	(a) Amount of Gross Non-performing Assets (Parent Bank)	38,13,070	27,25,133
		(b) Amount of Net Non-Performing Assets (Parent Bank)	17,37,787	14,21,783
		(c) % of Gross Non-performing Assets (Parent Bank)	21.48	17.81
		(d) % of Net Non-Performing Assets (Parent Bank)	11.10	10.20
	(v)	Return on Assets (Annualised) - (%) (Parent Bank)	(1.61)	(0.80)

B.S.SHEKHAWAT
EXECUTIVE DIRECTOR

P.RAMANA MURTHY
EXECUTIVE DIRECTOR

B.K.DIVAKARA
EXECUTIVE DIRECTOR

RAJEEV RISHI
MANAGING DIRECTOR & CEO

Leave of absence granted

TAPAN RAY
CHAIRMAN

Place . Mumbai
Date . May 25, 2018

KOLKATA

PATHAK H.D. & ASSOCIATES
MUMBAI

S.K. MEHTA & CO.

BORKAR & MUZUMDAR
MUMBAI
F. R. NO.
101569W
CHARTERED ACCOUNTANTS

सेन्ट्रल बैंक ऑफ़ इंडिया
Central Bank of India
1911 से आपके लिए "केन्द्रित" "CENTRAL" TO YOU SINCE 1911

NOTES TO ACCOUNTS FORMING PART OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2018

1. The Consolidated Financial Results comprise financial statements of Central Bank of India [Parent Bank] and its two Subsidiaries (Collectively referred to as the "Group") and the share of its profit / loss in Associates consisting of three Regional Rural Banks and Indo-Zambia Bank Ltd. The Consolidated Financial Results for the year ended March 31, 2018 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Bank at its meeting held on May 25, 2018.

2. The Consolidated Financial Results have been prepared in accordance with the Accounting Standard 21 – "Consolidated Financial Statements" and Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and the guidelines issued by the Reserve Bank of India.

3. There has been no change in the accounting policies followed during the year ended March 31, 2018 as compared to those followed in the preceding financial year ended March 31, 2017.

4. The Consolidated Financial Results of the Group for the year ended March 31, 2018 have been arrived at after considering provisions for Non-Performing Assets, Restructured Assets, Standard Assets, Standard Derivative Exposures and Investment Depreciation in the case of Parent Bankwhich have been made on the basis of extant guidelines on Prudential Norms for Income Recognition, Asset Classification, Provisioning normsissued by the Reserve Bank of India and in case of the subsidiary Cent Bank Home Finance Limited as per the Income Recognition and Provisions on Loans and Advances norms laid down by National Housing Bank [NHB].

5. During the year, the Parent Bank has allotted 96,01,536 Equity Shares of Rs.10/- each at a premium of Rs.94.15 per share on18.08.2017, 5,59,76,956 Equity Shares of Rs.10/- each at a premium of Rs.94.15 per share on 16.11.2017 (against share application money of Rs. 583 crore held on March 31, 2017, arising on extinguishment of 5830 Innovative Perpetual Debt Instruments (IPDI) of face value of Rs.10 lakh each held by Government of India), 3,88,45,460 Equity Shares of Rs.10/- each at a premium of Rs.73.15 per share and 61,15,60,839 Equity Shares of Rs.10/-

LODHA & CO. KOLKATA
PATHAK H.D. & ASSOCIATES MUMBAI
S.K. MEHTA & CO.
BORKAR & MUZUMDAR MUMBAI F.R. NO

each at a premium of Rs.69.06 per share on 27.03.2018 on preferential basis to Government of India.

6. As per RBI Circular No.DBR.No.BP.BC.102/21.04.048/2017-18dated April 02, 2018, RBI grants the banks an option to spread provisioning for MTM Losses on investments in AFS and HFT portfolio for the quarters ended 31st December 2017 and 31st March 2018 equally over the four quarters commencing with the quarter in which the loss has been incurred. The Parent Bank has availed this option and accordingly the Parent Bank has charged depreciation of Rs.346.21crore related to quarter ended December 31, 2017 and March 31, 2018 and MTM losses to the tune of Rs.450.82 crore is spread over to the subsequent quarters of ensuing financial year.

7. As per RBI Circular Nos. DBR No.BP.15199/21.04.048/2016-17 and DBR No.BP.1906/ 21.04.048/2017-18 dated 23.06.2017 and 28.08.2017 respectively in respect of NPA Accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the Parent Bank has made additional provision of Rs.1435 crore during the year ended March 31, 2018 including Rs.725 crore during quarter ended March 31, 2018. Further, as per RBI communication No. BP.8756/21.04.048/2017-18 dated April 2, 2018 with respect to spreading of the provisions in accounts covered in 1 & 2 list covered under the Insolvency and Bankruptcy Code (IBC), the Parent Bank has availed the option of dispensation available and additional provisions of Rs.627.46 crore will be provided in the quarter ending June 2018.

8. In respect of two Gems and Jewellery borrower group where fraud was declared by some banks, the Parent Bank has classified these accounts as NPA and fully provided for the entire funded exposure of Rs.378.96 crore during the quarter ended March 31, 2018.

9. In terms of Reserve Bank of India (RBI) circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015, on 'Basel III Capital Adequacy' and RBI circulars DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standard Amendments', banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. The Parent Bank has made these disclosures which are available on the bank's website www.centralbankofindia.co.inalong with publication of financial results. The Disclosures have not been subjected to audit by Statutory Central Auditors of the Bank.

10. RBI vide its circular DBR.No.BP.BC.101/21.01.18/2017-18 dated February 12, 2018 issued a revised framework for resolution of Stressed Assets, which supersedes the existing guidelines of SDR, Corporate Debt Restructuring Scheme, Flexible Structuring of existing long term project loans, Change in Ownership Outside SDR and S4A with immediate effect. Under the revised framework, the benefits for accounts where any of these Schemes had been invoked but not yet fully implemented were revoked and accordingly, all accounts with Parent Bank have been downgraded as per extant RBI norms on Income Recognition and Asset Classification.

LODHA & CO KOLKATA

MUMBAI

BORKAR & MUZUMDAR MUMBAI F. R. NO. 101569W

11. In terms of RBI guidelines DBOD No.BP.BC.57/62-88 dated December 31, 1988, Inter-Bank Participation Certificates (IBPC) of Rs. 2,115.52 crore (Previous year Rs.22,991.22 crore) were issued on risk sharing basis for a maximum period of 120 days ending July 30, 2018, thereby reducing the Parent Bank's Total Advances as on March 31, 2018to same extent.

12. Disclosure of Divergence in Asset Classification and Provisioning for NPAs

As the additional provisioning requirements and additional Gross NPA assessed by RBI for FY 2016-17 exceeded 15% of the published Net Loss after Tax and incremental Gross NPA respectively, the following disclosure is made by Parent Bank pursuant to RBI circular no. DBR.BP.BC.No. 63/21.04.018/2016-17 dated April 18, 2017 regarding Divergence in Asset Classification and Provisioning for NPAs.

Sr. No.	Particulars	Amount (Rs. in crore)
1.	Gross NPAs as on March 31, 2017 as reported by the Bank	27,251.00
2.	Gross NPAs as on March 31, 2017 as assessed by RBI	28,910.80
3.	Divergence in Gross NPAs (2 – 1)	1,659.80
4.	Net NPAs as on March 31, 2017 as reported by the Bank	14,218.00
5.	Net NPAs as on March 31,2017 as assessed by RBI	15,514.80
6.	Divergence in Net NPAs (5 – 4)	1,296.80
7.	Provisions for NPAs as on March 31, 2017 as reported by the Bank	11,862.00
8.	Provisions for NPAs as on March 31, 2017 as assessed by RBI	12,932.30
9.	Divergence in provisioning (8 – 7)	1,070.00
10.	Reported Net Profit after Tax (PAT) for the year ended March 31, 2017	(2,439.10)
11.	Adjusted (Notional) Net Profit after Tax (PAT) for the year ended March 31, 2017 after taking into account the divergence in provisioning	(3,138.79)

The Parent Bank had duly recorded the impact of the above in its working results for the year ended March 31, 2018.

13. Keeping in view the significant provisioning requirements, tax review based on management's estimate of possible tax benefits against timing difference has been carried out and as at 31.03.2018 Rs.5,368.03 crore (Rs.2,353.68 crore as at 31.03.2017) has been recognized by Parent Bank as Deferred Tax Assets in the accounts.

14. The Group has recognized Treasury Operations, Corporate/ Wholesale Banking, Retail Banking and Other Banking Operations as primary reporting segments. There are no significant secondary reporting segments.

LODHA & CO. PATHAK H.D. & ASSOCIATES MUMBAI S.K. MEHTA & CO. BORKAR & MUZUMDAR MUMBAI F.R. NO.

15. Status of Investors' Complaints in Parent Bank:

Complaints at the beginning of the Year	Received during the Year	Resolved during the Year	Pending as on March 31, 2018
NIL	127	127	NIL

16. The Provisioning Coverage Ratio (PCR) of the Parent Bank is 63.31%. (Previous Year 58.43%).

17. Figures of the previous period have been regrouped/ reclassified wherever considered necessary to conform to current period classification.

B. S. SHEKHAWAT
EXECUTIVE DIRECTOR

P. RAMANA MURTHY
EXECUTIVE DIRECTOR

B.K. DIVAKARA
EXECUTIVE DIRECTOR

RAJEEV RISHI
MANAGING DIRECTOR & CEO

Leave of absence granted

TAPAN RAY
CHAIRMAN

Place: Mumbai
Date: May 25, 2018

LODHA & CO. KOLKATA CHARTERED ACCOUNTANTS

PATHAK H.D. & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

S.K. MEHTA & CO. CHARTERED ACCOUNTANTS

BORKAR & MUZUMDAR MUMBAI F.R. NO 101569W CHARTERED ACCOUNTANTS

CENTRAL BANK OF INDIA

CONSOLIDATED SEGMENT REPORT FOR THE YEAR ENDED MARCH 31, 2018

(Rs. In Lakh)

Sr. No.	Particulars	Year Ended Audited 31.03.2018	Year Ended Audited 31.03.2017
A.	**Segment Revenue**		
	1. Treasury Operations	10,23,935	9,86,404
	2. Retail Banking Operations	8,20,457	8,26,594
	3. Wholesale Banking Operations	8,33,547	9,51,276
	4. Other Banking Operations	414	338
	5. Unallocated	-	-
	Total	**26,78,352**	**27,64,612**
	Less: Inter Segment Revenue	-	-
	Net Sales/Income From Operations	**26,78,352**	**27,64,612**
B.	**Segment Results(Profit(+)/Loss(-) before tax and interest from each segment)**		
	1. Treasury Operations	94,090	2,09,030
	2. Retail Banking Operations	5,000	14,494
	3. Wholesale Banking Operations	(8,75,266)	(5,61,316)
	4. Other Banking Operations	185	111
	5. Unallocated	(15,998)	(16,376)
	Total	**(7,91,989)**	**(3,54,057)**
	Less: (i) Interest	-	-
	(ii) Other Un-allocable Expenditure net off	-	-
	(iii) Un-allocable income	-	-
	Total Profit Before Tax	**(7,91,989)**	**(3,54,057)**
C.	**Segment Assets**		
	1. Treasury Operations	1,46,51,322	1,52,95,941
	2. Retail Banking Operations	88,06,990	75,29,337
	3. Wholesale Banking Operations	79,49,955	96,18,754
	4. Other Banking Operations	1,753	86
	5. Unallocated Assets	13,24,910	10,25,374
	Total	**3,27,34,930**	**3,34,69,492**
D.	**Segment Liabilities**		
	1. Treasury Operations	1,49,29,672	1,54,77,906
	2. Retail Banking Operations	83,92,732	76,40,834
	3. Wholesale Banking Operations	75,90,817	85,28,891
	4. Other Banking Operations	663	718
	5. Unallocated Liabilities	-	-
	Total	**3,09,13,884**	**3,16,48,349**
E.	**Capital Employed**		
	1. Treasury Operations	(2,78,350)	(1,81,965)
	2. Retail Banking Operations	4,14,258	(1,11,497)
	3. Wholesale Banking Operations	3,59,138	10,89,863
	4. Other Banking Operations	1,090	(632)
	5. Unallocated	13,24,910	10,25,374
	Total	**18,21,046**	**18,21,143**

* Segment Revenue and Expenses have been apportioned on the basis of the segment assets, wherever direct allocation is not possible. Figures have been regrouped wherever considered necessary to conform to current year classification.

B.S. SHEKHAWAT
EXECUTIVE DIRECTOR

P.RAMANA MURTHY
EXECUTIVE DIRECTOR

B.K. DIVAKARA
EXECUTIVE DIRECTOR

RAJEEV RISHI
MANAGING DIRECTOR & CEO

Leave of absence granted

TAPAN RAY
CHAIRMAN

Place: Mumbai
Date: May 25, 2018

LODHA & CO. KOLKATA

PATHAK H.D. & ASSOCIATES MUMBAI

S. K. MEHTA & CO.

BORKAR & MUZUMDAR MUMBAI

Attended through V C

Leave of absence granted

Dr. BHUSHAN KUMAR SINHA **DIRECTOR**	**SHEKHAR BHATNAGAR** **DIRECTOR**	**KETUL R. PATEL** **DIRECTOR**
N. NITYANANDA **DIRECTOR**	**PROF. (DR.) ATMANAND** **DIRECTOR**	

For LODHA & CO. CHARTERED ACCOUNTANTS F.R.No.301051E **(CA H.K. VERMA)** PARTNER M.No.055104	**For PATHAK H. D. & ASSOCIATES** CHARTERED ACCOUNTANTS F.R.No.107783W B.P. Chaturvedi **(CA B.P. CHATURVEDI)** PARTNER M.No.015585
For S. K. MEHTA & CO. CHARTERED ACCOUNTANTS F.R. No.000478N **(CA JYOTI BAGGA)** PARTNER M.No.087002	**For BORKAR & MUZUMDAR** CHARTERED ACCOUNTANTS F.R. No.101569W **(CA B. M. AGARWAL)** PARTNER M. No. 033254

Place: Mumbai
Date: May 25, 2018

GENERAL INFORMATION

1. Our Bank was incorporated on December 21, 1911 under the Indian Companies Act, 1882 as "The Central Bank of India Limited". Subsequently, in 1969, our Bank was nationalized under The Banking Companies (Acquisition and Transfer of Undertakings) Ordinance dated July 19, 1969 and was renamed as "Central Bank of India".

2. The head office of the Bank is located at Chandermukhi, Nariman Point, Mumbai 400 021.

3. The Equity Shares were listed on the BSE and NSE on August 21, 2007.

4. The Issue has been authorised and approved by the Board, through its resolution dated June 29, 2020 and our Shareholders through a special resolution passed at the AGM held on August 7, 2020.

5. Our Bank has received in-principle approvals under Regulation 28(1) of the SEBI Listing Regulations from both BSE and NSE on September 21, 2020, respectively. We will apply for final listing and trading approvals of the Equity Shares on the Stock Exchanges.

6. We have obtained all consents, approvals and authorizations required in connection with this Issue including the GoI letter dated May 1, 2020 in respect of offering our Equity Share.

7. As on the date of this Placement Document, M/s. Borkar & Muzumdar, M/s. Mukund M. Chitale & Co., M/s. AAJV and Associates and M/s. S Jaykishan 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 ₹16.18 per Equity Share which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Bank has offered a discount of 4.94% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations.

10. Our Banks and the Book Running Lead Manager 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.

11. The details of the Compliance Officer are as follows:

    Anand Kumar Das
    Company Secretary
    Deputy General Manager
    Chandermukhi
    Nariman Point
    Mumbai 400 021
    Tel: +91 22 6638 7818
    E-Mail: compsec@centralbank.co.in

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:

____

Pallav Mohapatra
Managing Director and Chief Executive Officer

Place: Mumbai

Date: September 25, 2020

I am authorized by the Board of Directors of our Bank *vide* resolution dated June 29, 2020 and by the Capital Raising Committee of the Board of Directors of our Bank dated September 25, 2020 to sign this form and declare that all the requirements of the Applicable Law and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by our Bank.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

Pallav Mohapatra
Managing Director and Chief Executive Officer

Place: Mumbai

Date: September 25, 2020

ISSUER

Central Bank of India
Head Office
Chandermukhi, Nariman Point
Mumbai 400 021
Maharashtra, India

COMPANY SECRETARY AND COMPLIANCE OFFICER
Anand Kumar Das
Company Secretary and Deputy General Manager
Chandermukhi
Nariman Point
Mumbai 400 021

BOOK RUNNING LEAD MANAGER

ITI Capital Limited
Naman Midtown, 21st Floor,
'A' Wing, Senapati Bapat Marg,
Elphinstone (West)
Maharashtra, India

INDIAN LEGAL COUNSEL TO THE ISSUER

M/s. Crawford Bayley & Co.
State Bank Buildings, 4th Floor
N.G.N. Vaidya Marg, Fort
Mumbai 400 023
Maharashtra, India

AUDITORS OF THE ISSUER

M/s. Borkar & Muzumdar
Chartered Accountants
211168 Anand Nagar Om CHS,
Anand Nagar Lane, Off Nehru Road,
Vakola, Santacruz East,
Mumbai – 400 055
Firm Registration No. 101568W

M/s. Mukund M. Chitale & Co.
Chartered Accountants
Second Floor, Kapur House,
Paranjape 'B' Scheme, Road No 1,
Vile Parle East,
Mumbai 400 057
Firm Registration No. 106655W

M/s AAJV and Associates
Chartered Accountants
LGF-C 73, Lajpat Nagar – II,
New Delhi – 110 024
Firm Registration No. 007739N

M/s S. Jaykishan
Chartered Accountants
2nd Floor, 12 Suite No. 2D, 2E, 2F, Shrishti
HO – Chi Minh Sarani,
Kolkata – 700 071
Firm Registration No. 309005E

APPLICATION FORM

Following is the indicative Application Form that formed part of this Placement Document

CENTRAL BANK OF INDIA
Head Office: Chandermukhi, Nariman Point, Mumbai 400 021, Maharashtra, India
Tel No.: +91 (22) 6638 7818 **E-mail:** investors@centralbank.co.in **Website:** www.centralbankofindia.co.in

APPLICATION FORM

Name of the Bidder: ______________________________

Form No.: ___________

Date: _______________

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹10 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO APPROXIMATELY ₹[●] CRORE UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI ICDR REGULATIONS") BY CENTRAL BANK OF INDIA (THE "BANK") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹16.18 AND OUR BANK MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only "Qualified Institutional Buyers" ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and not: (a) otherwise excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) restricted from participating in the Issue under SEBI ICDR Regulations and other applicable laws can submit this Application Form. The Equity Shares offered hereby 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 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 applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States pursuant to Regulation S under the U.S. Securities Act ("Regulation S"). See "Selling Restrictions" on page 185 for information about eligible offerees for the Issue and "Transfer Restrictions" on page 186 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

To,
The Board of Directors
Central Bank of India
Chandermukhi, Nariman Point, Mumbai 400 021,
Maharashtra, India

Dear Sirs,

On the basis of the serially numbered PPD of the Bank, and subject to the terms and conditions mentioned in the other sections of the PPD and in this section of Application Form, we hereby submit our Bid for the Allotment of the Equity Shares at the terms and price indicated below. We confirm that we are a QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations. We are not a promoter (as defined in SEBI ICDR Regulations) of the Bank, or any person related to the Promoter, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with the Promoter or Promoter Group, veto rights or right to appoint any nominee director on the board of directors of the Bank. In addition, we confirm that we are eligible to invest in the Equity Shares under the SEBI ICDR Regulations and other applicable laws.

STATUS (Please tick)			
FI	Scheduled Commercial Bank and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds
NIF	National Investment Fund	**FPI**	Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Funds
SI-NBFC	Systematically Important Non – Banking Financial Companies	**OTH**	Others ______________ (Please specify)
*Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended			

We confirm that the application size / aggregate number of Equity Shares applied for by us does not exceed the relevant regulatory or approved limits. 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, if applicable, 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. We confirm that each foreign portfolio investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019(such foreign portfolio investor, an "**FPI**") (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), has submitted a separate Application Form and asset management companies of mutual funds would have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each fund. We undertake that we will sign 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 holders of the Equity Shares which may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the applicant and the applicant has all the relevant approvals. We authorize you to place our name in the register of members of our Bank as holders of the Equity Shares that may be Allotted to us. We note that our Bank, in consultation with ITI Capital Limited, Book Running Lead Manager, is entitled, in its absolute discretion to accept or reject this Application Form without assigning any reason thereof.

We are aware that our name will be included in the Placement Document as proposed allottees, if applicable, along with the number of Equity Shares proposed to be Allotted to us and the percentage of our post issue shareholding in our Bank and we consent to such disclosure. We are also aware 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 this Issue, our Bank shall be required to disclose our name, along with the name of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the website of the Stock Exchanges, and we consent to such disclosure. We further confirm that our bid will 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. Further, we agree to comply with the rules and regulations that are applicable to us, including restriction on transferability. In this regard, we authorise our Bank to issue instructions to the depositories for such restriction on transferability, as may be applicable to us. By submitting this Application Form we acknowledge, represent and agree that our aggregate holding in the paid-up share capital of the Bank, whether direct or indirect, beneficial or otherwise held by us, our relatives, associate enterprises and persons acting in concert (any such interest, our "**Holding**"), when aggregated together with any existing Holding does not exceed 5% of the total paid-up share capital of the Bank, except in the case where we are an existing shareholder already holding 5% or more of the underlying paid-up share capital of our Bank pursuant to the acknowledgment of RBI, provided that our Holding does not, without the further acknowledgment of RBI, exceed our Holding after Allotment. Further, we are also aware that our Bank shall, on completion of Allotment, file with RBI, complete details of the Issue including the date of the Issue, details of the type of the Issue, Issue size, details of pricing, number and names of Allottees and post-allotment shareholding pattern, along with a copy of the resolutions of the Board and Shareholders in relation to the Issue and the Placement Document.

By signing and submitting this Application Form, we hereby confirm and agree (i) that the representations, warranties, acknowledgements and agreements as provided in "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Transfer Restrictions*" and "*Selling Restrictions*" of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations, warranties, acknowledgements and agreements are given by us for the benefit of our Bank and the Book Running Lead Manager for the Issue, each of which are entitled to rely and are relying on these representations, acknowledgements and agreements in consummating the Issue, (ii) that we are purchasing the Equity Shares outside the United States in accordance with Regulation S and the applicable laws of the jurisdiction where we are, (iii) that we have been provided a serially numbered copy of the PPD, and have read it in its entirety including in particular, the "*Risk Factors*" therein, and (iv) to abide by the PPD and the Placement Document, the confirmation of allocation note (the "**CAN**"), when issued, and the terms, conditions and agreements contained therein, (v) that we shall not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges (vi) to the best of our knowledge and belief, 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, shall not exceed 50% of the Issue. We also acknowledge that Eligible QIBs belonging to the same group or under same control shall be deemed to be a single Allottee in the Issue and accordingly, we confirm that as of the date of this Application Form, no Eligible QIB has applied in the Issue which belongs to the same group or under same control as us and we shall promptly intimate you (and no later than the Issue Closing Date) in the event any Eligible QIB which belongs to the same group or under same control as us applies in the Issue and if no intimation is provided by us in this regard, then our Bank and Book Running Lead Manager may assume that no other Eligible QIBs which belongs to the same group or under same control as us has applied in the Issue. For the purposes of this representation: the expression: 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 QIB, its subsidiary or holding company and any other QIB; and 'Control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

We hereby agree to accept the Equity Shares applied for, or such lesser number as may be Allocated to us, subject to the provisions of the applicable laws and regulations, the terms of the PPD and the CAN, when issued 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. The Bid Amount payable by us for the Equity Shares to be allotted in the Issue is remitted to the designated bank account, only through electronic mode pursuant to duly completed Application Form. We acknowledge and agree that we shall not make any payment in cash or cheque. We also agree that the amount payable for the Equity Shares in the Issue is being (shall be) made from the bank account maintained in our name and the Bid Amount may be refunded to the same bank account (i) if our Bank is unable to issue and Allot the Equity Shares offered in the Issue; or (ii) if there is a cancellation of the Issue; or (iii) in case of rejection of Bids or non-allocation of Equity Shares; or (iv) In the event, the Bid Amount per Equity Share exceeds the Issue Price per Equity Share. We further confirm that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell the Equity Shares, for a period of one year from the date of Allotment, otherwise than on the floor of a recognized stock exchange. Further, we acknowledge that we shall not have the right to revise or withdraw our Bid after the Bid/Issue Closing Date. By making this application, 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 the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. We further represent that in making our investment decision, 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 Book Running Lead Manager or from any other source, including publicly available information. We satisfy any and all relevant suitability standards for investors in the Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in the Equity Shares, and are able to sustain a complete loss of our investment in the Equity Shares.

BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER	
REMITTANCE BY WAY OF ELECTONIC FUND TRANSFER BY 3:00 P.M. (IST), SEPTEMBER 25, 2020	
Name of the Account	Central Bank of India – QIP Escrow Account
Name of the Bank	Central Bank of India
Address of the branch of the Bank	Central Bank of India, Nariman Point Branch, Nariman Point, Mumbai – 400 021
Account Type	Current
Account Number	3852270227
IFSC	CBIN0281067

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "*Central Bank of India – QIP Escrow Account*". The payment for subscription to the Equity Shares 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 the Application Form.

APPLICANT DETAILS (in Block Letters)			
Name of the Applicant*			
Registered Address			
City and Country			
Phone No.		**Fax No.**	
Email			
For FPI	**Registration Number:**	**For AIFs/MFs/VCFs/FVCIs/SI-NBFCs/ICs**	

**Name should exactly match with the name in which the beneficiary account is held. 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 Issuer and the Book Running Lead Manager. Mutual Fund Bidders are requested to provide details of the Bids made by each Scheme of the Mutual Fund.*

DEPOSITORY ACCOUNT DETAILS		
Depository Name(Please ✓)	National Security Depository Limited	Central Depository Services (India) Limited
Depository Participant Name		
DP – ID	I N	
		(16 digit beneficiary account. No. to be mentioned above)
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 purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.		

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		**BID AMOUNT PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)

DETAILS OF CONTACT PERSON			
Name			
Address			
Tel. No.		**Fax No.**	
Email			

OTHER DETAILS	
PAN**	
Date of Application	
Signature of Authorised Signatory	

ENCLOSURES ATTACHED
Attested/ certified true copy of the following:
☐ Copy of PAN Card or PAN allotment letter ☐ Copy of FPI Registration Certificate /MF Registration certificate /SEBI certificate of registration for AIFs/FVCI/VCF/SI-NBFC/IC Registration Certificate ☐ FIRC ☐ 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 __________________

**The application form is liable to be rejected if any information provided is incomplete or inadequate.*
***It is to be specifically noted that the applicant should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground*
Note: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.
The PPD and the Placement Document sent to you/ be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.