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IDBI BANK LIMITED

A company within the meaning of the Companies Act,
2013 (18 of 2013) and a banking company within the meaning of
Section 5 (c) of the Banking Regulation Act, 1949 (10 of 1949)

Regd. Office: IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005
Tel: (022) 66553355/22189111 Fax: (022) 2218 8137 Website: www.idbi.com
(hereinafter referred to as the "**Issuer**" or the "**Bank**")

Disclosure Document for issue of 7,000 Unsecured Redeemable Non-Convertible Subordinated Basel III compliant Tier 2 Bonds (in the nature of debentures) of ₹10,00,000 each for cash at par (hereinafter referred to as the "Bonds"), aggregating to ₹700 crore with green-shoe option upto₹300 crore (hereinafter referred to as the "Issue")

General Risk: For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Bonds have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this Disclosure Document.

Issuer's Absolute Responsibility: The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Disclosure Document contains all information with regard to the Issuer, and the Issue, which is material in the context of the Issue, that the information contained in this Disclosure Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Disclosure Document or any of such information or the expression of any such opinions or intentions misleading in any material respect.

Credit Rating:
Basel III compliant Tier 2 Bonds **: 'IND AA+' with Stable outlook by India Ratings**
(ICRA)AA+ hyb with negative outlook by ICRA
CRISIL AA+/negative by CRISIL

The rating(s) are not a recommendation to buy, sell or hold securities and investors should take their own decisions. The rating may be subject to revision or withdrawal at any time by the assigning Rating Agency on the basis of new information. Each rating should be evaluated independent of any other rating.

Listing : The Bonds are proposed to be listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

Registrars to the Issue	Trustees to the Bondholders
Karvy Computershare Pvt. Ltd. **Karvy Selenium Tower B, Plot 31-32,** **Gachibowli, Financial District, Nanakramguda,** **Hyderabad – 500 032**	**SBICAP Trustee Company Ltd.** **APEEJAY House, 6th Floor,** **3, Dinshaw Wachha Road, Churchgate,** **Mumbai - 400020**

This Schedule under SEBI guidelines dated June 6, 2008 for private placement of the Bonds is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Bonds to be issued by the Issuer.

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I. RISK FACTORS

Each investor should carefully consider the following risk factors as well as the other information contained in this Disclosure Document prior to making an investment in the Bonds. In making an investment decision, each investor must rely on its own examination of the Issuer and the terms of the offering of the Bonds, including the merits and risks involved. The risks described below are not the only ones that may affect the Bonds. Additional risks not currently known to the Issuer or factors that the Issuer currently deems immaterial may also adversely affect the Issuer's business, financial condition and results of operations. The market price of the Bonds could decline due to any one or more of these risks or such factors.

1. <u>Risks relating to the Bank</u>

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

The Bank faces competition from Indian and foreign commercial banks in all its products and services. Over the last several years, several Indian banks have increased their focus on retail loans. The Bank will face competition from Indian and foreign commercial banks and non-banking financial companies (**NBFC**s) in its retail products and services. In addition, since the Bank raises funds from market sources and individual depositors, it will face increasing competition for such funds. Additionally, the Indian financial sector may experience further consolidation, resulting in fewer banks and financial institutions causing more competition as a result of the consolidated banks offering more comprehensive services and products.

The business of lending carries the risk of default by borrowers.

Any lending activity is exposed to credit risk arising from the risk of default by borrowers. As of 31 March 2015, 2.88% of the Bank's net loan assets were classified as NPAs. The Bank may face difficulties in maintaining its existing NPA levels due to several factors, including uncertain economic conditions such as the on-going slowdown of most global economies, increased competition faced by its borrowers, variable industrial growth, the high level of debt in the financing of projects and relatively high inflation and interest rates in the Indian economy, which have reduced profitability for certain of the Bank's borrowers. In the past the Bank formulated packages for the financial restructuring of certain Indian companies primarily in view of the above factors and a number of other factors which affect the Bank's ability to control and reduce non-performing and restructured loans including developments in the global economic and financial scenario and its impact on the Indian economy and financial systems movements in interest rates and exchange rates, that are not within the Bank's control. Despite the creation of the Stressed Assets Stabilisation Fund, to which the Bank transferred stressed assets in the total amount of ₹9,000 crore on 1 October 2004 and efforts by the Bank to tighten its credit appraisal systems, credit risk monitoring and management systems and improved collections on existing NPAs, there is no assurance that the overall quality of its loan portfolio will not deteriorate in the future. Since its conversion to a banking company and the commencement of its banking operations, the Bank has been exposed to the credit risk of retail customers and, recently to an increased degree, small and medium-sized businesses. If the Bank is not able to control its existing NPAs, or if there is a further significant increase in the amount of new loans classified as non-performing or total loans being restructured by the Bank, the Bank's asset quality may deteriorate, its provisioning for probable losses may increase and its business, future financial performance and the trading price of the Bonds could be adversely affected.

The Bank has high concentrations of loans to certain borrowers and industries. If a substantial portion of these loans were to become non-performing, the quantity of the Bank's loan portfolio could be adversely affected.

As of 31 March 2015, the Bank's total customer exposure (TCE) (comprising credit exposure, both fund based and non-fund based, as well as investment exposure) to borrowers was ₹4,46,375 crore. The single largest borrower accounted for 1.02% of TCE and the ten largest individual borrowers of the Bank in aggregate accounted for 8.47% of TCE. Its largest single borrower group accounted for 2.42% of TCE and its ten largest borrower groups accounted for 16.58% of TCE. Credit losses on account of these group exposures could significantly affect the Bank's future performance, financial condition and the trading price of the Bonds. The Bank's major exposures by industry are to the power sector, oil, gas and petroleum products sector, other infrastructure sector, roads, bridges and ports sector and iron and steel sector, which together accounted for about 32.13% of TCE as of 31 March 2015. As a prudential measure, the Bank has set its exposure limits to each individual industry at 10.0% of its TCE with the exception of 15.00% of TCE for the power sector, 20.00% of TCE for the real estate sector (with a sub-ceiling of 2.50% of TCE for the commercial real estate segment), 10.00% of TCE for the NBFC sector (including micro-finance institutions (MFIs) and excluding housing finance companies), 1.50% of TCE for the gems and jewellery (diamond) sector and 2.00% of TCE for the non-NBFC-MFI sector. As of 31 March 2015, the highest exposure was to the power sector at 9.36% of TCE, followed by the roads, bridges and ports sector at 6.33% of TCE and other infrastructure sector at 5.64% of TCE.

The Bank is exposed to various industry sectors. Deterioration in the performance of any of these industry sectors to which the Bank has significant exposure may adversely impact the Bank's business and, in turn, its financial condition.

As of 31 March 2015, the Bank had credit exposure to various industrial sectors in India. As of that date, the Bank's three largest exposures were to the power sector, roads/bridges/ports sectors and other infrastructure sectors at ₹41,809.47 crore, ₹28,255.36 crore and ₹25,204.43 crore, respectively, comprising a total of ₹95,270.26 crore. The global and domestic trends in these industries may have a bearing on the Bank's financial position. Any significant deterioration in the performance of a particular sector, driven by events outside the Bank's control, such as falling consumer demand, regulatory action or policy announcements by the Government or state government authorities, would adversely impact the ability of borrowers in that industry to service their debt obligations to the Bank. As a result, the Bank would experience increased delinquencies which may adversely affect its business, its future financial performance, shareholders' funds and the price of the Bonds.

If the Bank is not able to control or reduce the level of NPAs in its portfolio, its business will suffer.

As of 31 March 2015, the Bank's net NPAs amounted to ₹5,993 crore or 2.88% of its net advances as compared to ₹4,902 crore or 2.48% of its net advances as of 31 March 2014, an increase of 0.40% over the year. A number of factors may affect the Bank's ability to control and reduce non-performing and restructured loans. Some of these factors, including developments in the Indian economy, movements in global commodity markets, global competition, interest rates and exchange rates, are not within the Bank's control. Although the Bank is increasing its efforts to improve collections and to foreclose on existing non-performing loans, there is no assurance that it will be successful in its efforts or that the overall quality of its loan portfolio will not deteriorate in the future. If the Bank is not able to control and reduce its non-performing loans, or if there is a further significant increase in its stressed assets under restructured loans, its business, future financial performance, shareholders' funds and the price of the Bonds could be adversely affected.

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

A large proportion of the Bank's loans comprise project finance assistance.

Long-term project finance assistance continues to form a significant proportion of the Bank's asset portfolio. The viability of these projects depends upon a number of factors, including completion risk, market demand, Government policies and the overall economic environment in India and international markets. The Bank cannot be sure that these projects will perform as anticipated. In the past, the Bank has experienced a high level of NPAs in the project finance loan portfolio to manufacturing companies as a result of the downturn in certain global commodity markets and increased competition in India. In addition, a portion of infrastructure projects financed by the Bank are still under implementation and present risks, including delays in the commencement of operations and breach of contractual obligations by counterparties, that could impact the project's ability to generate revenues. If a substantial portion of these loans were to become non-performing, the quality of the Bank's loan portfolio could be adversely affected.

The Bank is exposed to market risk arising out of maturity mismatches.

As of 31 March 2015, the amount of assets maturing within five years was higher than the amount of liabilities maturing within that period resulting in a cumulative positive gap of ₹43,924 crore. Any gap resulting at any future date will be managed through a suitable structuring of the maturity profile of the Bank's investment products, asset portfolio and liability products. Although the Bank has access to various short term borrowing options and has contracted certain revolving lines of credit with other banks and financial institutions to manage liquidity positions, there can be no assurance that such action will be successful and a significant mismatch in the maturity profile of the Bank's assets and liabilities may adversely affect its future performance, financial results and the trading price of the Bonds.

The Bank has large contingent liabilities.

As of 31 March 2015, the Bank had estimated contingent liabilities of ₹2,31,609 crore on account of swaps, forward rate agreements, options, acceptance, endorsement, guarantees, derivative contracts, claims against the Bank not acknowledged as debt and disputed tax claims. The contingent liabilities are solely on account of normal operations and are subject to the prudential norms applicable to lending and investment operations. If the Bank's contingent liabilities crystallise, this may have an adverse effect on the Bank's business, its future financial performance and the trading price of the Bonds.

The Bank faces potential exposure in respect of its tax liabilities.

As of 31 March 2015, the outstanding demand (net of provision) raised by the Income Tax Department against the Bank on account of income tax, wealth tax, interest tax, penalty and interest demand was ₹1,173 crore. This is the net contingent liability on account of disputed tax assessments. There can be no assurance, however, that these disputed cases will be decided in the Bank's favour or that the provision will be sufficient to cover all of the Bank's tax liability which may adversely affect the Bank's business, its future financial performance and the trading price of the Bonds.

The Bank's business is particularly vulnerable to volatility in interest rates caused by deregulation of the financial sector in India.

The Bank's results of operations are largely dependent upon the level of its net interest income. Interest rates are highly sensitive to factors beyond the Bank's control, including deregulation of the financial sector in India, the RBI's monetary policies, domestic and international economic and political conditions and other factors. Changes in interest rates could affect the margins earned on interest-earning assets differently than the margins paid on interest-bearing liabilities. This difference could result in an increase in interest expense relative to interest income leading to a reduction in the Bank's net interest income. Over the last several years, the Government and the RBI have substantially deregulated interest rates. The RBI has also deregulated the interest rates payable on Savings Bank accounts which were earlier fixed by the RBI and were the same across the industry. As a result, interest rates on savings deposits as well as fixed deposits are now determined by the market, which has increased the interest rate risk exposure of all banks and financial institutions, including the Bank. Volatility in interest rates could adversely affect the Bank's business, its future financial performance and the trading price of the Bonds.

The Bank's operations are constrained by its low net interest margin, which is lower than its peer banks.

The operations and net interest margin of the Bank are adversely affected by its high cost of past borrowings, high level of past NPAs and substitution of income yielding assets by zero coupon securities issued by the Government under the Stressed Assets Stabilisation Fund. The Bank has been taking steps to contain NPAs, reduce its cost of borrowings and increase its yield on assets. However, if the Bank's net interest margin continues to be low as compared to peer group, the Bank may not be able to implement its growth strategy, which could adversely impact its future performance and the trading price of the Bonds.

The Bank is exposed to fluctuation in foreign exchange rates and other risks.

The Bank undertakes various foreign exchange transactions to hedge its own risk and also for proprietary trading, which are exposed to various kinds of risks including but not limited to settlement and pre-settlement risk, market risk and exchange risk. The Bank has adopted certain market risk management policies to mitigate such risks by imposing various risk limits such as counterparty limits, country wide exposure limits, overnight limits, intraday limits and monitoring the Value at Risk (the **VaR**). The Bank follows the model approved by Foreign Exchange Dealers' Association of India (**FEDAI**) to arrive at the VaR. However, the Bank is exposed to fluctuation in foreign currency rates for its unhedged exposure. Adverse movements in foreign exchange rates may also impact the Bank's borrowers negatively which may in turn impact the quality of the Bank's exposure to these borrowers. Volatility in foreign exchange rates could adversely affect the Bank's future financial performance and the market price of the Bonds.

In addition to foreign exchange risk and interest rate risk as described above, the Bank may also be exposed to other different types of risk during its operation and entering into transactions, including but not limited to credit risk, counterparty risk, market risk, liquidity risk and operational risk.

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

The Bank's hedging strategies and other risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risk are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be significantly greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated. 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. The Bank has in place a Risk Management Committee at the Board of Directors of the Bank (the **Board** or the **Board of Directors**) level, which reviews and further refines risk management policies and procedures on an ongoing basis. Although the Bank has introduced these policies and procedures, they may not be fully effective which could adversely impact its future performance and the trading price of the Bonds.

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

The Bank is required to comply with applicable anti-money-laundering (**AML**) and anti-terrorism laws and other regulations in India and in other jurisdictions where it has operations. These laws and regulations require the Bank, among other things, to adopt and enforce "know-your-customer" (**KYC**) policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities in different jurisdictions. While the Bank has adopted policies and procedures aimed at detecting and preventing the use of its banking networks for money-laundering activities and by terrorists and terrorist-related organisations and individuals generally, such policies and procedures may not completely eliminate instances where the Bank may be used by other parties to engage in money laundering and other illegal or improper activities due to, in part, the short history of these policies and procedures. In March 2013, an Indian online news magazine called Cobrapost conducted an undercover investigation of Indian banks' implementation of AML and KYC policies and procedures, finding irregularities in both public and private sector banks. Following the Cobrapost investigation, the RBI conducted its own investigation and on 28 August 2013 imposed fines on a number of public and private sector banks, including a fine of ₹1 crore on the Bank. While the RBI did not find prima facie evidence of money laundering, it imposed fines for non-compliance or aberrations in compliance with its instructions relating to KYC and AML. To the extent the Bank fails to fully comply with applicable laws and regulations, the relevant government agencies to whom the Bank reports have the power and authority to impose fines and other penalties.

If the Bank is unable to adapt to rapid technological changes, its business could suffer.

The Bank's future success and ability to compete effectively with other banks will depend, in part, on its ability to respond to technological advances and emerging banking industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. The Bank has implemented its Core Banking Solution (**CBS**) across all of its functions and branches. Any failure in the Bank's systems (including the CBS) may significantly affect the Bank's operations and quality of customer service and could result in business and financial losses and adversely affect the trading price of the Bonds. Furthermore, if the Bank is unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, its business, the future financial performance of the Bank and the trading price of the Bonds could be materially affected.

Significant security breaches could adversely impact the Bank's business.

The Bank seeks to protect its computer systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems. Although the Bank employs security systems, including firewalls and password encryption, which are designed to minimise the risk of security breaches, there can be no assurance that these security measures will be adequate or successful. Failure in security measures could have a material adverse effect on the Bank's business, its future financial performance and the trading price of the Bonds. Furthermore, technological breakdowns including computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and network infrastructure. Although the Bank takes adequate measures to safeguard against system-related and other frauds, there can be no assurance that it would be able to prevent frauds. The Bank's reputation could be adversely affected by frauds committed by employees, customers or outsiders.

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

The Bank's businesses are heavily dependent on the ability to timely and accurately collect and process a large amount of financial and other information across numerous and diverse markets and products at the Bank's various branches, at a time when the management of transaction processes have become increasingly complex due to increasing volume. The proper functioning of the Bank's financial control, risk management, accounting or other data collection and processing systems, together with the communication networks connecting the Bank's various branches and offices is critical to the Bank's businesses and the Bank's ability to compete effectively. Although the Bank has backup data that could be used in the event of a catastrophe involving or failure of the primary systems, a partial or complete failure of any of these primary systems or communication networks could materially and adversely affect the Bank's decision-making process, risk management or internal controls as well as the Bank's timely response to market conditions. If the Bank cannot maintain an effective data collection and management system or the strategy of outsourcing information technology (**IT**) and systems management proves unsuccessful or unreliable, the Bank's business, financial condition and results of operations could be materially and adversely affected.

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

A substantial portion of the Bank's loans to corporate customers are secured by real assets, including property, plant and equipment. The Bank's loans to corporate customers also include working capital credit facilities that are typically secured by a first lien on inventory, receivables and other current assets. In some cases, the Bank may have taken further security of a first or second lien on fixed assets, a pledge of financial assets like marketable securities, corporate guarantees and personal guarantees. A substantial portion of the Bank's loans to retail customers is also secured by the assets financed, predominantly property. Although in general the Bank's loans are over-collateralised, an economic downturn could result in a fall in relevant collateral values for the Bank. Foreclosure on collateral generally requires a written petition to a court or tribunal. An application, when made, may be subject to delays and administrative requirements that may result, or be accompanied by, a decrease in the value of the collateral. In the event a corporate borrower makes a reference to the Board for Industrial and Financial Reconstruction (the **BIFR**), foreclosure and enforceability of collateral is stayed. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (the **SARFAESI Act**), has strengthened the ability of lenders to resolve NPAs by granting them greater rights as to enforcement of security and recovery of dues from corporate borrowers. While the Bank believes that the SARFAESI Act has contributed to its enforcement efforts, there can be no assurance that the legislation will continue to have a favourable impact on the Bank's efforts to resolve NPAs. The Bank cannot guarantee that it will be able to realise the full value on its collateral, as a result of, among other factors, delays in bankruptcy and foreclosure proceedings, defects in the perfection of collateral and fraudulent transfers by borrowers. A failure to recover the expected value of collateral security could expose the Bank to a potential loss. Any unexpected losses could adversely affect the Bank's business, its future financial performance and the price of the Bonds.

The Bank may face higher credit risks than banks in more developed countries.

The Bank's principal business is providing financing to its clients, based largely in India. The Bank's advances to small to medium size enterprises and retail customers could be more severely affected by adverse developments in the Indian economy than loans to large corporations. The Bank is subject to the credit risk of its borrowers, who may not pay in a timely fashion or may not pay at all. The credit risk of all its borrowers is higher than in more developed countries due to the higher uncertainty in the Indian regulatory, political, economic and industrial environment and difficulties that many of the Bank's borrowers face in adapting to instability in world markets and technological advances taking place across the world. Although India has a credit bureau, adequate information regarding loan servicing histories, particularly in respect of individuals and small businesses, is limited. Increased competition arising from economic liberalisation in India, variable industrial growth, a sharp decline in commodity prices, the high level of debt in the financing of projects and capital structures of companies in India and the high interest rates in the Indian economy during the period in which a sizeable proportion of project financings were undertaken may have reduced the profitability of certain of the Bank's borrowers.

The Bank is in the process of expanding its operations overseas. In particular the Bank has established its first overseas branch in Dubai International Financial Centre, UAE. The overseas operations could be subject to increased competition and international legal and regulatory risk which may adversely affect its business and price of the Bonds.

The Bank has established its first overseas banking branch at DIFC, Dubai and may continue to seek to establish banking operations in other countries. The Bank is and will continue to be subject to a wide variety of international banking and financial services laws and regulations and a large number of regulatory and enforcement authorities in the jurisdictions in which it operates. Failure to comply with applicable laws and regulations in various jurisdictions, including unauthorised actions by employees, representatives, agents and third parties, may result in regulatory action including financial penalties and restrictions on or suspension of the related business operations. Despite the best efforts of the Bank, its overseas branches, overseas subsidiaries and overseas affiliates to comply with all applicable regulations, there are a number of risks that cannot be completely controlled.

Banking is a heavily regulated industry and material changes in the regulations that govern the Bank could cause its business to suffer.

Banks are subject to detailed supervision and regulation by the RBI. In addition, banks are subject generally to changes in Indian law, as well as to changes in regulation, government policies and accounting principles. The laws and regulations governing the banking sector could change in the future and any such changes may adversely affect the Bank's business, future financial performance and the price of the Bonds. In accordance with current RBI guidelines, banks are required to maintain a minimum of 21.50% and 4.00% of its net demand and time liabilities (**NDTL**) by way of the statutory liquidity ratio (**SLR**) and cash reserve ratio (**CRR**), respectively. Furthermore, banks are required to lend a minimum of 40.00% of their adjusted net bank credit (**ANBC**) or equivalent amount of off-balance sheet exposure (**OBE**), whichever is higher, to **Priority Sector**, such as agriculture, micro and small-scale industries, education and housing finance, which are categorised as "Priority Sectors". Assistance to the agriculture sector is required to comprise at least 18.00% of ANBC or the credit equivalent amount of OBE whichever is higher. These deposits and/or advances could carry rates of interest lower than the prevailing market rates. Consequent to its conversion into a universal bank in October 2004, the Bank is required to comply with SLR and CRR requirements and is required to comply, in a phased manner, with Priority Sector Lending requirements by March 2013. The Bank has been in compliance with CRR requirements since the date of conversion and SLR requirements with effect from 1 October 2009. There are a number of restrictions under the Banking Regulation Act, 1949 (the **Banking Regulation Act**) which impact the Bank's operating flexibility and affect or restrict investors' rights. These include the following:

- Section 15(a) of the Banking Regulation Act, states that "no banking company shall pay any dividend on its shares until all its capitalised expenses (including preliminary expenses, organisation expenses, share-selling commission, brokerage, amounts of losses incurred and any other item of expenditure not represented by tangible assets) have been completely written-off.
- The forms of business in which the Bank and any subsidiaries of the Bank may engage are specified and regulated by the Banking Regulation Act. Pursuant to the provisions of Section 8 of Banking Regulation Act, the Bank cannot directly or indirectly deal in the buying, selling or bartering of goods by itself or for others, except in connection with the realisation of security given to it or held by it, or engage in any trading, buying, selling or

bartering of goods for others other than in connection with bills of exchange received for collection or negotiation, or in connection with the administration of estates as executor, trustee or otherwise, or in connection with any business specified under Section 6(1)(o) of the Banking Regulation Act. Goods for this purpose means every kind of movable property, other than actionable claims, stocks, shares, money, bullion and all instruments referred to in Section 6(1)(a) of Banking Regulation Act. Unlike a company incorporated under the Companies Act, 2013 (the **Companies Act**) which may amend the objects clause of its Memorandum of Association to commence a new business activity, banking companies may only carry on business activities permitted by Section 6 of the Banking Regulation Act or specifically permitted by the RBI. This may restrict the Bank's ability to pursue profitable business opportunities as they arise.

- Section 17(1) of the Banking Regulation Act requires every banking company to create a Reserve Fund and out of the profit balance of each year as disclosed in the profit and loss account transfer a sum equivalent to not less than 20.00% of such profit to the reserve fund before paying any dividend.
- Under Sections 35A and 36 of the Banking Regulation Act (which apply to the Bank), the RBI is empowered to give directions to, prohibit from entering into any transactions, and advise generally the Bank. Consequently, the performance of obligations by the Bank, may be restricted by the directions or advice given by the RBI under the aforesaid provision.
- Under Section 50 of the Banking Regulation Act (which applies to the Bank), no person shall have a right, whether in contract or otherwise, to any compensation for any loss incurred by reason of operation of certain provisions of the Act, including Sections 35A and 36. Therefore, holders of the Bonds may not be able to claim any compensation for a failure by the Bank to perform its obligations, consequent to the operation of the aforesaid provisions.

The Bank is required to maintain its capital adequacy ratio at the minimum level required by the RBI for domestic banks. There can be no assurance that the Bank will be able to access capital as and when it needs it for growth.

The RBI requires Indian banks to maintain a minimum Tier I capital adequacy ratio of 6.00% and a minimum risk weighted capital adequacy ratio of 9.00%. As per Basel III norms, the Bank's standalone Tier I and total capital adequacy ratios were 8.18% and 11.76%, respectively, while the Group's consolidated Tier I and total capital adequacy ratios were 8.26% and 11.86%, respectively, as of 31 March 2015. The Bank is exposed to the risk of the RBI increasing the applicable risk weight for different asset classes from time to time. The Bank's current capitalisation levels are in line with these requirements. However, unless the Bank is able to access the necessary amount of additional capital, any incremental increase in the capital requirement may adversely impact the Bank's ability to grow its business and may even require the Bank to withdraw from or to curtail some of its current business operations. There can also be no assurance that the Bank will be able to raise adequate additional capital in the future at all or on terms favourable to it. Moreover, if the Basel Committee on Banking Supervision releases additional or more stringent guidance on capital adequacy norms which are given the effect of law in India in the future, the Bank may be forced to raise or maintain additional capital in a manner which could materially adversely affect its business, financial condition and results of operations.

The Bank's funding is a mix of short and long term wholesale borrowings and wholesale and retail deposits. If lenders and depositors fail to roll over deposited funds upon maturity, the Bank's business could be adversely affected.
The Bank has a fairly diversified funding base comprising both wholesale and retail lenders and depositors. If a significant portion of the Bank's lenders and depositors fail to roll over deposited funds upon maturity or do so for a shorter maturity than that of the Bank's assets, which tend to have medium to long-term maturities, the Bank's liquidity position could be adversely affected. The Bank dynamically manages its liquidity and interest rate sensitivity positions through frequent monitoring and suitable structuring of liability and asset products. However, the failure to obtain rollover of customer deposits upon maturity or to replace them with fresh deposits with similar maturity profile as the Bank's assets could have a material adverse effect on the Bank's business, future financial performance and the trading price of the Bonds.

If the Bank is not able to integrate any future acquisitions, the Bank's business could be disrupted.
The Bank may seek opportunities for growth through acquisitions or be required to undertake mergers mandated by the RBI. Any future acquisitions or mergers may involve a number of risks, including diversion of its management's attention required to integrate the acquired business and failure to retain key acquired personnel and clients, leverage synergies, rationalise operations, or develop the skills required for new businesses and markets, or unknown and known liabilities, some or all of which could have an adverse effect on its business.

Any inability to attract and retain talented professionals may negatively affect the Bank.
Attracting and retaining talented professionals is a key element of the Bank's growth strategy. Because the Bank generally pays wages that are lower than those paid by private sector banks, it has greater difficulty attracting and retaining talented professionals. An inability to attract and retain such talented professionals or the resignation or loss of key management personnel may have an adverse impact on the Bank's business, future financial performance and trading price of the Bonds.

The Bank is subject to Regulatory Reserve requirements, which affect the interest on a portion of the Bank's balances.
As of 31 March 2015, the Bank was required to maintain 4.00% of its NDTL in the form of balances with the RBI in accordance with Section 42 of the Reserve Bank of India Act, 1934. Under the current provisions, the Bank does not earn any interest on such balances held with the RBI.

2. Risks Relating to India

A slowdown in economic growth in India could cause the Bank's business to suffer.
The Bank's performance and the growth of its business are necessarily dependent on the health of the overall Indian economy. As a result, any slowdown in the Indian economy could adversely affect the Bank's business. The economic growth of India has deteriorated in the last fiscal year. It is difficult to assess the impact of these fundamental economic changes on the Bank's business. Any further slowdown in the Indian economy could adversely affect the Bank's business, results of operations, financial condition and prospects.

Recent market conditions and the risk of continued market deterioration could adversely affect the Bank's business.

The global equity and credit markets have been going through substantial dislocations, liquidity disruptions and market corrections. Liquidity and credit concerns and volatility in the global credit and financial markets increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major US and European financial institutions. These and other related events have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States and global credit and financial markets.

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects. In the event that the current difficult conditions in the global credit markets continue or if there are any significant financial disruptions, the Bank's cost of funding, loan portfolio, business, future financial performance and the trading price of the Bonds may be adversely affected. Furthermore, as the values of many investment securities that the Bank holds are sensitive to the volatility of the credit markets, to the extent that turmoil and uncertainty in the credit market continues and/or intensifies, such investment securities may be adversely affected by future developments in the credit markets. In addition, the ongoing financial stress in several global economies may adversely affect the ability of the Bank's borrowers to fulfill their debt obligations, which in turn could adversely affect the Bank's business and results of operations.

The Indian banking sector is subject to external economic forces.

As reported by the RBI in its financial stability report released on 29 December 2014, the current weak global growth outlook may prolong easy monetary policy stance in most advanced economies (AEs). Consequently, low risk premia may lead to accumulation of vulnerabilities, and sudden and sharp overshooting in markets cannot be ruled out. As of now, financial risk taking has not translated into commensurate economic risk taking. Against the backdrop of low interest rates in AEs, portfolio flows to emerging market and developing economies have been robust, increasing the risk of reversals on possible adverse growth or financial market shocks, thus necessitating greater alertness. On the domestic front, macroeconomic vulnerabilities have abated significantly in recent months on the back of improvement in growth outlook, fall in inflation, recovery in the external sector and political stability. However, growth in the banking business and activity in primary capital markets remain subdued due to moderate investment intentions. Sustaining the turnaround in business sentiment remains contingent on outcomes on the ground. Further the strain on asset quality in the Indian banking sector continues to be a major concern. A few sectors, namely, infrastructure, iron and steel, aviation, textiles and mining, continue to contribute significantly to the problem assets of the banking sector, while the performance of the retail sector has been good. Some factors affecting the asset quality adversely are (i) the current economic slowdown of growth-global and domestic, (ii) persistent policy logjams, (iii) delayed clearances of various projects, (iv)aggressive expansion by corporates during the boom phase with resultant excess capacities, and (v)deficiencies in credit appraisal, and others. However, under improved macro conditions, the present trend in credit quality may moderate during the fiscal year 2015-2016. The Bank has little or no control over any of these risks or trends and may be unable to anticipate changes in economic conditions. Adverse effects on the Indian banking system could impact the Bank's funding, profitability, asset quality or NPAs and adversely affect the Bank's business growth and as a result, impact future financial performance and the market price of the Bonds.

Financial instability in other countries, particularly the pace of recovery in other economies following the global financial crisis, could disrupt the Bank's business and cause the trading price of the Bonds to decrease.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries. Financial turmoil in Asia, Europe, Latin America, Russia, the United States of America and elsewhere in the world in past years has had limited impact on the Indian economy and India was relatively unaffected by financial and liquidity crisis experienced elsewhere. India has been impacted to a moderate extent by the recent global financial crisis and has shown strong resilience in the face of a global economic slowdown. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and, indirectly, in the Indian economy in general. This in turn could negatively impact the Indian economy, including the movement of exchange rates and interest rates in India. Any significant financial disruption could have an adverse effect on the Bank's business, future financial performance and the trading price of the Bonds.

A significant change in the Government's economic policies could disrupt the Bank's business.

The Government has traditionally exercised, and continues to exercise, a dominant influence over many aspects of the economy. Its economic policies have had and could continue to have a significant effect on public sector entities, including the Bank, and on market conditions and prices of Indian securities, including securities issued by the Bank. Post parliamentary elections in May 2014, the new Government have started addressing policy bottlenecks to improve macro-economic situation. The outcome of any new policy measure would take time. Any delays or non action on critical economic policies might have significant effect on Bank's performance. Such events could also affect India's debt rating, the Issuer's business, its future financial performance and the trading price of the Bonds.

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

India has from time to time experienced social and civil unrest and hostilities both internally and with neighbouring countries.. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on the Bank's business, its future financial performance and the trading price of the Bonds. Furthermore, India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country, leading to overall political and economic instability, it could have an adverse effect on the Bank's business, future financial performance and the trading price of the Bonds.

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

India's trade relationships with other countries can influence Indian economic conditions. India's trade deficit has ranged between 6.23% and 10.30% of the gross domestic product (**GDP**) during the years 2007-13. Rising gold imports have been a continuing concern in terms of a rising trade deficit. The share of gold in total imports has been increasing since 2007-08 and was close to 3.00% of the GDP in 2012-13. Several policy measures aimed at reducing vulnerabilities arising from gold imports have been taken recently including increase of import duty on gold etc. Coupled with the improvement in exports, these measures have started reflecting in the recent trade figures. India's current account deficit also narrowed sharply to U.S.$ 8.20 billion (1.60% of GDP) in the third quarter of 2014-15 from U.S.$10.10 billion (2.00% of GDP) in the third quarter of 2013-14. If India's trade deficits increase or become unmanageable, the Indian economy, and therefore the Bank's business, future financial performance and the trading price of the Bonds could be adversely affected.

A downgrade in ratings of India, the Indian banking sector or of the Bank may affect the Banks' business, the Bank's liquidity and the trading price of any Bonds.

In April and June 2012, Standard & Poor's (**S&P**) and Fitch Ratings Ltd. (**Fitch**), respectively, revised the outlook on the long-term ratings on India from "stable" to "negative", citing factors such as the slowdown in India's investment and economic growth and the widening current account deficit, resulting in weaker medium term credit, as well as structural challenges such as corruption, inadequate economic reforms and elevated inflation. At the same time, S&P lowered the credit rating outlook of India's top 10 banks and warned that it could downgrade these banks' credit ratings depending on their asset quality and India's sovereign credit rating, while Fitch downgraded the credit rating outlook of 11 Indian financial institutions to "negative" based on their close links to the Government. Moody's Investors Services Limited (**Moody's**) had earlier, in November 2011, changed the outlook of the Indian banking system from "stable" to "negative" citing concerns of an increasingly challenging operating environment which could adversely affect the asset quality, capitalisation and profitability of Indian banks.

On 8 June 2012 and 8 January 2013, S&P and Fitch, respectively, announced that they might lower India's credit rating below investment-grade, citing slowing GDP growth, setbacks or reversals in India's economic policy, widening fiscal deficit and/or increasing spreads of credit default swaps for Indian banks. On 10 October 2012, S&P stated that a downgrade would be likely if the country's economic growth prospects dim, its external position deteriorates, its political climate worsens or fiscal reforms slow. However, these rating agencies also indicated that they might revise their outlook to "stable" if the government implements initiatives to reduce structural fiscal deficits, improves its investment climate and increases growth prospects. S&P reiterated on 17 May 2013 that, although there has been some easing of pressure towards a downgrade of the rating, there is still a more than one-in-three likelihood of such a downgrade unless significant improvements in factors such as a high fiscal deficit and levels of government borrowing are seen. On 15 June 2013, Fitch upgraded the outlook of ten financial institutions, including the Bank, from "negative" to "stable" following its revision of the outlook on India's long-term foreign-and local-currency issuer default ratings from "negative" to "stable".

On 25 November 2013, S&P downgraded the long-term rating assigned to the Bank to below investment grade, citing weak asset quality. On 26 September 2014, S&P has revised the outlook of 11 banks including IDBI Bank from 'negative' to 'stable' following the revision in the sovereign outlook from 'negative' to 'stable'. As of the date of this Disclosure Document, the

Bank has investment grade ratings from Moody's and Fitch. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact the Bank's ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. Any of these developments may materially and adversely affect the cost of funds available to the Bank and the trading price of any Bonds.

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy which could have adverse impact on the Bank.

India's foreign exchange reserves increased by U.S.$22.0 billion (40.6%) in fiscal year 2003, by U.S.$36.9 billion (48.4%) in fiscal year 2004, by U.S.$28.6 billion (25.3%) in fiscal year 2005, by U.S.$10.1 billion (7.1%) in fiscal year 2006, by U.S.$47.6 billion (31.4%) in fiscal year 2007, and by U.S.$110.5 billion (55.5%) in fiscal year 2008. However, during fiscal year 2009, foreign exchange reserves decreased sharply by U.S.$57.7 billion (18.6%), as a direct consequence of the effects of the global financial crisis on India, although they increased by U.S.$27.1 billion (10.7%) during fiscal year 2010 and by U.S.$25.8 billion (9.2%) during fiscal year 2011. India's foreign exchange reserves decreased by U.S.$10.42 billion (3.42%) and by U.S.$2.35 billion (0.79%) for fiscal years 2012 and 2013, respectively. The foreign exchange reserves increased by U.S.$18.9 billion (6.47 per cent.) in fiscal year 2014 and by U.S.$33.4 billion (9.77 per cent.) in fiscal year 2015. A decline in India's foreign exchange reserves could result in reduced liquidity and higher interest rates in the Indian economy, which could adversely affect the Bank's business, its financial performance and the trading price of the Bonds.

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

India has experienced natural calamities such as earthquakes, floods and droughts in the past. The extent and severity of these natural disasters determine their impact on the Indian economy. The occurrence of similar or other natural calamities could have a negative impact on the Indian economy, affecting the Bank's business and potentially causing the trading price of the Bonds to decrease.

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

The Bank is exposed to the risks of the Indian financial system which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. As an emerging market economy, the Indian financial system faces risks of a nature and to an extent not typically faced in developed countries, including the risk of deposit runs notwithstanding the existence of deposit insurance scheme. Certain financial institutions have experienced difficulties during recent years. Some cooperative banks have also faced serious financial and liquidity crises. The problems faced by individual financial institutions and any instability in or difficulties faced by the financial system generally could create adverse market perception about Indian financial institutions and banks. This in turn could adversely affect the Bank's business, future financial performance and the price of the Bonds.

The effects of the planned convergence with and adoption of IFRS are uncertain.

On 25 February 2011, the Ministry of Corporate Affairs of the Government of India announced through a press release that 35 Indian Accounting Standards (**Ind AS**) were to be converged with the IFRS. However, the date of implementation of convergence is yet to be notified by the Ministry of Corporate Affairs. Because there is a significant lack of clarity on the adoption of and convergence with IFRS and there is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application, the Bank has not determined with any degree of certainty the impact that such adoption will have on its financial reporting. The Ind AS may adopt such accounting standard with or without alteration. Furthermore, the new accounting standards will change its methodology for estimating allowances for probable loan losses. New accounting standards may require the Bank to value its non-performing loans by reference to their market value (if a ready market for such loans exists), or to calculate the present value of the expected future cash flows realisable from its loans, including the possible liquidation of collateral (discounted at the loan's effective interest rate) in estimating allowances for probable losses. This may result in the Bank recognising higher allowances for probable loan losses in the future. Therefore, there can be no assurance that the Bank's financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP. In the Bank's transition to IFRS reporting, the Bank may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Moreover, there is increasing competition for the small number of available IFRS-experienced accounting personnel as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that the Bank's adoption of IFRS will not adversely affect its reported results of operations or financial condition and the price and ability to pay Interest of the Bonds.

Increased volatility or inflation of commodity prices could adversely affect the Bank's business.

In recent months, consumer and wholesale prices in India have been rising with particular increases in the prices of food, metals and crude oil. Any increased volatility or rate of inflation of global commodity prices, in particular oil and steel prices, could adversely affect the Bank's borrowers and contractual counterparties. Although the RBI has introduced certain policy measures designed to curb inflation, these may not have an immediate impact or even be successful. Because of the importance of its retail banking portfolio and the importance of its agricultural loan portfolio to the Bank's business, any slowdown in the growth of the housing, automobile and agricultural sectors could adversely impact the Bank's business and a general economic slowdown in India could increase the cost of servicing the Bank's non-Rupee denominated debt, including the Bonds and adversely impact the bank's business prospects, financial condition and results of operations.

Significant increases in the price of crude oil could adversely affect the Indian economy, which could adversely affect the Bank's business. Further, volatility in the by-products of crude oil (such as petrol, diesel, and liquefied petroleum gas (LPG)), due to deregulation of their prices in India, could adversely affect the Indian economy, which in turn may adversely affect the Bank's business.

India imports approximately 80.0 per cent. of its requirements of crude oil, which comprised approximately 35 per cent. of total imports in fiscal 2015. Accordingly, a significant increase from current levels in the price of crude oil could adversely affect the Indian economy. Since 2004, there have been several periods of sharp increase in global crude oil prices due to both increased demand and speculation and pressure on production and refinery capacity, and political and military tensions in key oil-producing regions, among other factors. A sharp increase in global crude oil prices during calendar year 2010 caused the Indian wholesale price index to peak at 10.9 per cent. in April 2010. In June 2010, the Government eliminated subsidies on petroleum products, which significantly increased the price of gasoline. In June 2011, the Government raised retail fuel prices and cut customs and excise duties on petroleum products to limit under-recovery at oil companies and followed up with a further increase in May 2012. However since June 2014, there has been a sharp fall in oil prices due to a large increase in supply of oil in North America, as a result of the unexpected decision by the Organisation of the Petroleum Exporting Countries not to reduce its output of crude oil and a multi-year slowing in demand for crude oil which has resulted in a decrease in proportion of oil to total imports. Furthermore, the Government has also deregulated the prices of certain oil products including diesel, resulting in international crude prices having a greater effect on domestic oil prices. Any increase or volatility of oil prices suffered by Indian consumers could have a material adverse impact on the Indian economy and on the Indian banking and financial system in particular, including through a rise in inflation and market interest rates and a higher trade deficit.

The proposed new taxation system could adversely affect the Bank's business and the trading price of the Bonds.

The Government has proposed two major reforms in Indian tax laws, namely the goods and services tax (the GST). The GST would replace the indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, surcharge and cess currently being collected by the central and state Governments. As of the date of this Disclosure Document, the GST has not been implemented. The direct tax reform, namely the introduction of the Direct Tax Code has been cancelled. As the taxation system is going to undergo significant overhaul, its long-term effects on the banking system are unclear as of the date of this Disclosure Document and there can be no assurance that such effects would not adversely affect the Bank's business, future financial performance and the trading price of the Bonds .

3. <u>Risk relating to the Bonds</u>

The Bonds are not guaranteed by the Republic of India.

The Bonds are not the obligations of, or guaranteed by, the Government. Although the Government owns 76.50% of the Bank's issued and paid up share capital as of 31 March 2015, the Government is not providing a guarantee in respect of the Bonds. In addition, the Government is under no obligation to maintain the solvency of the Bank. Therefore, investors should not rely on the Government ensuring that the Bank fulfills its obligations under the Bonds.

The Bonds only have limited rights of acceleration.

Only the Issuer's winding-up or liquidation will permit a holder of the Bonds to accelerate payment of such Tier 2 instruments. In such event, the only action the holder of the Bonds may take in India against the Issuer is certain actions to cause, or make a claim in, the Issuer's liquidation or reorganisation. Furthermore, if the Issuer's indebtedness were to be accelerated, its assets may be insufficient to repay in full all borrowings including the Bonds.

The terms and conditions of the Bonds do not contain any restriction on the Bank's ability to declare and pay dividends, distributions or other payments on its ordinary shares or perpetual non-cumulative preference shares when coupon on the Bonds otherwise scheduled to be paid on a Coupon Payment Date is cancelled.

The Bank may elect not to pay and, in the circumstances described above, must not pay, all or some of the coupon falling due on the Bonds on any Coupon Payment Date. If coupon on the Bonds is cancelled, the terms and conditions of the Bonds do not contain any restriction on the Bank's ability to declare and pay dividends, distributions or other payments on its ordinary shares or perpetual non-cumulative preference shares. Accordingly, it would be possible (subject to applicable law) for the holders of the Bank's ordinary shares or perpetual non-cumulative preference shares, which rank junior to the Bonds, to receive dividends, distributions or other payments when coupon on the Bonds has been cancelled.

The Bonds have no put option but callable at the option of the Bank.

The Bonds shall not have any put option. However, the Bonds may be callable because of a regulatory or tax event. Further, before exercising such call option, the Bank has to obtain prior approval of RBI and satisfy any conditions that the RBI and other relevant Indian authorities may impose at the time of such approval.

The Bonds are subordinated to most of the Bank's liabilities and the terms of the Bonds contain no limitation on issuing debt or senior or pari passu securities.

The Bonds will constitute unsecured and subordinated obligations of the Bank which rank *pari passu* and without preference among themselves. The Bonds are not deposits and are not insured by the Bank or guaranteed or insured by any party related to the Bank and the Issuer is prohibited under the Basel III Guidelines to grant advances against the security of the Bonds. In the event of a winding-up of the Bank's operations, the claims of the holders of the Bonds will be subordinated in right of payment to the prior payment in full of all of the Bank's other liabilities (whether actual or contingent, present or future) including all deposit liabilities and other liabilities of the Bank and all of the Bank's offices and branches. However, the Bonds are superior to the claims of investors in instruments eligible for inclusion in Tier 1 capital (if any) and shall rank *pari passu* amongst each other and with other similar debt instruments qualifying as Tier 2 capital in terms of the Basel III Guidelines.

As a consequence of the subordination provision, in the event of a winding-up of the Bank's operations, the holders of the Bonds may recover less rateably than the holders of deposit liabilities or the holders of the Bank's other liabilities that rank senior to the Bonds. The Bonds also do not limit the amount of liabilities ranking senior to the Bonds which may be hereafter incurred or assumed by the Bank. In accordance with the Basel III Guidelines, the Bonds will not contribute to liabilities in any balance sheet test for establishing insolvency under any law or otherwise.

The Bonds are subject to permanent write-down on the occurrence of certain trigger events.

The Bonds, in compliance with the Basel III Guidelines, are required to have principal loss absorption features through permanent write-down mechanism on pre-specified trigger events at a point of non-viability. The write-down will:

(i) reduce the claim of the Bonds in liquidation;
(ii) reduce the amount re-paid when a call is exercised; and
(iii) partially or fully reduce coupon payments on the Bonds.

Various criteria for loss absorption through write-down on pre-specified trigger at the point of non-viability are elaborated in the term sheet and later part of this document.

These Bonds are being issued under various rules, regulations and guidelines issued by the RBI. Bank may be forced to write-down the Bonds or to take such other action in relation to these Bonds as may be required pursuant to the law and regulations then in force and as amended from time to time.

II. ISSUER INFORMATION

A.	**Name and Address of the Issuer :**	
i.	Registered Office of the Issuer	IDBI Bank Limited IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005 Tel.No.022-66553355 Fax No. 022-22180930 www.idbi.com
ii.	Corporate Office of the Issuer	IDBI Bank Limited IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005 Tel.No.022-66553355 Fax No. 022-22180930 www.idbi.com
iii.	Compliance Officer	Shri Pawan Agrawal, Company Secretary (Nodal Officer for compliance activities relating to bond issue – Shri Partha Patnaik, DGM, Domestic Resources Department, IDBI Tower, 22nd floor, WTC Complex, Cuffe Parade, Mumbai – 400005 E-mail: partha.patnaik@idbi.co.in)
iv.	Chief Financial Officer	Shri N.S. Venkatesh, ED & CFO, IDBI Bank Ltd.,IDBI Tower, WTC Complex, Cuffe Parade, Mumbai - 400005
v.	Arranger, if any, of the Issue	None
vi.	Trustee of the issue	SBICAP Trustee Company Ltd., Apeejay House, 6th Floor, 3, Dinshaw Wachha Road, Churchgate, Mumbai - 400020
vii.	Registrar of the issue	Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda,

		Hyderabad – 500 032
viii.	Credit Rating Agencies	CRISIL Ltd., CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400 076 ICRA Ltd., Electric Mansion,3rd floor,Appasaheb Marathe Marg,Prabhadevi, Mumbai – 400025 India Ratings and Research Pvt.Ltd., Wockhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra East, Mumbai – 400051
ix.	Auditors	M/s.Mukund M. Chitale & Co., Chartered Accountants, Kapur House, Second floor, Paranjape B-scheme Road No.1, Vile Parle (East), Mumbai 400 057 M/s.Chokshi & Chokshi LLP, Chartered Accountants, 15/17, Raghavji B Bldg, Gowalia Tank, Off Kemps Corner, Mumbai – 400 036

B. Brief Summary of the Business/Activities of IDBI Bank Limited and its line of business

i. Overview and History:

The Bank is a company incorporated under the Companies Act, 1956 (1 of 1956) on 27 September 2004 and within the meaning of Section 2(20) of the Companies Act, 2013 and a banking company within the meaning of Section 5 (c) of the Banking Regulation Act, 1949 (10 of 1949). The name of the Bank was changed to IDBI Bank Limited with effect from 7 May 2008 and a fresh certificate of incorporation (consequent upon the change of name) was issued by the Registrar of Companies, Maharashtra, Mumbai. The RBI has classified the Bank as an "Other Public Sector Bank".

The Bank was originally known as Industrial Development Bank of India (IDBI) and was established in 1964 by the Government under the Industrial Development Bank of India Act, 1964 (the **IDBI Act**). Initially, IDBI was set up as a wholly-owned subsidiary of the RBI to provide credit and other facilities for the development of industry. In 1976, the ownership of IDBI was transferred to the Government and it was entrusted with the additional responsibility of acting as the principal financial institution for co-ordinating the activities of institutions engaged in the financing, promotion or development of industry. On 1 October 2004, the undertaking of

IDBI was transferred to the Bank. For over four decades, the Bank has primarily provided financing to large and medium industrial enterprises engaged or planning to engage in the manufacturing, processing or preservation of goods, mining, shipping, transport, hotel industry, IT, medical and health, leasing generation and distribution of power, maintenance, repair, testing, servicing of vehicles, setting up of industrial estates and also in research and development for the promotion of industrial growth.

In the past, the Government has provided direct and indirect financial assistance and support to the Bank, including access to low cost funding and assistance by way of restructuring of high cost liabilities. The Government, however, has no legal obligation to provide financial assistance or support to the Bank. The Bank's total assets were ₹3,28,988.36 crore and ₹3,56,030.57 crore as of 31 March 2014 and 2015, respectively. The Bank's advances to customers were ₹1,97,686 crore and ₹2,08,376.87 crore as of 31 March, 2014 and 2015, respectively. The Bank's total profit was ₹2,025.26 crore and ₹1,770.16 crore for the fiscal years ended 31 March 2014 and 2015, respectively.

Ownership:

Between 1964 and 1976, the ownership of IDBI was vested with the RBI and was transferred to the Government with effect from 16 February 1976.

The IDBI Act was amended in October 1994 to permit IDBI, *inter alia*, to raise equity from the public subject to the Government's shareholding in IDBI not falling below 51.00%. Pursuant to the amendment, IDBI made its initial public offering (**IPO**) in July 1995 and raised ₹2,184 crore. The percentage of Government ownership was reduced from 100.00% to 72.14% following the IPO.

The Government's shareholding was further reduced to 55.99% with effect from 5 June 2000 as the Government converted 24.7 crore equity shares into 24.7 crore fully paid preference shares of ₹10 each redeemable within three years. These preference shares were redeemed in 2001. In December 2000, the Board recommended a bonus share issue in the ratio of three equity shares for every five equity shares held. Consequently on 29 March 2001, IDBI issued 24,48,11,400 fully paid equity shares of ₹10 each as bonus shares by capitalisation of the capital reserve account of ₹4.52 crore and the share premium account of ₹240 crore. Subsequent to the merger of the Bank with IDBI Bank Ltd., the Government's shareholding fell further to 52.80%.

As of 31 March 2015, the authorised capital of the Bank was ₹3,000 crore and paid-up capital of the Bank was ₹1,604 crore. As of 31 March 2015, the Government held approximately 76.50% of the shares of the Bank.

The Bank is listed on the BSE Ltd. (the **BSE**) and the National Stock Exchange of India Ltd. (the **NSE**). As of 31 March 2015, the market capitalization of the Bank on the NSE was ₹11,388.10 crore and BSE was ₹11,396.12 crore.

Conversion into a Universal Bank :

In April 2001, the RBI stated that a Development Financial Institution (**DFI**) such as IDBI could either convert itself into a universal bank or a Non Banking Financial Company (**NBFC**). The then Board of IDBI decided in principle to convert IDBI into a universal bank. The transfer of the undertakings of IDBI to the Bank was effected on 1 October 2004 (the **Appointed Day**) pursuant to the provisions of the Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003 (the **IDBI Repeal Act**) proposing the repeal of the IDBI Act. Major provisions of the IDBI Repeal Act included the following:

- the Bank shall be deemed to be a banking company under the Banking Regulation Act and shall carry on banking business in accordance with the provisions of the Banking Regulation Act in addition to the business which was formerly carried on by IDBI as a DFI;
- the Bank shall not be required to obtain a license under the Banking Regulation Act;
- the Bank shall be exempted from the requirement to maintain the SLR for a period of five years from the Appointed Day (1 October 2004);
- the Government, in consultation with the RBI, may by notification, exempt the Bank from certain provisions of the Banking Regulation Act or provide that such provisions will apply with such exceptions, modifications or adoptions as may be specified in the notification;
- the Government and the shareholders of IDBI (including the Government), immediately before the Appointed Day, shall be deemed to be a shareholder of the Bank to the extent of the face value of the shares held by such shareholders;
- all contracts, deeds, bonds, guarantees, powers of attorney, other instruments and working arrangements subsisting immediately before the Appointed Day and affecting

IDBI shall cease to have effect or to be enforceable against IDBI and shall be of full force and effect against or in favour of the Bank as if instead of IDBI, the Bank had been named therein or had been a party thereto;

- with effect from the Appointed Day, all fiscal and other concessions, licences, benefits, privileges and exemptions granted to IDBI in connection with the affairs and business of IDBI under any law for the time being in force (including those granted by the IDBI Act, 1964 prior to its repeal), were deemed to have been granted to the Bank;
- the transfer of the undertaking of IDBI to the Bank shall not be construed as a transfer within the meaning of the Income Tax Act, 1961 (**Income Tax Act**). Where any exemption from, or any assessment with respect to, any tax has been granted or made, or any set off or carry forward benefit has been extended, such exemption will continue to be available to the Bank;
- any guarantee given for or in favour of IDBI shall continue to be operative in relation to the Bank (as of 1 October 2004, all guarantees given for or in favour of IDBI were from the Government); and
- in every Act, regulation or notification in force on the Appointed Day:
  (a) the words "Industrial Development Bank of India", wherever they occur, the words "Industrial Development Bank of India Limited referred to in clause (b) of section 2 of the Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003" shall be substituted;
  (b) the words "Development Bank of India", wherever they occur, the words "Industrial Development Bank of India Limited referred to in clause (b) of section 2 of the Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003" shall be substituted;
  (c) the words "the Development Bank means the Industrial Development Bank of India, established under section 3 of the Industrial Development Bank of India Act, 1964", the words "the Industrial Development Bank of India Limited referred to in clause (b) of section 2 of the Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003" shall be substituted; and
  (d) the words "the Industrial Development Bank of India, established under Section 3 of the Industrial Development Bank of India Act, 1964", the words "the Industrial

Development Bank of India Limited referred to in clause (b) of section 2 of the Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003" shall be substituted.

Following conversion into a banking company, the Board decided that the Bank should merge its existing banking subsidiary, IDBI Bank Ltd. Accordingly after obtaining respective Board and Shareholders approvals, the two entities were merged in April, 2005, with the effective date of merger being 1 October 2004.

In consideration of the fact that the Government's holding in the Bank is required by the Articles of Association (AoA) to remain at or above 51.00% and that, during the discussion on the IDBI Repeal Bill 2003 on 8 December 2004, the Finance Minister of India gave an assurance to the Parliament that the Government intends to maintain such interests in the Bank, the RBI issued a notification on 15 April 2005 and classified the Bank under a new sub-group as an Other Public Sector Bank. In connection with its conversion into a banking corporation, the Bank was granted certain temporary regulatory relaxations, including exemption from compliance with SLR requirement for the first five years after the Appointed Day. In addition, the Bank was also required to meet the priority sector lending requirements in a phased manner so as to comply with those requirements by the end of fiscal year 2011.

The Bank has since complied with the SLR requirements with effect from June 2009. As of 31 March 2015, the SLR holding of the Bank is 27.46%, as compared to the RBI's stipulated norms of 21.50%.

Other regulatory relaxations extended to the Bank by the RBI include:

- Exemption from the 30.00% limit with respect to outstanding exposure through equity investment, stipulated under Section 19(2) of Banking Regulation Act, as of the Appointed Day. The exposure was to be brought within the stipulated limit within a period of five years from the Appointed Day. On the recommendation of the RBI, the Government had granted a further grace period until 30 September 2011 for the Bank to comply with the regulation. Compliance was completed by 30 September 2011.As of 31 March 2015, the Bank was fully compliant with respect of Section 19(2) of Banking Regulation Act.

- The RBI, in its circular no.DBOD.FSD.BC.62/24.01.001/2011-12 dated 12 December 2011 issued the following guidelines for banks' investments in non-financial service companies:

  (a) equity investments by a bank in companies engaged in non-financial services activities are subject to a limit of 10.00% of the investee company's paid-up share capital, or 10.00% of the Bank's paid-up share capital and reserves, whichever is less. Equity investments held under the held for trading (**HFT**) category would also be included for this purpose;

  (b) equity investments in any non-financial services company held by (a) a bank; (b) entities which are bank's subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and (c) mutual funds managed by asset management companies (**AMCs**) controlled by the Bank should, in aggregate, not exceed 20.00% of the investee company's paid-up share capital; and

  (c) a bank's equity investments (excluding the HFT category) held in subsidiaries and other entities engaged in financial services, together with equity investments in entities engaged in non-financial services activities, should not exceed 20.00% of the bank's paid-up share capital and reserves.

Furthermore, banks have been advised to carry out a review of their investments in non-financial companies, including the entities mentioned at (b) above, within a period of three months from the date of the circular issued on 12 December 2011. The review, together with the proposed course of action to comply with the regulatory requirement where the existing investments do not comply with the above guidelines, have to be forwarded to the RBI within a month of the completion of the review. As of the date of this Disclosure Document, (i) a review of investments as set out in the above guidelines had been carried out by the Bank, (ii) the Bank is in compliance with requirement at paragraph (c) above and (iii) in respect of certain legacy equity investments, the Bank is not in compliance with the requirements at paragraphs (a) and (b) above. The RBI has granted the Bank an extension until 31 March 2015 to comply with the same. The Bank has sought a further extension from the RBI until 31 March 2018 in order to comply with the guidelines. As of the date of this Disclosure Document, the RBI approval has not yet been granted.

- In respect of IDBI Federal Life Insurance Company Ltd. (**IDBI Federal Life**) (previously known as IDBI Fortis Life Insurance Company Ltd., and where the Bank's outstanding exposure by way of equity investment is 48.00%), the Bank has been granted an exemption from the RBI as the investment is a strategic one.
- Permission to issue bonds of varying maturity in respect of undisbursed commitments as of the Appointed Day.
- Special securities of ₹9,000 crore issued to the Bank by the Government in consideration of the transfer of assets to the Stressed Assets Stabilisation Fund to be classified as held-to-maturity (**HTM**) investments and kept out of the prescribed ceiling of 25.00% stipulated for HTM investments.

Merger of IDBI Bank Ltd. :

The Board decided that, to ensure its effective transition into a banking company, the Bank should merge its banking subsidiary, IDBI Bank Ltd. The scheme of amalgamation dated 1 April 2005 (the **IDBI Bank Ltd. Scheme**) of IDBI Bank Ltd. with IDBI Ltd. was approved separately at the extraordinary general meetings of IDBI Ltd. and IDBI Bank Ltd. and also received consent of the RBI under the Banking Regulation Act. The IDBI Bank Ltd. Scheme became effective from the Appointed Day and operative from 2 April 2005 (the **Effective Day**). Under the IDBI Bank Ltd. Scheme, all of the assets and liabilities of IDBI Bank Ltd. were transferred to and vested in the Bank. With effect from the Effective Day, the existing business and employees of the IDBI Bank Ltd. and the Bank were then organised as separate strategic business units (**SBU**s) namely, Commercial Bank SBU and the Development Bank SBU within the Bank.

Merger of United Western Bank (UWB) :

The Government, on 30 September 2006, granted its approval of the amalgamation of the Bank with UWB, with effect from 3 October 2006 (the **Prescribed Date**). With effect from the Prescribed Date, the existing business and employees of UWB were then organised into three SBUs, namely UWB SBU, Commercial Bank SBU and Development Bank SBU, which carried out the operations of the Bank. Following the merger of UWB, the Bank's delivery channels as of 31 March 2007 comprised 432 branches, 18 extension counters and 525 automatic teller machines (**ATM**s) spread across 255 cities and towns. Furthermore, the acquisition of UWB has also helped increase the Bank's low-cost demand deposits by way of current account and savings account (**CASA**) and priority sector lending volumes. Under the scheme of amalgamation dated 30 September 2006 (the **UWB Scheme**) issued by the RBI, the Bank is required to acquire all assets and liabilities of UWB on or before the Prescribed Date. Pursuant to the UWB Scheme, the Bank paid an amount of 28 per share to all eligible shareholders of UWB as a partial settlement of their claims. However, in case where the total amount of realisation from the "advances considered not readily realisable and/or bad or doubtful of recovery" exceeds the value at which they were acquired by the Bank, such surplus will be distributed to the previous shareholders on record of UWB after a period of 12 years or earlier, as prescribed under the UWB Scheme. All the employees of UWB have been transferred to the Bank. The Bank had the option of merging, closing down or relocating some of UWB's branches within a period of one year from the Prescribed Date with the prior approval of the RBI.

Pursuant to approval of the RBI, the aggregate of the excess of UWB's liabilities over its assets (₹489.6 crore) and upfront consideration (₹150.6 crore) aggregating to ₹640.2 crore has been adjusted against the balance available in general reserves of the Bank as of 3 October 2006.

Subsidiaries

As of 31 March 2015, the Bank had three wholly-owned subsidiaries, namely IDBI Intech Ltd., IDBI Capital Market Services Ltd. and IDBI MF Trustee Company Ltd. and two partly owned subsidiaries called IDBI Trusteeship Services Ltd. (ITSL) (in which the Bank holds 54.70% of the equity) and IDBI Asset Management Ltd (in which the Bank holds 66.67% of the equity).

Organisational Setup :

The organisational set-up of the Bank has been structured on the basis of focused business growth based on customer segmentation.

There are four business verticals, namely the (i) Infrastructure Corporate Group (**ICG**), (ii) Corporate Banking Group (**CBG**), (iii) Retail Banking Group (**RBG**), and (iv) International Banking Group (**IBG**). The other functional areas consist of eight business support verticals and eight non-business support verticals.

The controlling office for all verticals is at the Bank's Head Office in Mumbai, except for retail banking, whose business functions and controlling office have been further delegated to nine zones, namely (i) West I zone located at Mumbai, (ii) West II zone located at Ahmedabad, (iii) West III zone located at Nagpur (iv) South I zone located at Chennai, (V) South II zone located at Bangalore (vi) East I and North East zone located at Kolkata and (vii) East II zone located at Bhubaneswar, (viii) North I zone at New Delhi, (ix) North II zone at Chandigarh all headed by the Chief General Managers. All administrative units of the business verticals are located at the Bank's Head Office.

STRATEGY

Overall Strategy

Objective

The Bank aspires to emerge as "the preferred Bank" to its stakeholders and position itself as one of the leading Banks in the country through innovative product offerings, superior service delivery and appreciable growth. The Bank aims to leverage its core strength of corporate finance to generate: (a) additional transaction banking business, (b) fee-based income from various corporate services and (c) additional business from related Micro Small and Medium Enterprise (**MSME**s) or retail entities. In the corporate segment, the Bank provides assistance for both project and non-project purposes to well-rated companies in addition to offering structured products or services and generating adequate fee-based business. The Bank also aims to increase its retail portfolio and priority sector portfolio (namely, MSME and agricultural lending) through the RBG and a rapidly expanding branch network. The Bank has been increasingly financing agricultural, rural and MSME sectors in order to diversify its portfolio and to have better and more stable earning opportunities.

The broad actionable and thrust areas outlined in its strategy include:

Improving profitability parameters of the Bank including net interest margin:

Net interest margin of the Bank has been improving in the past few years. The Bank's current business plan envisages multi-pronged strategies to improve its margin through appropriate pricing of assets, focus on mobilisation of CASA deposits to further lower the cost of funds, building up high-yield retail assets, cross-selling retail products to staff of corporate clients, diversifying non-project lending through SME and working capital, maintaining and improving asset quality and improving recovery from written-off cases.

Enlarging depositors' base and aggressively raising more CASA deposits, thereby reducing dependence on bulk deposits:

The Bank will leverage its public sector undertaking character and its technology platform to tap existing corporate relationships for current account deposits and current account related products. Current account relationships will also be strengthened through the expanding base of MSME lending. Savings account will be improved through the rapid expansion of retail branch network, new products and enhanced customer service. The Bank has already introduced various free of charge services for the benefit of its premier customers who hold a current account or savings account with the Bank. The Bank has also waived minimum average quarterly balance requirements for some of its customers.

Extending Working Capital and Increasing Retail Assets, MSME and Priority Sector Lending:

In order to diversify the Bank's asset composition and improve upon its earnings potential, the Bank intends to increase the share of working capital assistance in its portfolio. Faster credit delivery including appraisal, documentation, sanction and disbursement, will support the diversification process. The Bank will tap upstream and downstream channel partners of existing clients and follow cluster-based approach for financing MSMEs. The Bank intends to expand its network of city MSME centres and corporate branches to support these goals. Furthermore, the product basket will be expanded and modified to meet the differing needs of existing clients and new clients in MSME and retail sector.

Generating adequate fee-based income to meet operating expenses:

The Bank aims to generate higher fee-based income from cash management services, debt or equity syndication and corporate advisory services including M&A advisory, carbon credit services, IPO monitoring, underwriting, in addition to income through its normal banking business.

Effectively managing the assets to bring down the level of NPAs and focusing on higher and faster recovery from written-off cases:

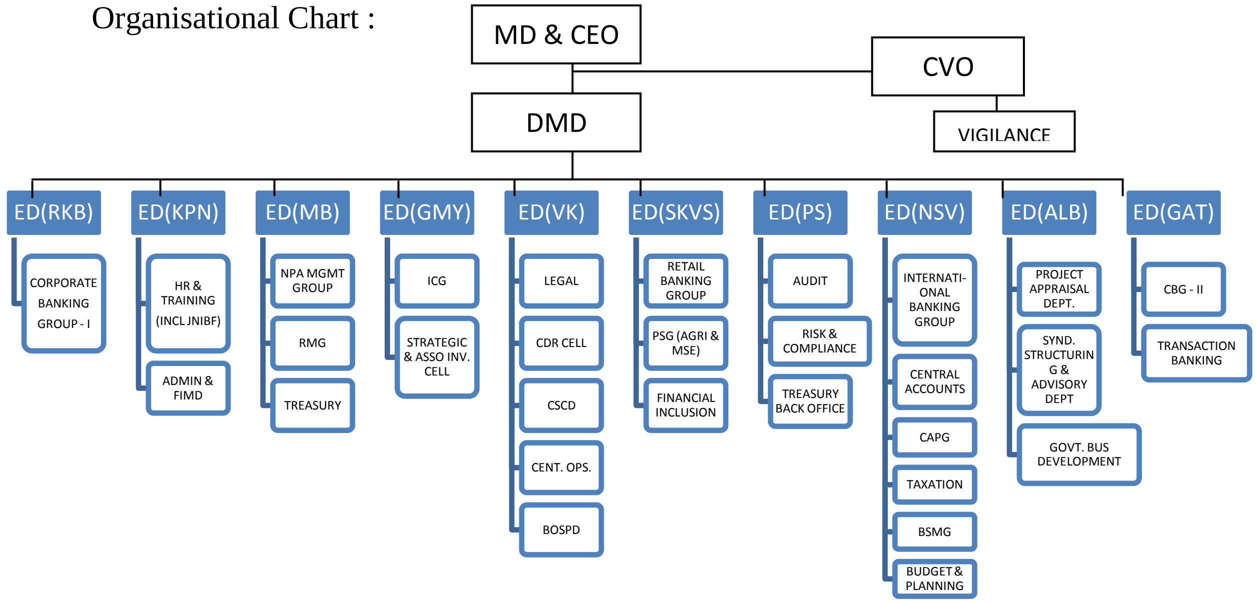
The Bank will continue to remain vigilant to avoid any slippages in asset quality and intends to initiate timely measures to maintain the quality of its existing assets. Actual or potentially distressed assets would be monitored very closely. Accounts where the Bank has made full provisions for or written-off or NPAs will receive focused attention through a dedicated NPA Management Group vertical (the NMG). The NMG uses the provisions under the SARFAESI Act or the Recovery of Debts Due To Banks and Financial Institutions Act, 1993 and/or One Time Settlement (OTS) or negotiated settlement or assignment of debt to quickly realise the capital blocked in the NPAs. The Bank also utilises the services of Asset Reconstruction Companies (ARCs) for settlement of NPAs on terms acceptable to it.

Expanding presence by opening more branches and other delivery channels:

It has been the Bank's objective to spread its geographical presence and adequately support its business. As of the date of the Disclosure Document, the Bank has 1,780 branches and 3,203 ATMs.

ii. Corporate Structure :

Organisational Chart :



PRODUCTS AND SERVICES

The Bank offers a range of products both in the corporate banking and retail banking segments.

Corporate Banking :

Overview

The Bank extends financial assistance, both funded and non-funded, short and long term, secured and unsecured, to large and mid-sized corporates as well as those in the MSME or Agriculture sectors to meet their capital expenditure and working capital requirements. The amount of credit granted under any of the facilities is strictly determined on a need basis and is backed by a firm source of repayment. Financial assistance for capital expenditure is extended both in the form of project and non-project finance assistance.

Project Finance

Project finance assistance entails the granting of direct assistance to medium and large-scale entities for the establishment of new projects as well as for the purposes of the expansion, diversification and modernisation of existing projects. Assistance is in the form of rupee and foreign currency loans, underwriting and/or direct investments in shares and debentures and guarantees for loans and deferred payments. Project finance loans granted by the Bank are normally repayable over a period of five to 15 years depending upon the debt servicing or cash flow capacity of the borrower. Loans are usually secured by way of a first charge on all present and future moveable and immovable property of the borrower. A sponsor's guarantee is sometimes obtained on a case-by-case basis depending on the risks involved. The Bank also provides financial guarantees, usually in foreign currency, to cover deferred payments and to enable corporates to raise overseas loans. Guarantees extended by the Bank are solely on account of normal business operations and are subject to applicable prudential norms. The Bank's guarantees are normally secured by assets or by way of charge over the fixed assets of the assisted company. Infrastructure financing continues to be the Bank's key focus area, with the Bank extending assistance to projects involving large financial outlays in the power, telecom, road and bridges and port sectors. As of 31 March 2014 and 31 March 2015, the Bank had total outstanding advances of ₹1,97,686 crore and ₹2,08,377 crore, respectively, out of which outstanding fund-based assistance to infrastructure projects was ₹53,556 crore and ₹54,956 crore, respectively, constituting 27.09% and 26.37%, respectively, of the total advances.

Non Project Finance Assistance

Non-project financial assistance is provided to corporates under the Bank's Corporate Loan Scheme for normal capital expenditure and working capital. The assistance is provided to the corporate for specified purposes.

Directed Lending:

Priority Sector Lending

The RBI has issued a number of guidelines on priority sector lending to emphasise that commercial banks should increase their involvement in the financing of priority sectors. These guidelines are revised vide circular dated April 23, 2015 on 'Priority Sector Lending – Targets and Classification'. These guidelines identify Agriculture, Micro, Small and Medium enterprises, Education, Housing, Export credit and certain other sectors as priority sector lending categories. The RBI has linked the priority sector lending targets to Adjusted Net Bank Credit (**ANBC**) or credit equivalent of off-balance sheet exposures, whichever is higher, of the preceding March 31. For the purpose of Priority Sector Lending, ANBC denotes the outstanding Bank credit in India minus bills rediscounted with RBI and other approved FIs plus permitted non-SLR securities in the HTM category, plus other investments eligible to be treated as part of priority sector lending, such as investments in securitised assets and RIDF & similar funds.

Total priority sector advances should be 40% of ANBC or credit equivalent of off-balance sheet exposure (whichever is higher as of March 31 of the previous year). The RBI has also prescribed specific percentages to be lent to other sectors within the overall priority sector lending target. For instance, agricultural advances and advances to weaker sections are required to comprise 18% and 10% respectively of ANBC or credit equivalent of off-balance sheet exposure (whichever is higher as of March 31 of the previous year). Any shortfall in the amount required to be lent to the priority sector target or agriculture and weaker sections target shall be allocated for contribution to the Rural Infrastructure Development Fund established with NABARD or funds with NHB or SIDBI or other FIs, as specified by the RBI. In its above referred circular, the RBI has decided to include credit extended to medium enterprises (besides micro and small enterprises) by scheduled commercial banks as eligible priority sector lending. The RBI has also allowed, by the said circular, incremental bank loans to export credit as eligible priority sector lending upto 2% of ANBC.

Priority Sector Lending (PSL) which includes lending to Agricultural sector and MSME sector has been accorded an important role in the Bank’s growth charter in line with regulatory guidelines. The Bank has re-organized its business verticals and developed a business model to serve the Agriculture / MSME sectors across the country by merging Priority Sector Group with Retail Banking Group and has also set up 29 dedicated credit processing centers at various geographical locations to speed up credit delivery to these segments. The entire retail network of the bank is engaged in lending to Priority sector.

The Bank is focusing on lending directly to farmers engaged in crop cultivation and allied activities. The Bank has posted a team of officers (Business Development Managers) across the country for facilitating credit to the farming community and educating them to improve farm productivity and quality of life. The Bank has launched campaigns for Kisan Credit Card (KCC) during Kharif & Rabi seasons, and MSE advances through the year. Response to these campaigns is very encouraging.

The Bank has appointed 46 corporate Business Correspondent (BC) or Business Facilitators (BF) to reach out to the most remote parts of India and to supplement the brick and mortar branches. The Bank is also engaging the services of individual BC/BFs to augment the efforts of the branches in achieving the PSL targets. So far, the Bank has appointed 1497 number of individuals as BC/BFs. The Bank endeavors to exploit these channels to deepen relationship with the customers/ farmers.

The Bank encourages the formation of farmers' clubs for the purpose of knowledge dissemination. The Bank's engagement with farmers and other agriculture intermediaries was also enhanced through the Bank's participation in various 'Agri Expo' and 'KrishiMela' (farmers' convention) conducted at various locations in India.

With a view to increase lending to the priority sector, the Bank has simplified processes / procedures, and various formats of documents including that of loan documents. Through strengthening of its processes and procedures the Bank has enhanced the control mechanisms used to monitor performance and provide early warning signals for any weakness in the portfolio so as to initiate timely remedial action.

The Bank has customized existing products and launched few new products. The Bank has initiated cluster approach in financing priority sector segments across the nation and various studies have been conducted to expand the approach. Area specific schemes have been launched for 10 clusters under MSE sector and in 6 areas under Agriculture sector.

The Bank's advances to priority sector lending as of 31 March 2015 was ₹58,903 crore (Provisional, excluding funds invested under RIDF). . As of 31 March 2015, the Bank has achieved 37.20% of its ANBC as priority sector lending.

Working Capital Assistance

The Bank extends working capital assistance to corporates to meet their day-to-day working capital requirements. The Bank offers fund based credit products such as overdrafts, cash credit, working capital demand loan, short-term loans, bills negotiation or purchase or discounting and invoice purchase or discounting. The Bank also offers non-fund based working capital products in the forms of letters of credit (**LCs**), stand-by LCs, letters of undertaking and bank guarantees (**BGs**). The assistance is generally secured by way of first charge over the current assets of the borrower on a *pari passu* basis with other working capital lenders.

Global Trade Services

The Bank provides a suite of products for trade related services to meet the requirements of clients. These include:

- bid and performance guarantees, financial guarantees, deferred payment guarantees, shipping guarantees, guarantees under the Export Promotion Capital Goods Scheme and standby LCs;
- export collections (open account) and negotiation of documents under LCs;
- import collections from clients including documents and payments through the Bank's network of correspondent banks;
- negotiation of bills drawn under inland LC;
- trade or non trade inward and outward remittances;
- establishment of LCs and approval of trade credit against LCs;
- establishment of both financial as well as trade standby LCs;
- 24 Nostro accounts maintained in 14 different currencies for operation by domestic branches of the Bank and eight Nostro accounts maintained in seven different foreign currencies for operation by overseas branch of the bank; and
- post award approval for project or service (export) contracts at the post-bid stage.

In addition the Bank has an active treasury and derivatives desk which offers hedge facilities against foreign exchange and interest rate risks encountered by corporates in their normal business operations.

Derivative products offered include forward contracts, swaps and options. The Bank also offers cash management services to its corporate and retail customers and is authorised for collection of statutory payments. The Bank also offers investment banking and advisory services, including carbon credits, to corporate clients.

Retail Banking:

The Bank's retail banking segment offers a variety of liability, asset, capital market and third party products primarily aimed at meeting customers' specific needs. Liability products include savings accounts, current accounts, retail term deposits, recurring deposits, etc. Such retail deposits help the Bank reduce its overall cost of funds and manage its asset and liability position. Asset products offered include housing loans, mortgage loans, personal loans, educational loans, vehicle loans, salary accounts with built-in overdraft facilities and loans against securities. The Bank offers retail loans to NRIs and resident individuals including salaried employees and self employed professionals and businessmen to meet their various requirements. Retail loans are an important focus area for the Bank as they produce higher yields while diversifying the Bank's asset base and reducing balance sheet risk.

The Bank also offers many card products such as international debit cards, gift cards, cash cards and world currency cards. The Bank's RBG offers various capital market and third party products and services such as Demat accounts, mutual funds, insurance products, Government and RBI Bonds, IPOs through the "Application Supported by Blocked Amount" process, investment advisory services, merchant acquisition business, new pension system, public provident fund and Government of India Senior Citizen Saving Scheme, 2004. The Bank offers full spectrum of financial products and services to NRIs across the globe.

The Bank offers basic non-resident (external) rupee (**NRE**) deposits, non-resident ordinary (**NRO**) deposits and foreign currency non-resident (**FCNR**) deposits at competitive rates and state-of-the-art products and value added services such as forward cover on FCNR deposits, portfolio investment scheme for investments in Indian secondary stock markets, overdraft facilities against the security of NRI Deposits and various options of hassle-free fund remittances to India to enable a fast, economical and convenient fund transfer.

The Bank introduces new products on a regular basis, while existing products are periodically reviewed and modified or customised on a regular basis to meet customer needs and spur business growth.

Retail Liabilities:

The Bank offers various products under its savings, current and term deposit schemes.

Savings Accounts:

The Bank's savings account products are mainly targeted towards individual customers, trusts and associations. In addition to the basic benefits of a savings account, customers who meet certain criteria can also access various other benefits including debit card products, phone and internet banking services, faster fund transfer options and online bill and tax payment. The Bank has a wide range of segmented and customised savings account products to meet the needs of specific customer groups such as high net worth individuals, women, senior citizens, youth and children. The Bank also offers a payroll account product which includes free insurance and a built-in overdraft facility. In order to capture the customer segment who prefer to transact on-line, the Bank has enabled the opening of accounts on-line.

Current Accounts:

The Bank's current account products are mainly targeted towards individual customers, trading and business entities, corporates and government bodies. The Bank's current account product is called the "Flexi Current Account" on account of the flexible benefits offered to customers based on the balances maintained. The Bank offers sub-membership of Centralised Payment System, Decentralised Payment System, National Automated Clearing House and Aadhar Payment Bridge System to the co-operative banks which in turn enables these co-operative banks to offer such services to its retail customers.

Retail Term Deposits:

Retail term deposits are term deposit products of amounts up to ₹1 crore with tenors ranging from 15 days to 20 years. Interest rates for the fixed deposit products are determined by market conditions. The Bank accepts deposits with a tenor of over 10 years by way of an interest payout option, and a cumulative option is offered for Government social schemes. Some fixed deposit products carry additional facilities such as loans and overdrafts, sweep-in facilities and zero balance savings accounts. The Bank offers additional interest rates for deposits made by senior citizens (citizens over the age of 60 years). The Bank also offers tax savings fixed deposits in which the customer can invest a maximum of ₹1.5 lakh to take advantage of certain tax benefits, and also offers a special fixed deposit product which holds compensation money awarded by the Motor Accident Tribunal and is geared towards victims of motor vehicle accidents. The Bank also offers floating rate term deposits (**FRTD**) and term deposit under the Capital Gains Account Scheme (**CGAS**) to its retail customers. The interest rate under an FRTD is linked to a transparent market-based Rupee benchmark, namely an average yield of 364 day treasury bill auctions undertaken by the RBI during the preceding three months and is reset every calendar quarter. This is intended to help the customer leverage the upside of an increase in interest rates and also hedge floating rate borrowings. Under CGAS, the Bank has been authorised to accept deposits under the CGAS, 1988 as set out in the gazette notification dated 30 November 2012 issued by the Ministry of Finance.

Recurring Deposits:

Recurring deposits are term deposits where customers can contribute fixed sums on a monthly basis. The tenor ranges from one to 10 years and interest rates are aligned with those of fixed deposits. Loan and overdraft facilities are also extended against recurring deposits. The Bank also offers a new recurring deposit product with built-in insurance, which covers all recurring deposit installments, at a low premium.

Retail Assets

Home Loans:

The Bank's home loan scheme has been designed to meet the varied financial requirements of its customers, including acquisition of new property, renovation of existing property, purchase of resale property, balance transfer and others. At present, salaried, self-employed professionals, self-employed non-professionals, NRIs (salaried) and Persons of Indian Origin (PIO) benefit from such home loan schemes. As of the date of this Offer Document,the Bank offers nine types of home loans, including standard home loans, home loans interest saver, loans for insurance premium,rural and semi-urban housing loans, composite loans, loans for booking finance, and low loan to value scheme. Furthermore, the Bank also offers housing finance under various Central and State Government sponsored schemes such as Rajiv RinnYojna, Rajiv Gandhi Gram Niwara Yojna, Indira Awas Yojna and Priyadarshini AwasYojana, which are devised by the Central and State Government bodies and departments in order to address national issues of housing infrastructure shortage in the country.

The Bank offers loans for a maximum tenure of 30 years or until the age of retirement of the borrower, whichever is earlier, and are secured by way of first charge on the property financed. The title to the property is required to be clear and free from any encumbrance for the creation of the security. The Bank may also take additional collateral security from the borrowers if required. The Bank's interest rates are one of the most competitive in the market and the product is marketed through the retail banking branches and retail assets centres.

Personal Loans:

The Bank offers personal loans to its customers in the form of term loan and overdraft facility. The purpose of this facility is to provide temporary funding arrangement to its customers that will help them meet financial gaps.

Under its personal loan facility, the Bank offers assistance in three ways, namely (i) personal loans to salaried individuals and self-employed professionals, (ii) salary accounts with in-built overdraft facilities and (iii) pension accounts with in-built overdraft facilities.

Depending upon the category of customers, the minimum and maximum loan amount under the personal loan scheme may vary between ₹50,000 and ₹10 lakhs. For overdraft facilities, the maximum limit is restricted to five times a customer's net salary or pension credit. The maximum loan tenor in the case of a personal loan is 60 months, whereas a salary overdraft has a limit of two years, (renewable every two years) and pension overdraft facility is given for a maximum period of one year (renewable every year).

The "personal loan" scheme was designed to meet the sudden short financial requirements of salary account holders having salaried account relationships with the Bank (including staff and pensioners of the Bank), salaried individuals not maintaining salary accounts with the Bank but having asset or liability relationship with the Bank, self employed professionals (**SEPs**), who have availed home loan or loan against property from the Bank and SEPs having existing satisfactory liability relationship with the Bank. The loans are offered to help customers meet unexpected financial circumstances, dispose of credit card debt, and meet other business and household financial emergencies such as repayment of existing loan obligations, home purchases, children's' education, hospitalisation or other immediate payments. However, facilities extended by the Bank must not be utilised for any type of speculative or illegal activities.

Education Loans:

The Bank launched its "education loan" product in September 2005. As of date, the Bank provides four types of "education loans", including education loans (i) for non-vocational courses, (ii) for vocational courses, (iii) for students who secured admission through management quota, and (iv) for students pursuing education in premier educational institutions. The purpose of the Bank's education loans is to provide financial assistance to Indian nationals to pursue higher education in India and abroad. There is no limit on the loan amount. The tenor of education loans of up to ₹7.5 lakh is 10 years and 15 years for loans above ₹7.5 lakh. A moratorium period of the tenure of the course plus one year or six months after employment, whichever is earlier, is allowed for all education loans. The margin of education loan is nil for loans of up to ₹4 lakh and 5% for loans above ₹4 lakh (for studies in India) and 15% for studies abroad. The Bank requires a joint borrower for each education loan. There is no collateral security for loans up to ₹4 lakh, For education loans above ₹4 lakh and up to ₹7.5 lakh, collateral security in the form of a suitable third party guarantee must be provided and for loan amounts above ₹7.5 lakh, tangible collateral security must be provided. In the case of education loans to students studying at premier institutes, collateral security is not required for loans up to ₹20 lakh where a parent of the applicant is able to prove sufficient net-worth. In the case of loans above ₹20 lakh, tangible security must be provided by the applicant. The education loans have floating interest rates, are linked to the base rate of the Bank, and no processing fee is charged. Prepayment or foreclosure of such loans is allowed anytime during repayment of the loan without additional charges. The Bank also offers borrowers the option of transferring to the Bank education loans provided by other lenders.

Auto Loans:

The Bank provides auto loans for the purchase of new cars, including passenger cars, sport utility vehicles, jeeps and performance motorbikes. The target clientele is salaried (including NRIs), self-employed professionals, businessmen, firms or companies (in situations where there is a pre-existing relationship), who have had a satisfactory relationship with the Bank for at least six months. The maximum funding amount is up to 90.00% of the on-road price (excluding the cost of accessories) of a vehicle and up to 85% of the cost for high end bikes (excluding the cost of accessories). Auto loans of the Bank are marketed through the retail banking branches of the Bank. The Bank has entered into an arrangement with various original auto manufacturers including Maruti Suzuki, TATA Motors and Honda Cars India Limited to access auto loan leads generated at their respective auto dealerships. The Bank has also introduced different variants of the auto loan scheme, such as the “Speed Auto Loan and Combo Offer” with the aim of enhancing its auto loan portfolio. The Bank’s auto loan product is one of the most competitive in the market in terms of rate of interest, processing fees, loan to value ratio and prepayment charges.

The loan products offered by the Bank under its structured retail asset portfolio has shown a high acceptance rate in the market and has seen sustained growth in fiscal years 2014 and 2015. As of the date of this Disclosure Document, the Bank has a robust and high quality loan portfolio under structured retail assets, which also assists the Bank in meeting regulatory lending norms.

Loans against Securities:

Loan against securities is an overdraft facility given to customers against pre-approved securities such as equity shares, mutual funds, Government bonds, National Savings Certificates and KisanVikas Patra, life insurance policies and tax-free bonds. The margin and interest on the facility is fixed depending on the nature of security offered. The accounts are monitored regularly and interest is charged only on the utilised amount of the loan. The facility is given for a period of one year and is renewable thereafter if the account is regular in nature.

Demat:

The objective of a Demat account is to enable investors to convert securities from physical form to electronic form and deal in securities electronically. The Bank earns a fee-based income from annual maintenance charges and transaction charges. Investors can open a Demat account for the purposes of holding securities such as equity shares, debentures and bonds in electronic form. The Bank is a depository participant of National Securities Depository Limited and Central Depository Services Limited. The Bank provides dematerialisation, rematerialisation, transaction and pledge services through Demat accounts. The Bank also provides ASBA (Applications Supported by Blocked Amount) to its customers. This facility enables the Banks' customers to invest in IPOs by blocking the application money in his bank account.

Applications Supported by Blocked Amount (ASBA):

ASBA is an application for subscribing to a public issue, containing an authorisation from the Bank's customer (who invests in a particular IPO through ASBA) to block the application money in his bank account.

Third Party Distribution:

The bank-customer relationship is a significant aspect of the banking business model and hence it is one of the primary objectives of the Bank, achieved through regular and high quality contact by branches with their customers, with the aim of increasing customer retention. The Bank aims to cater to the financial requirements of its customers through its comprehensive range of products and services. The Bank offers a range of investment and insurance products through its branches, supported by a central support department referred to as the “third party distribution” department as well as meeting the financial requirements of the Bank’s customers, the distribution of these products also generates fee income for the Bank.

The Bank offers various third party products such as mutual fund schemes, the life insurance products of IDBI Federal Life Insurance Company, the general insurance products of Bajaj Allianz General Insurance Company Limited (BAGIC) and fixed income securities such as tax free bonds, Government bonds, National Highway Authority of India and Rural Electrification Corporation Ltd. bonds as detailed below.

Mutual Fund

Mutual Fund (**MF**) products form an integral part of the Bank’s comprehensive range of products and services offered to its customers. As a distributor of MF products the Bank earns a fee income and adds to its objective of being a ‘one stop shop’ for its customers by catering to their financial and investment requirements. The Bank currently offers MF schemes run by various AMCs, including its 100.00% owned subsidiary IDBI Mutual Fund. The Bank distributes only those products offered by shortlisted AMCs, ranked on a quarterly basis with reference to various parameters such as superior rates of return, company concentration, liquidity and fund manager performance.

Life Insurance

The Bank is a corporate agent and distributor of the life insurance products offered by IDBI Federal Life Insurance Company Ltd. Recognising that investing in life insurance can be seen as one of the most important decisions in a person’s life, the Bank helps the customer to choose a policy best suited for the customer’s need.

General Insurance

The Bank is a corporate agent and distributor of the general insurance products offered by BAGIC. The Bank also offers the customer the choice of BAGIC's specially designed co-branded products namely "Home Care" for home insurance and "Business Care" for business and office insurance requirements. These products offer comprehensive cover at a competitive price exclusively through the Bank's branches and points of sale.

National Pension Scheme

The Bank is a point of presence for the Pension Fund Regulatory and Development Authority's, National Pension Scheme (**NPS**). NPS a defined contribution based pension system was launched by the Government with effect from May 2009 for all Indian citizens with the aim of offering individual and corporate NPS to subscribers. As a first step towards instituting pension reforms, the Government moved from a defined benefit pension to a defined contribution based pension system. This scheme offers a wide range of investment options to its customers and individuals can decide where to invest their money. The contributions and returns thereon are deposited in an inaccessible pension account, which provides annuity when the holder reaches 60 years of age.

Fixed Income Bonds (**FI Bonds**)

The Bank offers various FI Bonds to its customers, namely Government/RBI 8% savings (taxable) Bonds, capital gains Bonds (under Section 54 EC of the Income Tax Act which provides exemption for capital gains tax) National Highways Authority of India Bonds and Rural Electrification Corporation Ltd. Bonds.

E-Insurance Account

The Bank, in association with NSDL Database Management Limited, has launched the Electronic-Insurance Account (**e-IA**). e-IA is the portfolio of insurance policies of a policy holder held in electronic form with an insurance repository. Under this facility, customers can buy and keep insurance policies in electronic form, rather than as a paper document. The existing policies in physical form can be dematerialised and held in the e-IA. It not only provides policy holders a facility to keep insurance policies in electronic form but also enables them to make modifications and revisions to the insurance policies with speed and accuracy. This means that a client does not have to undergo fresh KYC verification each time a new policy is purchased.

Retailing of Government Bonds and Certificates of Deposit

The Bank became the first Indian bank to make the Government securities and certificates of deposit available to retail clients through two internet based portals, one called IDBI Samridhdhi G-SEC portal, which enables retail investors to buy or sell Government securities freely; and one called IDBI Samridhdhi CD portal, which enables retail clients to directly buy certificates of deposit under issuance by the Bank in the primary market.

Financial Inclusion

The Government of India and the Reserve Bank of India have articulated a financial inclusion policy to extend formal banking and financial services, at affordable costs, to groups who do not have any access to the formal banking system. In pursuit of this objective, the Hon'ble Prime Minister, in his Independence Day address on August 15, 2014, announced the launch of the scheme of Pradhan Mantri Jan Dhan Yojana (PMJDY) as a National Mission on Financial Inclusion. PMJDY envisages providing all households in the country with financial services, with particular focus on empowering the weaker sections of society, including women, small and marginal farmers and labourers, both rural and urban. In addition, the beneficiaries under the scheme are issued RuPay Debit cum ATM Card with inbuilt accident insurance cover of Rs.1 lakh. Account-holders under PMJDY are also provided Life insurance cover of Rs.30,000, subject to certain eligibility criteria. The PMJDY also envisages channeling government benefits to the beneficiaries' accounts through the Direct Benefit Transfer (DBT) and Direct Benefit Transfer for LPG consumers (DBTL) schemes. All branches of IDBI Bank across the country have participated actively in this national mission contributing towards its grand success. As at March 31, 2015, Bank has opened 9.29 lakh basic savings bank deposit accounts under PMJDY. Further, as on March 31, 2015, the Bank has extended basic banking services to 493 Sub-Service Areas (SSAs) through a network of 431 Business Correspondents (BCs) and 210 brick & mortar branches set up in unbanked rural centres.

As Aadhaar has assumed a significant role under Financial Inclusion, the Bank has joined hands with Unique Identification Authority of India (UIDAI) as Registrar to undertake 'Aadhaar' enrolments in 14 States / Union Territories. As at March 31, 2015, Bank has enrolled 35.7 lakh residents.

Financial Literacy has been identified as a pre-requisite for effective financial inclusion and an integral part of the Pradhan Mantri Jan Dhan Yojana (PMJDY) in order to enable the beneficiaries make best use of the financial services being made available to them. IDBI Bank has set up desks called "Vittiya Sakhsharata Jankari Kendras" in its rural branches which are responsible for spreading awareness on management of money, importance of savings, advantages of saving with banks, other facilities provided by banks, benefits of borrowing from banks, etc. amongst walk-in customers as also amongst common people through outdoor literacy camps. During the year 2014-15, the Bank's rural branches conducted 982 such outdoor literacy camps educating more than 23,000 villagers in the process.

Domestic commercial banks in India are required to extend at least 40% of their ANBC or credit equivalent amount of OBE, whichever is higher, to the priority sectors comprising of loans to the agriculture sector, micro, small and medium enterprises, education, housing, exports, social infra, renewable energy and other priority sectors such as micro credit. Assistance to the agriculture sector is required to comprise at least 18% of ANBC or the credit equivalent amount of OBE, whichever is higher. At the time of the Bank's conversion into a banking corporation, the RBI had specified that the priority sector lending target would need to be achieved in a phased, step-up manner so as to meet the priority sector lending target and agricultural lending sub-target by March 2011. The Bank had received forbearance from the RBI for achieving the priority sector lending target and sub-targets until March 2013. Thereafter any shortfall in the amount required to be lent to priority sectors or agriculture or weaker sections shall be allocated as a contribution to the Rural Infrastructure Development Fund established with the National Bank for Agriculture and Rural Development (**NABARD**) or funds with the National Housing Bank (**NHB**) or the Small Industries Development Bank of India (**SIDBI**) or other financial institutions, as specified by the RBI. As of 31 March 2015, the Bank has achieved 37.20% of its ANBC as priority sector lending.

Institutional Development :

The Bank had been instrumental in promoting institutions in India to strengthen the financial architecture and promote orderly growth of the economy. The Bank is one of the original promoters of the Infrastructure Development Finance Company Ltd. (**IDFC**), the specialised institution set up for financing and offering a whole range of services to the infrastructure sector in India. The Bank is also a promoter shareholder of Asset Reconstruction Company (India) Ltd. (**ARCIL**), IDBI Trusteeship Services Ltd. and Biotech Consortium Ltd, and had also in the past been actively associated with the promotion of the State Financial Corporations and State Industrial Development Corporations (**SIDCs**). Other major institutions promoted by the Bank include SIDBI, Export-Import Bank of India, SCICI Ltd. (which merged with ICICI Bank Ltd.) and Tourism Finance Corporation of India Ltd. and North Eastern Development Finance Corporation Ltd., a specialized financial institution catering to the development needs of the north-eastern region of India.

Capital Markets Development:

The Bank played a key role in the formation of the SEBI, the regulator for Indian capital markets. The Bank sponsored the NSE, which first introduced electronic trading in securities in India and has also sponsored and/or supported the formation of Stock Holding Corporation of India Ltd., Credit Analysis and Research Ltd., Investor Services of India Ltd. and OTC Exchange of India Ltd. (a screen based stock exchange predominantly for small cap equity shares). In order to reduce paperwork and the difficulties associated with securities settlements, the Bank promoted the National Securities Depository Ltd. (**NSDL**) in association with the Unit Trust of India and NSE. NSDL provides depositary services associated with the settlement of securities trading and is the largest depository in India.

Money Market Institutions:

The Bank was one of the original subscribers to the capital of Discount and Finance House of India Ltd. (**DFHI**) and Securities Trading Corporation of India Ltd. (**STCI**). DFHI deals in money market instruments in order to provide liquidity to the money market in India. STCI was established to foster the development of an active secondary market in government securities and bonds issued by public sector companies.

In addition, the Bank was one of the main promoters of The Clearing Corporation of India Ltd., a specialised institution set up to facilitate clearing and settlement of dealings in securities and money market instruments including Government securities, treasury bills, corporate bonds, inter-bank transactions in foreign exchange and dealings in derivatives.

Entrepreneurship Development:

The Bank took the lead in setting up the Entrepreneurship Development Institute of India Ltd. at Ahmedabad as a national institute to foster entrepreneurship development in India and in creating similar institutions in some of the industrially less developed states. The Bank also supported the establishment of the Biotech Consortium of India Ltd. to assist in the promotion of bio-technology projects. In addition, the Bank sponsored industrial potential surveys in various parts of India in 1970s which was followed by the setting up of a chain of Technical Consultancy Organisations (**TCOs**) in collaboration with other financial institutions and banks. TCOs provide advisory services to entrepreneurs on product selection, preparation of feasibility studies and technology selection and evaluation.

Offices/Branches:

The Bank has its registered office in Mumbai and has branches throughout India. As of the date of the Disclosure Document, the Bank has 1,780 retail branches at 1321 centres and 3,203 ATMs. Of the 1,780 branches, 371 are metro branches, 454 are urban branches, 557 are semi-urban branches, 397 are rural/FI branches and one overseas branch at DIFC in Dubai. The Bank opened its overseas branch in the DIFC on 7 December 2009.

iii. <u>Key Operational and Financial Parameters:</u>

a. <u>Standalone</u>

(₹ in Crore)

Parameters	HY 2015-16	FY 2014-15	FY 2013-2014	FY 2012-2013
Networth	22908.76	22654.07	21897.01	19443.46
Total Debt (Deposit+Borowing)	302288.34	321668.95	295919.92	292925.35
Non current maturities of Long Term Borrowing	44,569	40175.94	41920.24	41827.87
Current maturities of Long Term Borrowing	18,437	21657.04	18226.05	23981.00
Net Fixed Assets	3115.31	3060.50	2983.21	2925.29
Non Current Assets (Gross Fixed Assets)	5265.12	5104.79	4843.69	4634.50
Cash and Cash Equivalent	18836.66	14525.75	16817.91	17924.52

Current Investments	15610.33	33626.55	23029.20	28126.83
Current Assets	33440.30	9104.24	7736.01	6811.32
Current Liabilities	11623.41	10044.51	9437.40	8607.14
Asset Under Management	NIL	NIL	NIL	NIL
Off Balance Sheet Assets	243135.30	231608.74	188202.72	180661.96
Interest Income	14331.14	28153.99	26597.51	25064.30
Interest Expenses	11224.98	22406.10	20576.04	19691.19
Provisioning & Write offs	2402.28	4854.72	4559.99	3576.17
PAT	254.680	873.39	1121.40	1882.08
Gross NPA (%)	6.92%	5.88%	4.90%	3.22%
Net NPA (%)	3.16%	2.88%	2.48%	1.58%
Tier I Capital Adequacy Ratio (%)	8.04% (Basel III)	8.18% (Basel III)	7.79% (Basel III)	7.68 %(Basel II)
Tier II Capital Adequacy Ratio (%)	3.62% (Basel III)	3.58% (Basel III)	3.89 %(Basel III)	5.45% (Basel II)

b. <u>Consolidated</u>

(₹ in Crore)

Parameters	FY 2014-2015	FY 2013-2014	FY 2012-2013
Networth	22711.86	21889.89	19409.46
Total Debt(Deposit+Borowing)	321355.93	295719.13	292698.85
Non current maturities of Long Term Borrowing	40175.94	41920.24	41827.87
Current maturities of Long Term Borrowing	21657.04	18226.05	23981.00
Net Fixed Assets	3079.95	2999.52	2945.55
Non Current Assets(Gross Fixed Assets)	5187.08	4918.14	4709.54
Cash and Cash Equivalent	14525.61	16848.84	17959.77
Current Investments	29343.50	19983.75	21677.22
Current Assets	9339.20	8004.77	7021.52
Current Liabilities	10148.87	9563.27	8728.93
Asset Under Management	NIL	NIL	NIL
Off Balance Sheet Assets	231649.23	188203.70	180683.52
Interest Income	28164.27	26608.14	25075.66
Interest Expenses	22387.15	20558.15	19674.11
Provisioning & Write offs	4904.46	4608.09	3617.25

PAT	941.80	1151.74	1888.90
Gross NPA (%)	5.88%	4.90%	3.22%
Net NPA (%)	2.88%	2.48%	1.58%
Tier I Capital Adequacy Ratio (%)	8.26% (Basel III)	7.86% (Basel III)	7.75% (Basel II)
Tier II Capital Adequacy Ratio (%)	3.60% (Basel III)	3.92% (Basel III)	5.48%(Basel II)

Note : Consolidated statements are not part of limited review for the period ended 30-09-2015.

c. Debt Equity Ratio (before & after the proposed issue)

(₹ in Crore)

Particulars	**As on September 30, 2015**	**Post issue #**
LOAN FUNDS		
Deposits	239282.37	239282.37
Borrowings	63005.97	64005.97
Total Debt (A)	**302288.34**	**303288.34**
Networth excluding SWF, IDBI Exim (J), Revaluation Reserve & ESO(G) outstanding, Foreign currency translation reserve (B)	22908.76	22908.76
Debt/Equity Ratio	**13.20**	**13.24**

 # Taking into account basic size of ₹1,000 for the present issue.

iv. Project cost and means of financing, in case of funding of new projects:

The funds being raised by the Bank through present issue of Bonds are not meant for financing any particular project. The Bank shall utilise the proceeds of the Issue for its regular business activities and such other activities as may be permitted under the Memorandum and Articles of Association

C. Brief history since incorporation giving details of the following activities:

i. Details of Share Capital as on September 30, 2015:

Share Capital	**₹**
Authorised Share Capital	₹3000,00,00,000 (3000000000 equity shares of ₹10 each)
Issued, subscribed and paid-up share capital	₹1603,95,87,000 (1603958700 equity shares of ₹10 each)

The present issue of Long Term redeemable Bonds will not have any impact on the paid up capital after the offer.

ii. Changes in its capital structure as on last quarter end, for the last five years:-

Date of Change (AGM / EGM)	**(₹)**	**Particulars**
06.09.2012-AGM (Date of Last AGM-12.08.15)	Authorised Capital: ₹3000,00,00,000 (3000000000 equity shares of ₹10 each)	Increase in authorized capital of the Bank from ₹2,000 crore (200 crore equity shares of ₹10 each) to ₹3,000 crore (300 crore equity shares of ₹10 each) was approved by shareholders in 8th AGM of the Bank held on 06.09.2012
	As on March 31, 2015 Authorized Capital: ₹3000,00,00,000 (3000000000 equity shares of ₹10 each) Issued, Subscribed and paid up capital: ₹1603,95,76,050 (1603957605 equity shares of ₹10 each)	
	As on September 30, 2015 Authorized Capital: ₹3000,00,00,000 (3000000000 equity shares of ₹10 each) Issued, Subscribed and paid up capital: ₹1603,95,87,000 (1603958700 equity shares of ₹10 each)	

iii. Equity Share Capital History of the Bank as on last quarter end, for the last five years:-

Date of Allotment	No of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative			Remarks
						No of equity shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
2009-10	80497	10	-	Cash	ESOP	724861921	7248619210	17612113	-
2010-11	197068	10	-	Cash	ESOP	984568099	9845680990	46226331	
	259509110	10	120.19	Cash	Preferential allotment to GOI				
2011-12	188556509	10	112.99	Other than Cash	Preferential allotment to GOI through conversion of Tier I Bonds	1278381662	12783816620	76485577	

	71687760	10	112.99	Cash	Preferential allotment to GOI				
	33500000	10	112.99	Cash	Preferential allotment to LIC				
	69294	10	-	Cash	ESOP				
2012-13	45455	10	-	Cash	ESOP	1332748347	13327483470	81496645	
	54321230	10	102.17	Cash	Preferential allotment to GOI				
2013-14	24900	10	-	Cash	ESOP	1603939260	16039392600	96787556	
	271166013	10	66.38	Cash	Preferential allotment to GOI				
2014-15	18,345	10	-	Cash	ESOP	1603957605	16039576050	-	
2015-16 (till 30.09.15)	1,095	10	-	Cash	ESOP	1603958700	16039587000	-	

iv. Details of any Acquisition or Amalgamation in the last 1 year

No acquisition or amalgamation was made in last 1 year.

v. Details of any Reorganization or Reconstruction in the last 1 year:-

Type of Event	**Date of Announcement**	**Date of Completion**	**Details**
Nil			

D. Details of the shareholding of the Bank as on the latest quarter end:-

i. Shareholding Pattern as on September 30, 2015

Sr No	Particulars	Total No of Equity Shares	No of shares in demat form	Total Shareholding as % of total no. of equity shares
1	Government of India	1227018622	1227018622	76.50
2	Mutual Funds/UTI	1675839	1675739	0.10
3	Financial Institutions / Banks	18468522	18460736	1.15
4	Insurance Companies	154653233	154653233	9.65
5	Foreign Institutional Investors	47717903	47715883	2.97
6	State Finance Corporation	35680	0	0.00
7	Bodies Corporate	18368795	18067876	1.15
8	Individuals	124194844	109371303	7.74

9	Clearing Members	5925298	5925298	0.37
10	Societies &Trusts	614499	548739	0.04
11	NRIs	5285465	3611472	0.33
	Total	**1603958700**	**1587048901**	**100.00**

Notes: - Shares pledged or encumbered by the promoters (if any) -*Nil*

ii. List of top 10 holders of equity shares of the Company as on the latest quarter end:-

List of Top 10 shareholders for the quarter ended September 30, 2015:

Sr No	Name of the shareholders	Total No of Equity Shares	No of shares in demat form	Total Shareholding as % of total no of equity shares
1	President of India	1227018622	1227018622	76.50
2	Life Insurance Corporation of India	94731366	94731366	5.91
3	LIC of India Market Plus Growth Fund	17555855	17555855	1.09
4	Small Industries Development Bank of India	10500000	10500000	0.65
5	United India Insurance Company Limited	8057143	8057143	0.50
6	LIC of India Market Plus 1 Growth Fund	7902237	7902237	0.49
7	LIC of India Money Plus Growth Fund	6869656	6869656	0.43
8	Vanguard Emerging Markets Stock Index Fund	5806899	5806899	0.36
9	Ashish Rameshkumar Goenka	4813753	4813753	0.30
10	Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions Group Inc	4259879	4259879	0.27

E. Details regarding the Directors of the Bank:

i(a). Details of the current directors (as on September 30, 2015) :

Name, Designation and DIN	Age	Address	Director of the Bank since
Shri Kishor Piraji Kharat Managing Director & CEO	57 years	IDBI Bank Limited IDBI Tower, WTC Complex,	August 19, 2015

DIN : 07266945		Cuffe Parade, Mumbai – 400005	
Shri Bal Krishan Batra, Deputy Managing Director DIN:00015732	59 years	IDBI Bank Limited IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005	January 13, 2012
Ms. Snehlata Shrivastava, Government Director DIN: 06478173	58 years	Additional Secretary, GOI, Deptt of Financial Services, Ministry of Finance, Jeevandeep Building, 10, Parliament Street, New Delhi - 110 001	January 11, 2013
Shri Ravi Sethurathnam Independent Director DIN: 00009790	56 years	Ravi Rajan & Co. 505-A, 5th Floor, Rectangle 1, District Centre, Saket, New Delhi - 110 017	July 2, 2012
Shri Ninad Bhalchandra Karpe Independent Director DIN: 00030971	54 years	MD & CEO, Aptech Limited, A-65, Aptech House , M.I.D.C., Marol, Andheri (E), Mumbai-400093	July 2, 2012
Shri Pankaj Vats, Independent Director DIN: 06712380	55 years	S-290, Panchsheel Park, New Delhi - 110017	September 30, 2013
Shri Gyan Prakash Joshi Independent Director DIN: 00603925	60 years	Kavya,Malla Ramgarh, Dist. Nainital, UttaraKhand, 263137 And Flat B-8, Tower 10, New Motibagh, New Delhi, 110023	August 28, 2015

Current directors (as on date) who are appearing in the RBI defaulter list and/or ECGC default list - Nil

i(b). Details of other directorship:

Sr.No.	Name of the Director	Directorship held in other Companies/Firms/Body Corporate
1.	Shri Kishor Piraji Kharat, MD & CEO	NIL
2.	Shri Bal Krishan Batra, Deputy Managing Director	➢ IDBI Infrafin Ltd.- (Under process of striking off) ➢ IDBI MF Trustee Company Ltd.- ➢ IDBI Intech Ltd. – IDBI Bank's Nominee Director ➢ IDBI Capital Market Services Ltd.- IDBI Bank's

		Nominee Director ➢ Stressed Assets Stabilization Fund (SASF)-Trustee ➢ EXIM Bank- IDBI Bank's Nominee Director
3.	Ms.Snehlata Shrivastava, Govt. Director	➢ IDFC – Government Nominee Director ➢ GIC of India – Government Nominee Director ➢ NABARD- Government Nominee Director
4.	Shri S. Ravi, Independent Director	➢ BOI Merchant Bankers Ltd- Independent Director ➢ IDBI Capital Markets Services Limited- Independent Director ➢ S Ravi Financial Management Services Private Limited- Promoter Director ➢ SBI- SG Global Securities Services Private Limited- Independent Director ➢ SMERA Ratings Ltd. (formerly SME Rating Agency of India Ltd) - Independent Director ➢ STCI Finance Limited – Independent Director ➢ STCI Primary Dealer Limited – Independent Director. ➢ Tourism Finance Corporation of India Limited- Independent Director ➢ UTI Trustee Company Private Limited – Director ➢ Ravi Rajan & Co., Chartered Accountants – Managing Partner ➢ RRCA & Associates, Chartered Accountants – Managing Partner ➢ S.Ravi, HUF- Karta ➢ Insurance Advisory Committee of IRDA – Member ➢ Mutual Fund Advisory Committee of SEBI – Member ➢ Task Force of MoU, DPE, Government of India – Member ➢ SEBI's Takeover Panel - Member
5.	Shri Ninad Karpe, Independent Director	➢ Aptech Limited- Managing Director & CEO ➢ Savita Oil Technologies Limited- Director ➢ BNP Paribus Asset Management India Pvt Ltd- Director ➢ BJB Career Education Co. Ltd. Cayman Islands- Director ➢ Aptech Ventures Ltd., Mauritius- Director ➢ Aptech Investment Enhancers, Mauritius- Director ➢ Aptech Global Investment, Mauritius – Director ➢ Franchising Association of India - Director ➢ EDC Limited - Director ➢ Aptech Hungama Digital Learning LLP- Designated Partner
6.	Shri Pankaj Vats, Independent Director	➢ Pelican Press - Partner
7.	Shri Gyan Prakash Joshi, Independent Director	➢ Saraf Foods Ltd. - Director

ii. Details of change in directors since last three years (since September 1, 2012):-

Name, Designation and DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Shri Rajender Mohan Malla, Chairman and Managing Director DIN:00136657	May 31, 2013	July 9, 2010	Ceased to be the Director on account of retirement on superannuation.
Shri Pradeep Kumar Chaudhery Government Director DIN: 00178979	March 20, 2013	December 9, 2011	Ceased to be the Director on account of resignation.
Shri Sunil Soni Government Director DIN: 02550837	January 11, 2013	April 25, 2012	Ceased to be Director on account of nomination withdrawn by Govt. of India.
Shri Mukkur Srinivasan Raghavan, Chairman & Managing Director DIN:05236790	June 30, 2015	July 5, 2013	Ceased to be the Director on account of retirement on superannuation.
Shri Melwyn Oswald Rego, Deputy Managing Director DIN:00292670	August 14, 2015	August 30,2013	Ceased to be the Director on account of his appointment as MD & CEO of Bank of India w.e.f. August 14, 2015
Ms. Snehlata Shrivastava, Government Director DIN: 06478173	January 11, 2013	-	Appointed as Government Nominee Director under Article 116(1)(c) vide GOI's Notification F.No.7/2/2012-BO.I dated January 11, 2013.
Shri Pankaj Vats, Independent Director DIN: 00030971	September 30, 2013	-	Nominated vide GOI's Notification F.No.6/24/2013-BO.I dated September 30, 2013 in terms of Article 116(1)(d) and the above nomination as Non-rotational Independent Director has been approved by the shareholders at the 10th AGM of the Bank as on June 30, 2014.

Shri Subhash Tuli, Independent Director DIN: 02203423	July 21, 2014	July 22, 2008	Ceased to be Director upon completion of his maximum term of 6 years as per the provisions of Article 121(i) of the Articles of Association of Bank.
Shri Panemangalore Srinivasa Shenoy, Independent Director DIN: 00108547	July 29, 2015	July 30, 2011	Ceased to be Director upon attaining the age of 70 years and completion of initial four year term as Independent Director of the Bank as per the provisions of Article 116(1)(e) read with Article 116A(i) of the Articles of Association of Bank.
Shri Kishor Piraji Kharat, Managing Director& CEO DIN:07266945	August 19, 2015	-	Appointed as Managing Director & CEO of the Bank vide GOI's Notification F.No.4/2/2015-BO.I dated August 14, 2015
Shri Gyan Prakash Joshi Independent Director DIN: 00603925	August 28, 2015	-	Appointed as Additional Director of the Bank by the Board at its meeting held on August 28, 2015

F. Details regarding the auditors of the Bank:

i. Details of the Current Auditors:

Sr.No.	Name	Address	Auditor since
1.	M/s Mukund M. Chitale & Co. Chartered Accountants,	Kapur House, Second floor, Paranjape B-scheme Road No.1 Vile Parle (East), Mumbai 400 057	October 17, 2015
2.	M/s. Chokshi & Chokshi LLP. Chartered Accountants,	15/17, Raghavji B Bldg, Gowalia Tank, Off Kemps Corner, Mumbai – 400 036	October 17, 2015

ii. Details of change in auditors since last 3 years:

Sr. No.	Name	Address	Date of Appointment/ Resignation	Auditor of the Bank since (in case of resignation)	Remarks
1.	M/s. G.D.Apte & Co.,	GDA House, Plot No-85, Bhusari Colony (Right), Paud Road, Pune – 411 038	Date of Appointment: September 11, 2012 Date of Expiry of Term: August 13, 2015	NA	Completion of Audit Tenure of Three Years
2.	M/s. Khimji Kunverji & Co.,	Sunshine Tower, Level 19, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013	Date of Appointment: September 11, 2012 Date of Expiry of Term: August 13, 2015	NA	Completion of Audit Tenure of Three Years

G. <u>Details of borrowings of IDBI Bank Limited as on September 30, 2015</u> :

i. Details of Secured Loans :

Lender's Name	Type of Facility	Amt Sanctioned (₹ Crore)	Principal Amt outstanding (₹ Crore)	Repayment Date /Schedule	Security
NHB	Refinance	21.09	11.50	Quarterly	Transaction Documents
NHB	Refinance	0.41	0.22	Quarterly	Transaction Documents
NHB	Refinance	1000.00	1000.00	Quarterly	Transaction Documents
NHB	Refinance	1300.00	1300.00	Quarterly	Transaction Documents
NHB	Refinance	18.49	2.68	Quarterly	Transaction Documents
NHB	Refinance	18.49	2.68	Quarterly	Transaction Documents
EXIM	Refinance	2000.00	2000.00	Monthly	Transaction Documents
EXIM	Refinance	1000.00	1000.00	Monthly	Transaction Documents
SIDBI – MSERS	Refinance	7.50	7.50	Monthly	Transaction Documents
SIDBI – MSERS	Refinance	1000.00	1000.00	Monthly	Transaction Documents
SIDBI – MSERS	Refinance	1000.00	1000.00	Monthly	Transaction Documents
SIDBI – MSERS	Refinance	1500.00	1500.00	Monthly	Transaction Documents

SIDBI-RSME	Refinance	347.00	347.00	Monthly	Transaction Documents
NABARD	Refinance	5.39	0.54	Half-yearly	Transaction Documents
NABARD	Refinance	1.54	0.17	Half-yearly	Transaction Documents
NABARD	Refinance	49.59	5.51	Half-yearly	Transaction Documents
NABARD	Refinance	890.20	236.19	Half-yearly	Transaction Documents
NABARD	Refinance	545.26	163.58	Half-yearly	Transaction Documents
NABARD	Refinance	312.96	93.89	Half-yearly	Transaction Documents
NABARD	Refinance	490.75	245.38	Half-yearly	Transaction Documents
NABARD	Refinance	489.18	326.12	Half-yearly	Transaction Documents
NABARD	Refinance	101.17	67.44	Half-yearly	Transaction Documents
NABARD	Refinance	164.17	109.44	Half-yearly	Transaction Documents
NABARD	Refinance	407.52	271.68	Half-yearly	Transaction Documents
NABARD	Refinance	83.50	55.67	Half-yearly	Transaction Documents
NABARD	Refinance	1.80	1.20	Half-yearly	Transaction Documents
NABARD	Refinance	36.62	24.42	Half-yearly	Transaction Documents
NABARD	Refinance	3.03	2.02	Half-yearly	Transaction Documents
MUDRA	Refinance	25.00	25.00	Monthly	Transaction Documents
TOTAL		**12820.66**	**10799.83**		

Lender's Name	Type of Facility	Amt Sanctioned (USD)	Principal Amt outstanding (USD)	Repayment Date /Schedule	Security
SIDBI	Borrowing	1,71,45,362.50	1,71,45,362.50	14-Jun-19	MSE LOAN
SIDBI	Borrowing	1,72,74,275.00	1,72,74,275.00	15-Jun-24	MSE LOAN
SIDBI	Borrowing	85,81,232.06	67,93,475.26	15-Jan-25	MSE LOAN
SIDBI	Borrowing	2,18,591.30	1,73,051.44	15-Jan-25	MSE LOAN
		4,32,19,460.86	**4,13,86,164.20**		

Total FC outstanding secured loan as on September 30, 2015 is equivalent to ₹271.44 crore, converted at FEDAI closing rates for the month ended September 30, 2015

ii. Details of Unsecured Bonds (Public Issue) :

Details of all outstanding public issues of bonds as on date are furnished in the following table:

Year of Issue	**Type of Issue**	**Amount Outstanding (₹ in Crore)**	**Deemed date of allotment**	**Redemption date**	**Rating at the time of issue**
December 2003 Flexi – 19	Regular Income Bond	107.45	January 12, 2004	12/01/19	‘AA+’ by CRISIL, ‘AA+(Ind)’ by Fitch and ‘LAA’ by ICRA
March 2004 Flexi – 21	Regular Income Bond	19.39	April 20, 2004	20/04/19	‘AA+’ by CRISIL, ‘AA+(Ind)’ by Fitch and ‘LAA’ by ICRA

All the Flexibonds Series are listed on BSE and NSE.
IL&FS Trust Co. Ltd. is the bond trustee for Flexibonds series 19-21.

iii. Outstanding Issues of Omni Bonds privately placed (Unsecured) as on date:

Sr. No.	ISIN no.	Issue name/ Type	Date of Allotment	Tenor (years)	Amount mobilized (₹ Crore)	Coupon rate (% p.a.)	Put/Call option	Rating at the time of issue
FY 2002-03								
1	INE008A08UG5	Non SLR 48 A	8-Mar-03	15	8.65	7.05		-
FY 2003-04								
1	INE008A08PO9	Omni Bond Sr.I	1-Aug-03	15	499.55	8		LAA by ICRA, AA+ by CRISIL, AA+ BY FITCH
2	INE008A08PU6	Omni Bond Sr.I	18-Aug-03	15	0.19	7.75		
3	11700007 (F.No)	Omni Bond Sr.I	1-Aug-03	15	0.45	8		
4	INE008A08UA8	Omni 2003 G	12-Jan-04	15	25.00	7	12-Jan-16	
FY 2005-06								
1	INE008A08E76	Omni Tier II 2005 Sr. IX RRB III	27-Sep-05	10 yrs 7 months	53.20	7.45		AA+/Stable by CRISIL, AA+ (ind) by FITCH & LAA+ by ICRA
2	INE008A08G74	Omni 2006 A RRB II	23-Jan-06	10	629.70	7.7		
3	INE008A08H81	Omni 2006 D	30-Jan-06	10	1000.00	7.8		
4	INE008A08I07	Omni 2006 E	2-Feb-06	10	500.00	7.83		

5	INE008A08I56	Omni 2006 G RRB III	8-Mar-06	10	80.10	8		
6	INE008A08I80	Omni 2006 J	23-Feb-06	10	75.00	8.16		
7	INE008A08J30	Omni 2006 P	29-Mar-06	9 years 10 months	500.00	8.75		
FY 2006-07								
1	INE008A08K45	IDBI Omni Bonds 2006 Sr.III RRB III	26-May-06	10	473.50	8.55	None	LAA +by ICRA, AA+/Stable by CRISIL, AA+ (Ind) by FITCH
2	INE008A08L85	IDBI Omni Bonds 2006 Tier II Sr.XII	21-Sep-06	10	346.40	8.95	None	
3	INE008A08M19	IDBI Omni Bonds 2006 Tier II Sr.XV	16-Nov-06	10	250.00	8.85	None	
4	INE008A08M27	IDBI Omni Bonds 2006 Tier II Sr.XVI	20-Dec-06	10	448.10	8.85	None	
5	INE008A08M35	IDBI Omni Bonds 2006 Tier II Sr.XVII	22-Dec-06	10	300.00	8.95	None	
6	INE008A08M43	IDBI Omni Bonds 2007 Tier II Sr.I	05-Feb-07	10	34.30	8.90	None	
7	INE979F08029	IHFL Series II	9-Feb-07	10	20.00	9.25		LAA by ICRA & Care AA by CARE
FY 2007-08								
1	INE008A08N18	IDBI Omni Bonds 2007 Tier II Sr.IV	07-May-07	10	48.00	10.10	None	LAA +by ICRA, AA+/Stable by CRISIL, AA+ (Ind) by FITCH
2	INE008A08N67	IDBI Omni Bonds 2007 Sr.VII	23-Sep-07	15	4.20	10.07	None	
3	INE008A08O33	IDBI Omni Bonds 2008 Tier II Sr.I	01-Jan-08	10	500.00	9.35	None	
4	INE008A08O58	IDBI Omni Bonds 2008 Sr.II	16-Feb-08	10	2.00	9.41	None	
FY 2008-09								
1	INE008A08Q07	IDBI Omni Bonds 2008 Sr.IX RRB II	26-Sep-08	10	895.80	11.00	None	LAA +by ICRA, AA+/Stable by CRISIL, AA+ (Ind) by FITCH
2	INE008A08Q31	IDBI Omni Bonds 2008 Tier II Sr.XI	29-Sep-08	8	40.00	11.24	None	
3	INE008A08Q15	IDBI Omni Bonds 2008 Upper Tier II Sr.XII	29-Sep-08	15	650.00	11.15 #	Call - 29.09.18	"LAA" by ICRA
4	INE008A08Q56	IDBI Omni Bonds 2008 Upper Tier II Sr.XIV	29-Oct-08	15	500.00	11.40 #	Call - 29.10.18	LAA by ICRA , AA/Negative by CRISIL
5	INE008A08Q72	IDBI Omni Bonds 2008 Sr.XV RRB II	15-Dec-08	10	1439.90	11.30	None	AA+/Negative by CRISIL, LAA+/Negative by ICRA & AA+(ind) by FITCH
6	INE008A08Q80	IDBI Omni Bonds 2008-09 Perpetual Tier I Sr.XVI	26-Mar-09	Perpetual	332.00	9.50 #	Call - 26.03.19	LAA by ICRA & AA/Negative by CRISIL

7	INE008A08Q98	IDBI Omni Bonds 2008-09 Sr.XVII	14-Mar-09	20	2.00	11.25	None	AA+(ind) by FITCH, AA+/Negative by CRISIL
8	INE979F08037	IHFL Series III	28-Mar-09	10	50.00	10.50		LAA by ICRA & Care AA by CARE
9	INE008A08R14	IDBI Omni Bonds 2008-09 Upper Tier II Sr.XIX	31-Mar-09	15	350.00	9.50 #	Call - 31.03.19	LAA by ICRA, AA-(ind) by FITCH & AA/Negative by CRISIL
FY 2009-10								
1	INE008A08R30	IDBI Omni Bonds 2009-10 Sr.I	13-Jun-09	20	1.00	9.56	None	AA+/Negative by CRISIL & LAA+ by ICRA
2	INE008A08R55	IDBI Omni Bonds 2009-10 Upper Tier II Sr.II	26-Jun-09	15	500.00	8.95 #	Call - 26.06.19	AA/Negative by CRISIL & LAA/Stable by ICRA
3	INE008A08R63	IDBI Omni Bonds 2009-10 Upper Tier II Sr.III	25-Sep-09	15	500.00	9.00 #	Call - 25.09.19	AA/Stable by CRISIL & LAA/Stable by ICRA
4	INE008A08R71	IDBI Omni Bonds 2009-10 Sr.IV	26-Sep-09	20	2.00	9.67	None	AA+/Stable by CRISIL, LAA+ by ICRA and AA+(ind) by FITCH
5	INE008A08R89	IDBI Omni Bonds 2009-10 Tier II Sr.V	29-Sep-09	9	40.00	9.37	None	
6	INE008A08R97	IDBI Omni Bonds 2009-10 Upper Tier II Sr.VI	19-Nov-09	15	285.00	8.90 #	Call - 19.11.19	AA/Stable by CRISIL & LAA/Stable by ICRA
7	INE008A08S13	IDBI Omni Bonds 2009-10 Tier II Sr.VII	23-Nov-09	10	302.50	8.53	None	AA+/Stable by CRISIL, Fitch AA+(ind) & LAA+/Stable by ICRA
8	INE008A08S21	IDBI Omni Bonds 2009-10 Perpetual Tier I Sr.VIII	23/12/2009	Perpetual	275.50	9.20 #	Call - 23.12.19	AA/Stable by CRISIL, & LAA by ICRA
9	INE008A08S39	IDBI Omni Bonds 2009-10 Perpetual tier I Series IX	29/01/2010	Perpetual	306.20	9.25 #	Call - 29.01.20	
10	INE008A08S47	IDBI Omni Bonds 2009-10 Upper Tier II Series X	03/02/2010	15	501.20	8.65 #	Call - 03.02.20	AA/Stable by CRISIL, & LAA/Stable by ICRA
11	INE008A08S54	IDBI Omni Bonds 2009-10 Perpetual tier I Series XI	10/03/2010	Perpetual	550.00	9.65 #	Call - 10.03.20	AA/Stable by CRISIL, & LAA by ICRA
12	INE008A08S62	IDBI Omni Bonds	23/03/2010	10	600.00	9.05	None	AA+/Stable by

		2009-10 Tier II Sr.XII						CRISIL, LAA+/Stable by ICRA & AA+(ind) by FITCH
FY 2010-11								
1	INE008A08S70	IDBI Omni Bonds Perpetual Tier I 2010-11 Sr. I	22-06-2010	Perpetual	245.10	9.15 #	Call - 22.06.20	AA/Stable from CRISIL & LAA from ICRA
2	INE008A08S88	IDBI Omni Bonds Tier II 2010-11 Sr.II	08-07-2010	15	302.00	8.57	None	AA+/Stable by CRISIL & LAA+/Stable by ICRA
3	INE008A08S96	IDBI Omni Bonds Tier II 2010-11 Sr.III	29-09-2010	10	40.00	8.63	None	
4	INE008A08T20	IDBI Omni Bonds Tier II 2010-11 Sr.IV	20-01-2011	15	856.10	9.04 @	Call - 20.01.21	
5	INE008A08T46	IDBI Omni Bonds Upper Tier II 2010-11 Sr.V	25-03-2011	15	1000.00	9.40	Call - 25.03.21	AA/Stable by CRISIL & LAA/Stable by ICRA
FY 2011-12								
1	INE008A08T61	IDBI Omni Bonds Tier II 2011-12 Sr.I	04-08-2011	10	484.40	9.38	None	AA+/Stable by CRISIL & LAA+/Stable by ICRA
2	INE008A08T79*	IDBI Omni Bonds Tier II 2011-12 Sr.II	26-11-2011	10	250.00	9.72	None	
3	INE008A08T87*	IDBI Omni Bonds Tier II 2011-12 Sr.III	30-11-2011	10	500.00	9.70	None	
4	INE008A08T95*	IDBI Omni Bonds Tier II 2011-12 Sr.IV	13-12-2011	10	600.00	9.45	None	
5	INE008A08U27*	IDBI Omni Bonds Tier II 2011-12 Sr.V	13-03-2012	10	300.00	9.33	None	AA+/Stable by ICRA
6	INE008A08U19*	IDBI Omni Bonds Tier II 2011-12 Sr.VI	15-03-2012	10	1000.00	9.25	None	AA+/Stable by CRISIL & AA+/Stable by ICRA
FY 2012-13								
1	INE008A08U35	Omni 2012-2013 SR I	30-05-2012	10	250.00	9.03	None	AA+/ Stable by ICRA
2	INE008A08U43	IDBI Omni Bonds Tier II 2012-13 Sr.II	25-10-2012	25	1000.00	9.25	Call - 25.10.22 25.10.27 25.10.32	AA+/Stable by CRISIL
3	INE008A08U50	IDBI Omni Bonds Tier II 2012-13 Sr.III	13-12-2012	15	505.00	8.99	Call - 13.12.22	AA+/Stable by ICRA & AA+/Stable by CRISIL

4	INE008A08U68	IDBI Omni Bonds 2012-13 Sr.IV	26-12-2012	Perpetual	850.00	9.40	Call – 26.12.22	AA/Stable by ICRA & AA/Stable by CRISIL
FY 2014-15								
1	INE008A08U76	Omni 2014-2015 Infrastructure Bond Series I	12-09-2014	10	1000.00	9.27	None	AA+/Stable by CRISIL/ India Rating, AA+/ Negative by ICRA
2	INE008A08U84	Omni 2014-2015 AT1 Bond Series II	17-10-2014	Perpetual	2500.00	10.75	Call - 17.10.24	AA-/Stable by CRISIL & IND AA- by India Rating
3	INE008A08U92	Omni 2014-2015 Infrastructure Bond Series III	21-01-2015	10	3000.00	8.725	None	AA+/Stable by CRISIL/ India Rating, AA+/ Negative by ICRA

Step up of coupon by 50 bps if call option is not exercised at the end of 10 years.

@ Step up of coupon by 25 bps if call option is not exercised at the end of 10 years

* Trustee for these issues is Axis Trustee Services Ltd. The trusteeship for all other issues is with SBICAP Trustee Co.Ltd.

Above Omnibonds Series are listed on BSE & NSE.

iv. List Of Top Ten Bondholders As On September 30, 2015

Sr.No	Name	Address	Pincode	Amount (₹ in Cr.)
1	CBT EPF-05-C-DM	Standard Chartered Bank, CRESCENZO, Securities Services, 3rd Floor C-38/39 G-Block, BKC Bandra (East), Mumbai	400051	9707.69
2	Life Insurance Corporation Of India	Investment Department 6th Floor, West Wing, Central Office Yogakshema, Jeevan Bima Marg, Mumbai	400021	6194.06
3	Coal Mines Provident Fund Organisation	Coal Mines Provident Fund Organisation, Police Line, Dhanbad, Jharkhand	826001	1183.30
4	Oil And Natural Gas Corporation Limited Employees Contributory Provident Fund	Tel Bhawan, Dehradun	248003	605.00
5	ICICI Bank Ltd.	Treasury Middle Office Corporate Group, 2nd Floor, North Tower, East Wing, ICICI Bank Tower, BKC, Bandra (East), Mumbai	400051	414.20

6	State Bank of India Employees Pension Fund	State Bank of India, Securities Services Branch, Mumbai Main Branch Building, 2nd Floor, Mumbai Samachar Marg, Fort, Mumbai	400001	391.30
7	HDFC Trustee Company Limited - HDFC Prudence Fund	Citibank N.A. Custody Services, FIFC-11th Flr, G Block, Plot C-54 and C-55, BKC, Bandra (East), Mumbai	400051	305.00
8	Axis Bank Limited	Treasury Ops Non SLR Desk Corp Off, AXIS House Level 4 South Blk, Wadia International Centre, P.B.Marg, Worli, Mumbai	400025	265.00
9	The State Bank Of India Employees Provident Fund	State Bank of India, Securities Services Branch, Mumbai Main Branch Building, 2nd Floor, Mumbai Samachar Marg, Fort, Mumbai	400001	257.22
10	UTI-Unit Linked Insurance Plan	UTI AMC Pvt. Ltd, UTI Tower, Gn Block, Bandra Kurla Complex, Bandra (East), Mumbai	400051	235.00

v. The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc) on behalf of whom it has been issued :

No corporate guarantees have been issued by IDBI Bank.

vi. Details of Certificate of Deposits as on September 30, 2015:

Sr.No.	Maturity Date	Face Value (₹)
1	1-Dec-15	500000000
2	1-Dec-15	1500000000
3	1-Dec-15	250000000
4	1-Dec-15	2000000000
5	1-Dec-15	2000000000
6	1-Dec-15	250000000
7	1-Dec-15	250000000
8	1-Oct-15	250000000
9	1-Oct-15	1000000000
10	1-Oct-15	2000000000
11	1-Oct-15	2000000000
12	1-Oct-15	1000000000

13	1-Oct-15	1000000000
14	1-Oct-15	2000000000
15	1-Oct-15	2500000000
16	1-Oct-15	2000000000
17	1-Oct-15	1000000000
18	1-Oct-15	5000000000
19	1-Oct-15	3000000000
20	1-Oct-15	500000000
21	1-Sep-16	1000000000
22	1-Sep-16	1000000000
23	1-Sep-16	1000000000
24	2-Dec-15	1000000000
25	2-Dec-15	500000000
26	2-Dec-15	250000000
27	2-Dec-15	250000000
28	2-Dec-15	250000000
29	2-Dec-15	500000000
30	2-Dec-15	500000000
31	2-Dec-15	250000000
32	2-Dec-15	250000000
33	2-Jun-16	2000000000
34	2-Jun-16	500000000
35	2-Jun-16	500000000
36	2-Jun-16	500000000
37	2-Mar-16	1250000000
38	2-Mar-16	250000000
39	2-Mar-16	500000000
40	2-Mar-16	250000000
41	2-Mar-16	1250000000
42	2-Mar-16	20000000
43	2-Mar-16	130000000
44	2-Mar-16	350000000
45	2-Mar-16	1000000000
46	2-Nov-15	250000000
47	2-Nov-15	500000000
48	2-Nov-15	1000000000
49	2-Nov-15	250000000
50	2-Nov-15	1000000000
51	2-Nov-15	11500000
52	2-Nov-15	38500000
53	2-Nov-15	3500000000
54	2-Nov-15	1000000000

55	2-Nov-15	1500000000
56	2-Nov-15	1500000000
57	2-Nov-15	2500000000
58	2-Nov-15	2500000000
59	2-Nov-15	250000000
60	2-Nov-15	750000000
61	2-Nov-15	500000000
62	2-Nov-15	1250000000
63	2-Nov-15	1000000000
64	2-Nov-15	1000000000
65	4-Dec-15	500000000
66	4-Dec-15	250000000
67	4-Dec-15	3000000000
68	4-Dec-15	1000000000
69	4-Dec-15	3000000000
70	4-Mar-16	2000000000
71	4-Mar-16	750000000
72	4-Nov-15	1000000000
73	4-Nov-15	3000000000
74	4-Nov-15	500000000
75	5-Nov-15	1000000000
76	5-Oct-15	5500000000
77	5-Oct-15	3000000000
78	5-Oct-15	1000000000
79	5-Oct-15	5000000000
80	5-Oct-15	2000000000
81	5-Oct-15	2000000000
82	6-Nov-15	1000000000
83	6-Nov-15	1000000000
84	6-Nov-15	500000000
85	6-Nov-15	1000000000
86	6-Oct-15	2000000000
87	6-Oct-15	1000000000
88	6-Oct-15	5000000000
89	6-Oct-15	2000000000
90	6-Oct-15	750000000
91	6-Oct-15	500000000
92	6-Oct-15	500000000
93	6-Oct-15	2000000000
94	6-Oct-15	2500000000
95	6-Sep-16	135000000
96	6-Sep-16	13000000

97	6-Sep-16	14000000
98	6-Sep-16	9000000
99	6-Sep-16	17000000
100	6-Sep-16	7000000
101	6-Sep-16	7000000
102	6-Sep-16	42000000
103	6-Sep-16	6000000
104	7-Dec-15	1000000000
105	7-Dec-15	1000000000
106	7-Dec-15	2000000000
107	7-Dec-15	250000000
108	7-Dec-15	250000000
109	7-Dec-15	470000000
110	7-Dec-15	30000000
111	7-Oct-15	250000000
112	7-Oct-15	750000000
113	7-Oct-15	1000000000
114	7-Oct-15	2500000000
115	8-Dec-15	2500000000
116	8-Dec-15	1500000000
117	8-Dec-15	400000000
118	8-Feb-16	500000000
119	8-Feb-16	250000000
120	8-Feb-16	1000000000
121	8-Feb-16	1000000000
122	8-Feb-16	1000000000
123	8-Oct-15	500000000
124	8-Sep-16	1000000000
125	8-Sep-16	1000000000
126	8-Sep-16	500000000
127	8-Sep-16	250000000
128	8-Sep-16	250000000
129	8-Sep-16	250000000
130	8-Sep-16	250000000
131	9-Dec-15	2000000000
132	9-Dec-15	500000000
133	9-Dec-15	500000000
134	9-Dec-15	500000000
135	9-Nov-15	250000000
136	9-Nov-15	1500000000
137	9-Nov-15	1000000000
138	9-Nov-15	250000000

139	9-Nov-15	250000000
140	9-Nov-15	50000000
141	9-Nov-15	3000000000
142	9-Nov-15	1000000000
143	9-Nov-15	500000000
144	9-Nov-15	1000000000
145	9-Oct-15	1000000000
146	9-Oct-15	500000000
147	9-Oct-15	3000000000
148	9-Oct-15	2500000000
149	9-Oct-15	2000000000
150	9-Oct-15	2500000000
151	10-Jun-16	2000000000
152	10-Jun-16	2000000000
153	10-Jun-16	500000000
154	10-Jun-16	2000000000
155	10-Mar-16	1000000000
156	10-Mar-16	500000000
157	10-Mar-16	2000000000
158	10-Mar-16	250000000
159	10-Nov-15	250000000
160	10-Nov-15	250000000
161	10-Nov-15	2500000000
162	10-Nov-15	500000000
163	10-Nov-15	2000000000
164	10-Nov-15	250000000
165	10-Nov-15	500000000
166	10-Nov-15	2000000000
167	10-Nov-15	1000000000
168	10-Nov-15	1000000000
169	10-Nov-15	1000000000
170	10-Nov-15	500000000
171	10-Nov-15	250000000
172	11-Dec-15	2000000000
173	11-Dec-15	1000000000
174	11-Mar-16	1500000000
175	11-Mar-16	385000000
176	11-Mar-16	25000000
177	11-Mar-16	60000000
178	11-Mar-16	30000000
179	12-Feb-16	2000000000
180	12-Oct-15	5000000000

181	13-Nov-15	500000000
182	13-Nov-15	1000000000
183	13-Nov-15	1000000000
184	13-Nov-15	500000000
185	13-Nov-15	3250000000
186	13-Nov-15	750000000
187	13-Oct-15	2000000000
188	14-Dec-15	2500000000
189	14-Dec-15	5000000000
190	14-Mar-16	1000000000
191	14-Mar-16	500000000
192	14-Mar-16	250000000
193	14-Mar-16	500000000
194	14-Mar-16	500000000
195	14-Mar-16	1000000000
196	14-Mar-16	500000000
197	14-Mar-16	2000000000
198	14-Oct-15	250000000
199	14-Oct-15	750000000
200	14-Oct-15	500000000
201	15-Feb-16	500000000
202	15-Feb-16	250000000
203	15-Feb-16	500000000
204	15-Feb-16	500000000
205	15-Feb-16	500000000
206	15-Feb-16	250000000
207	15-Feb-16	500000000
208	15-Oct-15	2000000000
209	15-Oct-15	1000000000
210	15-Oct-15	600000000
211	15-Oct-15	400000000
212	15-Oct-15	1000000000
213	16-Aug-16	1000000000
214	16-Aug-16	2500000000
215	16-Aug-16	250000000
216	16-Aug-16	2000000000
217	16-Feb-16	250000000
218	16-Feb-16	175000000
219	16-Feb-16	75000000
220	16-Nov-15	1000000000
221	16-Nov-15	1000000000
222	16-Nov-15	2000000000

223	16-Nov-15	1000000000
224	16-Nov-15	2000000000
225	16-Oct-15	3000000000
226	16-Oct-15	2000000000
227	16-Oct-15	5000000000
228	17-Mar-16	2500000000
229	17-Mar-16	2430000000
230	17-Mar-16	420000000
231	17-Mar-16	150000000
232	17-Nov-15	250000000
233	17-Nov-15	7000000000
234	17-Nov-15	150000000
235	17-Nov-15	1000000000
236	17-Nov-15	500000000
237	17-Nov-15	500000000
238	17-Nov-15	1000000000
239	17-Nov-15	500000000
240	17-Nov-15	500000000
241	17-Nov-15	600000000
242	17-Nov-15	250000000
243	18-Feb-16	1500000000
244	18-Feb-16	500000000
245	18-Feb-16	250000000
246	18-Feb-16	1000000000
247	18-Feb-16	500000000
248	18-Feb-16	250000000
249	18-Mar-16	2500000000
250	18-Mar-16	250000000
251	18-Mar-16	1000000000
252	18-Mar-16	500000000
253	18-Mar-16	500000000
254	19-Nov-15	1000000000
255	19-Nov-15	500000000
256	19-Nov-15	250000000
257	19-Nov-15	2000000000
258	19-Nov-15	500000000
259	19-Nov-15	1750000000
260	19-Nov-15	250000000
261	19-Nov-15	250000000
262	19-Nov-15	250000000
263	19-Oct-15	2000000000
264	19-Oct-15	2000000000

265	19-Oct-15	500000000
266	20-Nov-15	250000000
267	20-Nov-15	1000000000
268	20-Nov-15	1000000000
269	20-Nov-15	5000000000
270	20-Nov-15	500000000
271	20-Nov-15	3000000000
272	21-Oct-15	500000000
273	21-Oct-15	500000000
274	21-Oct-15	500000
275	22-Feb-16	500000000
276	22-Feb-16	2000000000
277	22-Feb-16	1500000000
278	22-Feb-16	500000000
279	23-Nov-15	2000000000
280	23-Nov-15	2000000000
281	23-Nov-15	500000000
282	23-Nov-15	1000000000
283	23-Nov-15	250000000
284	23-Nov-15	2000000000
285	23-Nov-15	1000000000
286	23-Nov-15	1000000000
287	23-Nov-15	1000000000
288	23-Oct-15	50000000
289	23-Oct-15	500000000
290	23-Oct-15	2500000000
291	25-Feb-16	1500000000
292	26-Feb-16	250000000
293	26-Feb-16	2500000000
294	26-Feb-16	1000000000
295	26-Feb-16	1000000000
296	26-Feb-16	1500000000
297	26-Nov-15	500000000
298	26-Nov-15	250000000
299	26-Nov-15	2500000000
300	27-Nov-15	2000000000
301	27-Nov-15	3000000000
302	27-Nov-15	2000000000
303	27-Nov-15	1000000000
304	27-Nov-15	1000000000
305	27-Nov-15	1000000000
306	27-Nov-15	2500000000

307	27-Nov-15	2000000000
308	27-Nov-15	1000000000
309	27-Nov-15	2500000000
310	27-Nov-15	1000000000
311	27-Oct-15	3000000000
312	27-Oct-15	1000000000
313	27-Oct-15	750000000
314	29-Feb-16	500000000
315	30-Nov-15	500000000
	Total	**358800500000**

vii. Details of rest of the borrowing (as on September 30, 2015) :

(i) Details of FC Bonds / Long-term Borrowings:

Sr No.	Lender / Paying Agent	Date of Agreement	Amount Drawn	Outstanding as on 30.06.2015	Last date of Repayment	Rate of Interest (%) p.a.
1	Bond Issuance (Through DIFC, Dubai Branch)	05.08.2010 (issue date)	USD 350 mln	USD 350 mln	05.02.2016	4.75
2	Bond Issuance (Through DIFC, Dubai Branch)	26.09.2012 (issue date)	USD 500 mln	USD 500 mln	26.03.2018	4.375
3	Bond Issuance (Through DIFC, Dubai Branch)	25.03.2013 (issue date)	USD 500 mln	USD 490.32 mln	25.01.2019	3.75
4	Bond Issuance (Through DIFC, Dubai Branch)	25.03.2014 (issue date)	USD 300 mln	USD 300 mln	25.09.2019	5.00
5	Line of Credit (Through DIFC, Dubai Branch)	31.10.2013	USD 340 mln	USD 340 mln	30.09.2023	3.55
6	Bond Issuance (Through DIFC, Dubai Branch)	20.10.2014	USD 350 mln	USD 350 mln	23.04.2020	4.125
7	Line of Credit (Through DIFC, Dubai Branch)	12.12.2014	USD 245 mln	USD 245 mln	30.12.2024	3.5

*Total FC outstanding **(including HO & DIFC Branch)** as on September 30, 2015 is equivalent to **INR 16,890.80 crore**, converted at FEDAI closing rates for the month ended September 30, 2015.*

viii. Details of all default/s and/or delay in payments, including therein the amount involved, duration of default and present status in repayment of interest and principal of any kind of statutory dues, term loans, debt securities, deposits, and other financial indebtedness including corporate guarantee issued by the Bank :

Nil

ix. Details of any outstanding borrowings taken / Debt Securities Issued where taken/ issued (i) for consideration other than cash (ii) at a premium or discount (iii) in pursuance of an option :

There are no outstanding debt securities of IDBI Bank Ltd., which were issued for consideration other than cash, whether in whole or in part, at a premium or discount, or in pursuance of an option.

H. Details of Promoters of the Bank:

i. Details of promoter holding in the Bank as on March 31, 2015:

Sr. No.	Name of the shareholders	Total No of Equity shares	No of shares in demat form	Total shareholding
1	Government of India	1227018622	1227018622	76.50%

I. Abridged version of Audited Consolidated (wherever available) and Standalone Financial Information for last three years and auditor qualification:

a. Standalone

Statement of Profit & Loss:

(₹ in Cr.)

Particulars	**2014-15 (Audited)**	**2013-2014 (Audited)**	**2012-2013 (Audited)**
INCOME			
Interest earned	28153.99	26597.51	25064.3
Other income	4007.63	2978.76	3219.51
Total Revenue	**32161.62**	**29576.27**	**28283.81**
EXPENDITURE			
Interest expended	22406.10	20576.04	19691.19
Operating Expenses	4027.42	3318.84	3134.36
Provisions & Contingencies	4854.72	4559.99	3576.17
Total Expenses	**31288.24**	**28454.87**	**26401.72**
PROFIT			
Net Profit for the year	873.39	1121.4	1882.08
Profit brought forward	896.77	903.86	672.65
Total	**1770.16**	**2025.26**	**2554.73**
APPROPRIATIONS			
Transfer to Statutory Reserve	218.35	281	470.83
Transfer to Capital Reserve	229.07	9.32	191.82

Transfer to General Reserve	65.00	400	150
Transfer to Special Reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961	200.00	250	300
Proposed Dividend	120.30	44.1	466.46
Interim Dividend	0.00	116.29	0
Dividend on ESOPs	0.01	0.01	0.01
Dividend distribution tax	25.25	27.77	71.75
Balance carried over to balance sheet	912.19	896.77	903.86
TOTAL	**1770.16**	**2025.26**	**2554.73**
Earnings per Share (₹) (Face Value ₹10/share)			
Basic	5.45	8	14.7
Diluted	5.45	8	14.7

Statement of assets & liabilities:

(₹ in Cr.)

Particulars	**2014-15**	**2013-2014**	**2012-2013**
	(Audited)	**Audited**	**Audited**
Capital	1603.96	1603.94	1332.75
Reserves and surplus	22712.96	22034.92	19902.51
Employees' Stock Options (Grants) o/s	0.19	0.45	0.77
Minority Interest	0.00		
Deposits	259835.97	235773.63	227116.47
Borrowings	61832.98	60146.29	65808.87
Other liabilities and provisions	10044.51	9437.4	8607.14
TOTAL	**356030.57**	**328996.63**	**322768.51**
ASSETS			
Cash and balances with Reserve Bank of India	13035.77	12711.11	10543.95
Balances with banks and money at call and short notice	1489.99	4106.8	7380.57
Investments	120963.21	103773.5	98800.93
Advances	208376.87	197686	196306.45
Fixed Assets	3060.50	2983.21	2925.29
Other Assets	9104.24	7736.01	6811.32
TOTAL	**356030.57**	**328996.63**	**322768.51**
Contingent Liabilities	231608.74	188202.72	180661.96

Bills for collection *	14464.50	8337.95	7157.05

Cash Flow Statement :

(₹ in Crore)

Particulars	**2014-15 (Audited)**	**2013-2014 (Audited)**	**2012-2013 (Audited)**
A. Cash Flow from Operating Activities			
Net profit before tax and extra-ordinary items	**1287.33**	**1741.14**	**2621.78**
Adjustments for non cash items ;			
(Profit) / Loss on sale of Fixed Assets (Net)	(0.04)	1.90	0.41
Depreciation (Net of Revaluation Reserve)	136.95	113.17	124.12
Provisions/Write off of Loans/ Investments and other provisions	4445.06	3970.32	2847.25
Profit/ (Loss) on revaluation of Investments	50.18	0.99	(38.82)
	5919.48	**5827.52**	**5554.73**
Adjustments for (increase)/ decrease in Operating assets:			
Investments	(17488.37)	(5171.51)	(15741.45)
Advances	(14286.76)	(4952.13)	(18233.59)
Other Assets	(134.09)	(363.68)	(749.65)
Adjustments for (increase)/ decrease in Operating liabilities:			
Borrowings	1686.69	(5662.58)	12331.23
Deposits	24062.34	8657.16	16623.91
Other liabilities and provisions	17.83	1146.74	1199.04
Refund/ (payment) of taxes	(1754.09)	(1487.51)	(1330.25)
Net Cash used in/generated from Operating	(1976.97)	(2005.99)	(346.03)
B. **Cash Flow from Investing Activities**			
Purchase (net of sale) of fixed assets	(264.18)	(222.93)	(122.16)
Net cash used in / raised from Investing activities	**(264.18)**	**(222.93)**	**(122.16)**
C. **Cash Flow from Financing Activities**			
Issue of Equity Shares	0.21	1800.28	555.47
Dividend and dividend tax paid	(51.21)	(677.98)	(220.42)
Net cash used in/ raised from financial activities	**(51.00)**	**1122.30**	**335.05**
Net Increase/ (Decrease) in Cash & Cash Equivalents	(2292.16)	(1106.61)	(133.13)
Opening Cash & Cash equivalents	16817.91	17924.52	18057.65
Closing Cash & Cash equivalents	**14525.75**	**16817.91**	**17924.52**
Note to Cash Flow Statement			
Cash and Cash equivalents included in the cash flow statement comprise the following balance			
Cash & Balances with Reserve Bank of India	13035.77	12711.11	10543.95

Balances with banks & money at call and short	1489.98	4106.80	7380.57
Total	**14525.75**	**16817.91**	**17924.52**

b. Consolidated

Statement of Profit & Loss:

(₹ in Cr.)

Particulars	**2014-15 (Audited)**	**2013-2014 (Audited)**	**2012-2013 (Audited)**
INCOME			
Interest earned	28164.27	26608.14	25075.66
Other income	4189.23	3112.11	3333.96
Total Revenue	**32353.50**	**29720.25**	**28409.62**
EXPENDITURE			
Interest expended	22387.15	20558.15	19674.11
Operating Expenses	4104.64	3387.8	3211.97
Provisions & Contingencies	4904.46	4608.1	3617.25
Total Expenses	**31396.25**	**28554.05**	**26503.33**
PROFIT			
Net Profit for the year	957.26	1166.2	1906.29
Less : Share of Loss in Associate	0.00	0	4.49
Less : Minority Interest	15.46	14.46	12.9
Group Profit	941.80	1151.74	1888.9
Profit brought forward	564.82	547.79	325.5
Total	**1506.62**	**1699.53**	**2214.4**
APPROPRIATIONS			
Transfer to Statutory Reserve	218.35	281	470.83
Transfer to Capital Reserve	229.07	9.32	191.82
Transfer to General Reserve	68.86	402.75	161.56
Transfer to Special Reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961	200.00	250	300
Proposed Dividend	120.30	44.11	466.46
Interim Dividend	0.00	116.29	0
Dividend on ESOPs	0.01	0.01	0
Dividend distribution tax	28.40	31.23	75.94
Balance carried over to balance sheet	641.64	564.82	547.79
TOTAL	**1506.62**	**1699.53**	**2214.4**
Earnings per Share (₹) (Face Value ₹10/share)			

Basic	5.87	8.22	14.75
Diluted	5.87	8.22	14.75

Statement of Assets & Liabilities:

(₹ in Cr.)

Particulars	**2014-15 (Audited)**	**2013-2014 (Audited)**	**2012-2013 (Audited)**
CAPITAL AND LIABILITIES			
Capital	1603.96	1603.94	1332.75
Reserves and surplus	22770.75	22027.8	19868.51
Employees' Stock Options (Grants) Outstanding	0.19	0.45	0.77
Minority Interest	51.20	43.64	36.39
Deposits	259522.95	235572.84	226889.98
Borrowings	61832.98	60146.29	65808.87
Other liabilities and provisions	10148.87	9563.27	8728.93
TOTAL	**355930.90**	**328958.23**	**322666.2**
ASSETS			
Cash and balances with Reserve Bank of India	13039.76	12714.61	10548.65
Balances with banks and money at call and short notice	1485.85	4134.24	7411.12
Investments	120609.26	103419.09	98432.91
Advances	208376.87	197686	196306.45
Fixed Assets	3079.95	2999.52	2945.55
Other Assets	9339.20	8004.77	7021.52
TOTAL	**355930.90**	**328958.23**	**322666.2**
Contingent Liabilities	231649.23	188203.7	180683.52
Bills for collection	14464.50	8337.95	7157.05

Cash Flow Statement:

(₹ in Cr.)

Particulars	**2014-15 (Audited)**	**2013-2014 (Audited)**	**2012-2013 (Audited)**
A. Cash Flow from Operating Activities			
Net profit before tax and extra-ordinary	**1401.16**	**1819.29**	**2670.41**
Adustments for non cash items ;			
(Profit) / Loss on sale of Fixed Assets (Net)	(0.04)	2.02	0.51
Transfer to General Reserve (fair value	(0.05)	0	.09
Depreciation (Net of Revaluation Reserve)	140.82	116.60	128.34
Provisions/Write off of Loans/ Investments and other provisions	4464.84	3977.90	2873.31

Profit/ (Loss) on revaluation of Investments	44.06	(7.49)	(37.75)
TOTAL	**6050.90**	**5908.32**	**5634.91**
Adjustments for (increase)/ decrease in Operating assets:			
Investments	(17493.15)	(5185.98)	(15739.23)
Advances	(14291.39)	(4944.96)	(18233.59)
Other Assets	(142.15)	(408.41)	(745.30)
Adjustments for increase/(decrease) in Operating liabilities:			
Borrowings	1686.69	(5662.58)	12331.23
Deposits	23950.11	8682.86	16645.81
Other liabilities and provisions	(13.10)	1152.79	1201.21
Refund/ (payment) of taxes	(1738.48)	(1540.10)	(1394.02)
Net Cash used in/generated from Operating	**(1990.58)**	**(1998.06)**	**(298.97)**
B. **Cash Flow from Investing Activities**			
Additional consideration for Acquisition of Subsidiary	0	0	0
Purchase (net of sale) of fixed assets	(271.63)	(222.54)	(122.71)
Net cash used in / raised from Investing	**(271.63)**	**(222.54)**	**(122.71)**
C. **Cash Flow from Financing Activities**			
Issue of Equity Shares	0.21	1800.28	555.47
Dividend and dividend tax paid	(61.24)	(690.62)	(226.06)
Net cash used in/ raised from financial activities	(61.03)	1109.67	329.41
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS	(2323.23)	(1110.93)	(92.26)
OPENING CASH & CASH EQUIVALENTS	16848.84	17959.77	18052.03
Cash and Cash Equivalents transferred from : ITSL, pursuant to acquisition	0	0	0
CLOSING CASH & CASH EQUIVALENTS	14525.61	16848.84	17959.77
Note to Cash Flow Statement			
Cash and Cash equivalents included in the cash flow statement comprise the following balance			
Cash & Balances with Reserve Bank of India	13039.76	12714.61	10548.65
Balances with banks & money at call and short	1485.85	4134.23	7411.12
Total	**14525.61**	**16848.84**	**17959.77**

c. Profits of the Bank, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter**:**

(₹ in Crore)

	Profit before Tax	Profit after Tax
FY 2012-13	2621.78	1882.08
FY 2013-14	1741.13	1121.40
FY 2014-15	1287.33	873.39

d. Dividends declared by the Bank in respect of the said three financial years; interest coverage ratio for the last three years:

	Dividend Declared (₹ in Crore)	Interest coverage ratio
FY 2012-13	466.47	1.24
FY 2013-14	160.40	1.25
FY 2014-15	120.30	1.25

e. Any change in accounting policies during the last three years and their effect on the profits and reserves of the Bank :

There has been no change in Accounting Policies in the last 3 years.

J. Abridged version of Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information and auditor qualification :

(₹ in Cr.)

Particulars	**HY 2015-16**
	Unaudited
INCOME	
Interest earned	14331.14
Other income	1485.87
Total Revenue	**15817.01**
EXPENDITURE	
Interest expended	11224.98
Operating Expenses	1935.08

Provisions & Contingencies	2402.28
Total Expenses	**15562.33**
PROFIT	
Net Profit for the year	254.68
Profit brought forward	912.19
Total	**1166.87**
APPROPRIATIONS	
Transfer to Statutory Reserve	0
Transfer to Capital Reserve	0
Transfer to General Reserve	0
Transfer to Special Reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961	0
Proposed Dividend	0
Interim Dividend	0
Dividend on ESOPs	0
Dividend distribution tax	0
Balance carried over to balance sheet	1166.87
TOTAL	**1166.87**
Earnings per Share (₹) (Face Value ₹10/share)	
Basic	0.75
Diluted	0.75

Statement of assets & liabilities:

(in Cr.)

Particulars	**HY 2015-16**
Capital	1603.96
Reserves and surplus	22942.59
Employees' Stock Options (Grants) o/s	0.00
Minority Interest	0.00
Deposits	239282.37
Borrowings	63005.97
Other liabilities and provisions	11623.41
TOTAL	**338458.30**
ASSETS	
Cash and balances with Reserve Bank of India	11619.90
Balances with banks and money at call and short notice	7216.76
Investments	78405.09
Advances	204660.94

Fixed Assets	3115.31
Other Assets	33440.30
TOTAL	**338458.30**
Contingent Liabilities	243135.30
Bills for collection *	

** The Figure of Bills for Collection is not available on Half Yearly basis.*

Note : Consolidated and cash flow statement are not part of limited review for the period ended 30/09/2015

K. Material Event / development or change having implication on the financials / credit quality (e.g. any material regulatory proceedings against the Issuer / promoters, tax litigation resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest/continue to invest in the debt securities.

None

L. Name of the Bond Trustee:

SBICAP Trustee Company Ltd. has given the consent for appointment as Bond Trustee for the Bond Issue.

M. Rating Rationale adopted / Credit Rating Letters issued by the rating agencies :

Please refer to Annexure I to the Disclosure Document

N. If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed.

Not Applicable

O. Consent letter from the Debenture Trustee :

Please refer to Annexure II.

P. Names of all the stock exchanges where the debt securities are proposed to be listed:

National Stock Exchange of India Ltd. (NSE) and/or BSE Limited (BSE).

Designated Stock Exchange – NSE

Q. Other details:

i. DRR creation:

In accordance with Rule 18(7)(b)(i) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, "no DRR is required for debentures issued by All India Financial Institutions (AIFIs) regulated by RBI and banking companies for both public as well as privately placed debentures". We will, therefore, not be maintaining debenture redemption reserve in respect of the Bonds issued herein and the Bondholders may find it difficult to enforce their interests in the event of a default.

ii. Issue/instrument specific regulation:

The Issue is made in accordance with Form PAS-4 prescribed under Section 42 of Companies Act, 2013 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014; Securities and Exchange Board of India (Issue And Listing Of Debt Securities) Regulations, 2008, as amended vide Securities And Exchange Board Of India (Issue And Listing Of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012 & Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014, RBI Master Circular RBI/2015-16/58 DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on Basel III Capital Regulations covering criteria for inclusion of Debt Capital Instruments as Tier II Capital (Annex 5) and Minimum Requirements to ensure loss absorbency of Additional Tier I instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the PONV (Annex 16).

The present Issue of Bonds is being made pursuant to the approval by the Board of Directors at its meeting held on March 04, 2015 and the delegation provided there under. The current issue of bonds is within the overall borrowing limits.

iii. Application process :

Investors are advised to comply with the following General Instructions:

1. Instructions for filling in Application Forms

a) Application for the Bonds must be in the prescribed form and completed in BLOCK LETTERS in English as per the instructions contained therein.

b) A separate cheque/ draft must accompany each application form. In case of payment by RTGS, payment particulars must be mentioned on each application form.

2. Applications under Power of Attorney or by Authorized Representatives

A certified copy of the Power of Attorney and/or the relevant authority, as the case may be, along with the names and specimen signatures of all the authorized signatories and the tax exemption certificate/document, if any, must be lodged along with the completed application form. Future modifications/additions in the Power of Attorney or Authority should also be notified with the Registrar of Issue alongwith necessary documentary proof.

3. PAN of the Applicant

All the applicants should mention their Permanent Account Number (PAN) allotted under the I.T. Act. In case PAN has not been allotted, or the Applicant is not assessed to income Tax, the appropriate information should be mentioned in the space provided. Application Forms without this information will be considered incomplete and are liable to be rejected.

4. Bank Account Details and RTGS/ NEFT particulars

The applicant must fill in the relevant column in the application form giving particulars of its Bank Account number and name of the bank with whom such account is held, to enable the Registrars to the Issue to print the said details in the redemption / interest warrant. This is in the interest of the applicant for avoiding misuse of the redemption / interest warrant. Furnishing this information is mandatory and applications not containing such details are liable to be rejected. The applicants should also fill in RTGS/ NEFT particulars of their bank accounts to enable the Bank to remit redemption/ interest payments by RTGS/ NEFT. IDBI Bank may also download the bank particulars in respect of beneficial ownership position as available with the depositories on the Record Date for this purpose.

5. Eligible Investors

The following categories of applicants are eligible to apply for this Issue of Bonds. However, the prospective subscribers must make their own independent evaluation and judgement regarding their eligibility to invest in the Issue.

a. Mutual Funds;

b. Public Financial Institutions as defined under the Companies Act.

c. Scheduled Commercial Banks;

d. Insurance Companies;

e. Provident Funds, Gratuity Funds, Superannuation Funds and Pension Funds;

f. Co-operative Banks;

g. Regional Rural Banks authorized to invest in bonds/ debentures;

h. Companies and Bodies Corporate authorized to invest in bonds/ debentures;

i. Trusts, Association of Persons, Societies registered under the applicable laws in India, which are authorized to invest in bonds/ debentures; and

j. Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures, etc.

k. Any other eligible investor not mentioned above.

All applicants are required to comply with the relevant regulations/ guidelines applicable to them for investing in the issue of Bonds as per the norms approved by Government of India, Reserve Bank of India or any other statutory body from time to time.

However, out of the aforesaid class of applicants eligible to invest, this Disclosure Document is intended solely for the use of the person to whom it has been sent by the Bank for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the securities offered herein, and it is not to be reproduced or distributed to any other persons.

The issue is restricted to the above investors.

6. Documents to be provided by investors

Investors need to submit the following documentation, along with the application form, as applicable.

- Memorandum and Articles of Association/Documents Governing Constitution
- Resolution authorising investment
- Certified True Copy of the Power of Attorney
- Specimen signatures of the authorized signatories duly certified by an appropriate authority.
- Certificate issued by the Assessing Officer under Section 197(1) of I.T.Act for investors seeking exemption from Tax deduction at source from interest on the application money.
- SEBI registration Certificate (for Mutual Funds)
- PAN of the investor/s.
- Demat details (DP ID & Client ID)

7. Terms of Payment

The full amount of issue price of the Bonds applied for should be paid along with the application.

8. Payment Instructions

The remittance of application money should be made by electronic transfer of funds through RTGS mechanism for credits as per details given hereunder:

Name of the Banker	IDBI Bank Limited
Account Name	Application Money for IDBI Tier II Bond 2015-16
Account Number	0126102000002097
IFSC Code	IBKL0000126
Address	IDBI Bank Ltd., IDBI Tower, Cuffe Parade, Mumbai – 400005
Narration	Application Money for Tier 2 Bond Issue

9. Submission of Completed Application Forms

Duly completed application forms and remittance particulars of application money (by RTGS) must be lodged with Domestic Resources Department (DRD) at Head Office of the Bank, while the issue under private placement of the bond is open.

10. Acknowledgements

No separate receipts will be issued for the application money. However, DRD and/or branches receiving the duly completed application form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each application form.

11. Basis of Allocation/ Allotment

Beginning from the issue opening date and until the day immediately prior to the issue closing date, full and firm allotment against all valid applications for the Bonds will be made to applicants on a first-come-first-served basis, subject to the limit of the Issue size, in accordance with applicable laws. If and to the extent the Issue is fully subscribed prior to the issue closing date, no application shall be accepted once the Issue is fully subscribed.

12. Right to accept or reject applications

The Bank reserves it's full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on application money will be paid from the date of realization of the cheque(s)/ demand drafts(s) till one day prior to the date of refund. The application forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

a. Number of bonds applied for is less than the minimum application size;
b. Applications exceeding the issue size;
c. Bank account details not given, particularly, account name and number from which money has been remitted to the Issuer;

d. Details for issue of Bonds in electronic/ dematerialized form not given;

e. PAN/GIR and IT Circle/Ward/District not given;

f. In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;

In the event, if any Bond(s) applied for is/ are not allotted in full, the excess application monies of such Bonds will be refunded, as may be permitted.

13. Interest in case of delay on Allotment/ Despatch

IDBI Bank Ltd. agrees that :

a. As far as possible, allotment of bonds shall be made within 30 days of the date of closure of the issue;

b. IDBI Bank Ltd. shall pay interest as per the provision of DIP guidelines if the allotment has not been made and/or the Refund Orders have not been dispatched to the investors within 30 days from the date of closure of the Issue, for the delay beyond 30 days.

14. Bondholder not a Shareholder

The Bondholders will not be entitled to any of the rights and privileges available to shareholders of the Bank, unless otherwise stipulated by applicable law.

R. General Information :

Date of incorporation of the Bank : September 27, 2004

Corporate Identity : L65190MH2004GOI148838

S. Business carried on by Subsidiaries with details of branches or Units :

<u>IDBI CAPITAL MARKET SERVICES LTD.</u>

IDBI Capital Market Services Ltd (**ICMS**), a wholly-owned subsidiary of the Bank incorporated in December 1993, offers a full suite of financial products and services to institutional, corporate and retail clients. ICMS's businesses include stock brokerage services, distribution of financial products, merchant banking, corporate advisory services, debt arranging and underwriting, portfolio management of pension/provident funds and research services.

ICMS's investment banking group provides services to a diverse group of corporations, financial institutions, investment funds and the Government. It provides strategic advice, helps corporates in arranging funds and raising capital, and also assists companies in distressed situations.

ICMS's institutional and mutual fund advisory group has advised various clients such as banks, institutions and corporates on entry/exit strategies based on returns, tax efficiency, time horizon of investments, in addition to the deployment of surplus funds to the amount of over Rs 2,295.30 million for fiscal year ended 2014-15.

As of March 31 2015, the total amount of debt securities under portfolio management stood at Rs 42,106.00 million. The return on the invested debt securities during fiscal year 2014-15 was 9.47% for retirement funds where 10 year Government bonds averaged 8.32% (semi-annualised) and surplus funds averaged 9.25%. ICMS also acted as investment adviser for the deployment of surplus funds in accordance with the Department of Public Enterprises (DPE) guidelines to a mini-ratna company, viz. MOIL Limited (formerly Manganese Ore (India) Limited). ICMS is also engaged in assisting various public sector units and corporates with their resource-raising programmes.

ICMS has proposed a dividend @ 6.00% for the year ended March 31, 2015.

The tables below sets out a summary of the balance sheet and profit and loss account of ICMS:

Balance Sheet

	As of March 31,		
	2013	**2014**	**2015**
			(₹ Crore)
Paid-up Capital..................................	128.10	128.10	128.10
Reserves and Surplus	183.63	186.12	188.00
Current Liabilities	35.73	29.12	21.75
Total Liabilities	**347.47**	**343.35**	**337.85**
Non Current Assets	112.84	112.14	102.62
Current Assets	234.62	231.20	235.23
Total Assets.....................................	347.47	343.35	337.85

Profit and Loss Account

	For the year ended March 31,		
	2013	**2014**	**2015**
			(₹ Crore)
Total Income	175.12	93.69	88.29

Total Expenditure...............................	136.26	62.48	65.89
Profit/(loss) before tax	38.86	31.20	22.40
Profit/(loss) after tax	24.23	17.46	11.49

IDBI INTECH LIMITED

IDBI Intech Ltd. (IIL) was incorporated in March 2000, as a wholly owned subsidiary of IDBI Bank Limited to undertake the Information Technology (IT) related activities of the Bank. The major business activities of the company are IT Services and national contact center.

For adhering to the world class quality standards, IIL has obtained ISO 9001 certification for its operations. It has facilitated IDBI Bank in getting the ISO 27001 certificate for its data center. IIL has also helped IDBI Bank in launching various value added products for its customers. IIL has entered into an arrangement for providing end to end IT services to two wholly owned subsidiaries i.e. IDBI Asset Management Company Ltd. (IAML) and IDBI Capital Market Services Ltd. (ICMS).

During the period April'14 to March'15, IIL completed a total of 228 projects covering development of new applications and customization in existing applications. Key initiatives taken by IIL for IDBI Bank during the financial year 2014-2015 are as follows:

- Online Tax payment
- E-Lobby
- Priority sector lending application
- Initiatives for Remittance facilities
- Credit Card project
- CTS Sub Membership arrangement

The tables below set out a summary of the balance sheet and profit and loss account of IIL:

Balance Sheet

	As of March 31,		
	2013	**2014**	**2015**
			(₹ Crore)
Paid-up Capital	13.12	13.12	13.12
Reserves & Surplus	15.64	16.32	20.30
Non Current Liabilities	0.072	-	-
Current Liabilities	25.73	2.91	1.37

Total Liabilities	54.57	32.37	34.80
Non Current Assets	27.61	19.31	18.01
Current Assets	26.96	13.06	16.78
Total Assets	54.57	32.37	34.80

Profit and Loss Account

	For the year ended March 31,		
	2013	**2014**	**2015**
			(₹- Crore)
Total Income	184.58	78.71	54.22
Total Expenditure............................	180.25	75.83	48.31
Profit/(loss) before tax	4.32	2.88	5.91
Profit/(loss) after tax	2.98	0.68	3.97

IDBI ASSET MANAGEMENT LIMITED

IDBI Asset Management Limited (IAML) is a wholly owned subsidiary of the Bank. IAML was incorporated on 25 January 2010 to provide asset management services to IDBI Mutual Fund. IAML's mission is to promote financial inclusion by assisting the common man in making informed investment choices through mutual funds. As on 31 March 2015, IAML's paid up capital was ₹2,000 million (the Bank has contributed ₹1,333.40 million and ICMS has contributed ₹666.60 million). The year ended 31 March 2015 was the fifth year of operation for IAML.

During the year ended March 31, 2015, IDBI Mutual Fund did not launch any new scheme and it focused on the growth of existing schemes, especially equity.

For the quarter ended 31 March 2015 the average quarterly assets under IAML's management was ₹74,127.85 million. IAML currently manages seven debt schemes, six equity schemes, one gold exchange traded fund, one gold fund and eight fixed maturity plans.

IAML plans to offer a wide range of investment products geared towards investors' needs.

The tables below set out a summary of the balance sheet and profit account of IAML.

Balance Sheet

			(₹ Crore)
		As on March 31	
	2013	**2014**	**2015**
Paid up capital………………………………	90.00	115.00	200.00
Reserves and Surplus…………………………	(65.05)	(85.58)	(106.31)
Deferred Tax Liability…………………………	0.00	1.08	0.04
Long Term Provisions…………………………	0.84	0.39	0.44
Current Liabilities……………………………	4.97	6.96	4.92

Total Liabilities…………………………….	30.76	37.85	99.08
Non Current Assets…………………………….	5.13	3.22	74.23
Deferred Tax Asset…………………………….	0.61	0.00	0.00
Current Assets……………………………….	25.01	34.63	24.85
Total Assets………………………………….	30.76	37.85	99.08

Profit and Loss Account

(₹ Crore)

		As on March 31	
	2013	**2014**	**2015**
Total Income……………………………….	14.66	20.99	29.91
Total Expenditure………………………….	36.41	39.81	51.68
Profit/(loss) before Tax…………………….	(21.74)	(18.82)	(21.77)
Profit/(loss) after Tax ………………………….	(20.90)	(20.52)	(20.72)

IDBI MF TRUSTEE COMPANY LIMITED

IDBI MF Trustee Company Limited (IMTCL), a wholly owned subsidiary of IDBI Bank, was incorporated on January 25, 2010 with paid up capital of ₹2.00 million and authorised capital of ₹5.00 million. IMTCL acts as the Trustees of IDBI Mutual Fund. As required by the SEBI Mutual Fund Regulation 1996, the trustees ensures that all the activities of the Mutual Fund are within the regulatory frame work. The year ended March 31, 2015 was the fifth year of operation for IMTCL.

The tables below set out a summary of the balance sheet and profit and loss account of IMTCL:

Balance Sheet

(₹ Crore)

		As on March 31	
	2013	**2014**	**2015**
Paid up capital……………………………….	0.20	0.20	0.20
Reserves and Surplus………………………….	0.33	0.47	0.70
Current Liabilities…………………………….	0.19	0.03	0.04
Total Liabilities…………………………….	0.72	0.71	0.94
Non Current Assets…………………………….	0.001	0.25	0.00
Current Assets……………………………….	0.72	0.46	0.94
Total Assets………………………………….	0.72	0.71	0.94

Profit and Loss Account

(₹ Crore)

	As on March 31		
	2013	**2014**	**2015**
Total Income………………………………	0.50	0.55	0.69
Total Expenditure………………………..	0.37	0.34	0.37
Profit/(loss) before Tax……………………	0.13	0.20	0.31
Profit/(loss) after Tax ………………………..	0.09	0.14	0.22

IDBI TRUSTEESHIP SERVICES LIMITED

IDBI Trusteeship Services Limited (**ITSL**) became a subsidiary of the Bank with effect from October 1, 2011. It was incorporated on March 8, 2001 and was set up to comply with SEBI regulations for carrying out trusteeship services. It acts as (i) debenture/bond trustee for issues of non-convertible debentures and bonds, (ii) security trustee on behalf of a lender in situations where the entire security is created in favour of ITSL and it acts upon instructions from those lenders, (iii) securitisation trustee where commercial or consumer credits are purchased and sold in the form of financial instruments and (iv) share pledge trustee where it holds the security pledged by the borrower on behalf of lenders, amongst other roles. In addition to this, ITSL also provides certain other services including, but not limited to, safe keeping locker services, acting as nominee director, escrow agent services to monitor cash flows and ensure utilisation of the same as per a pre-defined mechanism, managing family or private trusts including the employees' welfare trust, employee stock option plan trust etc.

ITSL has declared final dividend @110% besides an interim dividend @130% for the FY 2014-15. Thus total dividend comes to 240%.

The tables below set out a summary of the balance sheet and profit and loss account of ITSL:

Balance Sheet	As on 31st March (₹ Crore)		
	2013	**2014**	**2015**
Paid-up Capital..................................	6.03	6.03	6.03
Reserves and Surplus	74.30	90.30	106.98
Non Current Liabilities	0.54	0.49	1.13
Current Liabilities	8.14	6.11	8.47
Total Liabilities	89.02	102.93	122.62
Non Current Assets	3.29	4.17	4.24
Current assets	85.73	98.76	118.38
Total assets.......................................	89.02	102.93	122.62

Profit and Loss Account	**For the year Ended 31st March (₹ Crore)**		
	2013	**2014**	**2015**
Total Income	48.93	56.15	61.39
Total Expenditure...............................	6.92	8.06	9.38
Profit/(loss) before tax	42.22	48.22	52.18
Profit/(loss) after tax	28.47	31.92	34.12

IDBI FEDERAL LIFE INSURANCE COMPANY LIMITED

IDBI Federal Life Insurance Company Limited **(IDBI Federal Life)**, a joint venture life insurance company incorporated on 22 January 2007 under the Companies Act was originally formed in association with Ageas Insurance International **(Ageas)** and Federal Bank Ltd **(Federal Bank)** with shareholding of 48.00% by IDBI Bank and 26.00% by each of Federal Bank and Ageas. IDBI Federal Life launched its first set of products across India in March 2008 after receiving requisite approvals from the Insurance Regulatory Development Authority of India **(IRDAI)** on 19th December 2007.

IDBI Federal Life aims to develop financial solutions and its innovative product suite combines financial protection and wealth creation into distinctive product offerings that suit the varying financial and investment needs at different stages of life.

During the fiscal year 2014-15 the company launched three new individual products catering to various life stage needs of the customers and announced the launch of an online product. The company also launched four new group plans. With new products launched during the year, the product portfolio now offers a balance mix of savings, growth of investments and financial protection. The company’s innovative product range with unique trademarked branding is highly acclaimed in the industry and has been an important reason for its success.

IDBI Federal Life has a bancassurance partnership with the Bank and Federal Bank. IDBI Federal Life also distributes its products through its own network of agents. As of 31st March 2015, IDBI Federal Life’s network comprised of 64 branches across the country with around 13 thousand agents.

The Following table sets out a summary of the balance sheet and profit and loss account of IDBI Federal Life for the periods specified:

Balance Sheet

Balance Sheet	As of 31st March (₹ Crore)		
	2013	2014	2015
Paid up Capital	799.56	799.67	799.78
Credit/(Debit) Fair Value Change Account	(0.06)	1.10	(1.09)
Policy Liabilities	917.51	1,415.88	2,039.45
Provision for Linked Liabilities	1,670.96	1,635,84	1,721,40
Funds for Discontinued Liabilities	10,67	22,73	35,14
Funds for Future Appropriation	-	–	-
Total Liabilities	3,398.66	3,875.24	4,594.70
Investment	1,194.77	1,730.83	2,502.60
Assets held to cover Linked Liabilities	1,6,816.46	16,585.80	1,756,55
Net Fixed Assets	13.69	10.42	10.62
Net Current Assets	85.43	132.40	136.48
Debit Balance in Profit & Loss Account	423.11	342.99	188.3
Total Assets	3,398.66	3,875.24	4,594.70

Profit & Loss Account

Profit & Loss Account	As of 31st March (₹ Crore)		
	2013	2014	2015
Net Premium Earned	797.99	817.71	1,060.71
Operating Expenses*	193.10	189.16	210.73
Contribution from Shareholder Account	96.68	17.54	34.40
Profit/(Loss) after Tax	9.24	80.11	154.55
Assets under Management	2,963.63	3,508.84	4,383.24

*Note : *In the policy holders' account.*

T. Key Managerial Personnel

Sr.No.	Name, Designation, Age & Qualifications	Address	Associated with Issuer since
1)	Shri Kishor Piraji Kharat, Designation: MD & CEO Age: 57 Qualification: B.Com(Hons.), CAIIB, LLB (I) and Executive Diploma in Management	IDBI Bank Limited, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai-400005	August 14, 2015

	DIN : 07266945		
2)	Shri Bal Krishan Batra, Designation: DMD, Age: 59 Qualification: B.Com, MBA, CAIIB, CFA DIN: 00015732	IDBI Bank Limited, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai-400005	January 13, 2012
3)	ShriVenkatesh Narasinganallore Srinivasan, Designation: CFO & ED, Age: 58 Qualification:B.Com., ACA	IDBI Bank Limited, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai-400005	March 4, 2015
4)	Shri Pawan Agrawal, Designation: Company Secretary, Age: 52 Qualification: B.Com., FCS.	IDBI Bank Limited, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai-400005	May 18, 2011

III. DISCLOSURE WITH REGARD TO INTEREST OF PROMOTERS & DIRECTORS, LITIGATION ETC

i. Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interest of other persons:

(a) Interest of Promoters:

The Promoter, Government of India, holds 76.50% of shares of the Bank.

(b) Interest of Directors:

None of the Directors or Key Managerial Personnel of the Bank or their relatives is concerned or interested, financial or others, in the said issue except to the extent of their shareholding, if any, in IDBI Bank.

ii. Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter during the last three years immediately preceding the year of the circulation of the offer letter and any direction used by such Ministry or Department or Statutory authority upon conclusion of such litigation or legal action :

None. The Promoter of IDBI Bank is Government of India.Govt. of India’s shareholding in IDBI Bank is 76.50%.

iii. Remuneration of directors (during the current year and last three financial years):

Remuneration and perquisites of the Managing Director & CEO and Deputy Managing Directors who are appointed by Government of India are also fixed by Government . The details of remuneration paid to MD& CEO and DMD are given in the following Table:

Elements of Remuneration of Chairman & Managing Director and Deputy Managing Directors			
Current Salary & Allowances (As per Govt. Orders)	Shri Kishor Kharat, MD& CEO – Pay ₹75,500/- p.m. and DA @ 113% ₹85,315/- Total ₹1,60,815/-. Shri B.K. Batra, DMD - Pay ₹71,030/- p.m. and DA @ 113% ₹80,263.90/- Total ₹1,51,293.90/-.		
Salary & Allowances (As per Govt. Orders)	**FY 2014-15**	**FY 2013-14**	**FY 2012-13**
	Shri M.S. Raghavan, CMD – Pay ₹80,000/- p.m. and DA @ 107% ₹85,600/- Total ₹1,65,600/-. Shri B.K. Batra, DMD - Pay ₹71,030/- p.m. and DA @ 107% ₹76,002/- Total ₹1,47,033/-. Shri M.O.Rego, DMD – Pay ₹68,960/- p.m. and DA @ 107% ₹73,787/- Total ₹1,42,748/-.	Shri R. M. Malla, CMD (till May 31, 2013) - Pay ₹80,000/- p.m. and DA @ 72% ₹57,600/- Total ₹1,37,600 /-. Shri M.S.Raghavan, CMD (w.e.f. July 5, 2013) - Pay ₹80,000/- p.m. and DA @ 90% ₹72,000/- Total ₹1,52,000/-. Shri B.K. Batra, DMD - Pay ₹71,030/- p.m. and DA @ 90% ₹63,927/- Total ₹1,34,957/-. Shri M.O.Rego, DMD (w.e.f. August 30, 2013) - Pay ₹65,000/- p.m. and DA @ 90% ₹58,500/- Total ₹1,23,500/-.	Shri R. M. Malla, CMD - Pay ₹80,000/- p.m. and DA @ 72% ₹57,600/- Total ₹1,37,600/-. Shri B.K. Batra, DMD - Pay ₹68,960/- p.m. and DA @ 72% ₹49,651.20/- Total ₹1,18,611/-
Entertainment	Actual entertainment subject to ceiling of ₹6,000 p.a. (membership of club adjustable within the above ceiling) in respect of both MD & CEO and DMD.		
Housing	Rent-free furnished accommodation in respect of both MD & CEO and DMD.		
Conveyance	Entitled to free use of the Bank's car for official purpose.		
Leave Travel Concession	For self and family once in a block of 2 years for visiting any place in India as per entitled class as applicable for official tour in respect of both MD & CEO and DMD.		
Pension	Entitled to draw pension, if any, admissible in the career post (below board level) as per the rules and regulations of the Bank where the career post is held.		
Gratuity	At the rate of half month's pay for every completed year of service or more than 6 months of service as Managing Director & CEO/Deputy Managing Director.		

Tenure	Shri Kishor Kharat- Appointed as MD & CEO vide Govt. of India's Notification F.No.4/2/2015-BO.I dated August 14, 2015 for the period of three years from the date of taking over the charge as MD & CEO or till the date of superannuation i.e. 30.09.2018or until further orders, whichever is earlier.Shri Kishor Kharat took over charge on August 14, 2015 (His Managing Directorship is deemed to be effective from August 19, 2015, the date on which DIN was allotted to him). Shri B.K. Batra – Appointed as DMD vide Govt. of India's Notification F.No.9/14/2009-BO.I dated January 12, 2012 with effect from January 13, 2012 till the date of superannuation (31.07.2016) or until further orders, whichever is earlier.

There have been no pecuniary relationships/transactions of Non-Executive Directors. Other Independent Directors were paid only the sitting fees for each Board/ Committee Meeting attended by them @ ₹ 20,000/- per meeting of Board, EC and ACB and @ ₹10,000/- per meeting for other Board committee meetings. Apart from the remuneration to CMD and DMDs and sitting fees to Independent Directors, no other remuneration was paid to the Directors, except the expenditure upon their travel, stay and transport incurred by the Bank.

Details of Sitting Fees paid to Independent Directors during last three Financial Years are as under:

FY 2014-15		**FY 2013-14**		**FY 2012-13**	
Name of the Independent Director	**Sitting fees paid for FY 2014-15 (₹)**	**Name of the Independent Director**	**Sitting fees paid for FY 2013-14 (₹)**	**Name of the Independent Director**	**Sitting fees paid for FY 2012-13 (₹)**
Shri P.S. Shenoy	6,05,000	Shri P.S. Shenoy	4,57,500	Shri P.S. Shenoy	1,55,000
Shri Subhash Tuli (till 21.07.2014)	50,000	Shri Subhash Tuli	2,50,000	Shri Subhash Tuli	1,70,000
Shri S. Ravi	6,00,000	Shri S. Ravi	4,50,000	Shri S. Ravi (w.e.f. 02.07.2012)	1,25,000
Shri Ninad Karpe	4,75,000	Shri Ninad Karpe	3,45,000	Shri Ninad Karpe (w.e.f. 02.07.2012)	1,02,500
Shri Pankaj Vats	2,95,000	Shri Pankaj Vats	1,10,000	Shri B. S. Bisht (till 07.07.12)	Nil

iv. Related Party Transactions

a. Subsidiaries :
IDBI Capital Market Services Ltd.
IDBI Intech Ltd.
IDBI MF Trustee Company Ltd.
IDBI Asset Management Company Ltd.
IDBI Trusteeship Services Limited

b. Jointly controlled entity :
IDBI Federal Life Insurance Company Ltd.

c. Key Management personnel of the Bank :
Shri Kishor Piraji Kharat, MD & CEO (w.e.f. August 14, 2015)
Shri Bal Kishan Batra, DMD (we.f. January 13, 2012)
Shri Venkatesh Narasinganallore Srinivasan, CFO & ED (March 4, 2015)
Shri Pawan Agrawal, Company Secretary (w.e.f. May 18, 2011)

d. Parties with whom transaction were entered into during the year :
No disclosure is required in respect of related parties, which are "State-controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. All the subsidiaries of the Bank are State-controlled Enterprises, hence no disclosure is made for transaction with subsidiary Companies. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed in respect of relatives of Key Management Personnel.

e. Transactions/balances with related parties:

(₹ in '000s)

Particulars	Total		
	2014-15	2013-14	2012-13
Deposits Received	78,797	74378	39965
Other Liabilities/ Deposits O/s	3,36,040	321343	352372
Maximum amount of deposits outstanding during the year	33,9,380	365774	353477
Investments	3840000	3840000	3840500
Advances given	-	-	-
Advances outstanding	1314	1829	2298
Maximum amount of advance due during the year	1829	2298	2468
Interest paid on advances	179	211	235
Interest accrued on advances	-	-	14
Interest on Deposits	35422	33910	36297

Remuneration	6078	6049	3695
Other income	382435	458452	453524
Share of profit/-loss during the year	741870	384564	517

v. Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the Bank and the corrective steps taken and proposed to be taken by the Bank for each of the said reservations or qualifications or adverse remark :

No reservations or qualifications or adverse remarks of auditors in the last five financial years

vi. Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of Bank and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the Bank and all of its subsidiaries :

Nil for IDBI Bank Ltd. under Companies Act, 2013 or any other previous company law.

The Reserve Bank of India (RBI) and Securities & Exchange Board of India (SEBI) have taken action against IDBI Bank Limited as under :

1) RBI related:

(a) During FY 2013-14, Reserve Bank of India levied a penalty of ₹1 crore for violation of RBI instructions on KYC and AML guidelines.

(b) Reserve Bank of India has levied a penalty of ₹15 lakh for violation of the provisions of Banking Regulation Act, 1949 in respect of Deccan Chronicle Holdings Ltd vide its order dated July 25, 2014.

2) SEBI Related

i) Issues inherited from erstwhile IDBI Bank Ltd. since merged with IDBI Bank Ltd. (formerly Industrial Development Bank of India Ltd.)

During the period 2003-05, SEBI investigated into the irregularities in the IPOs of IDFC & Yes Bank, which revealed that certain market players played a major role in cornering the shares by opening fictitious / benami accounts. SEBI held that the entire scheme for cornering the retail portion could not have been succeeded but for the active role by depositories and depository participants (DPs). In the matter of investigation into IPOs, SEBI under Section 11 and 11B of SEBI Act, 1992 passed an ex-parte interim order dated 27.04.2006 and issued directions, prohibiting them from dealing in the securities market till further orders and not to open fresh demat accounts. IDBI Bank made written submissions and requested SEBI to vacate the Show Cause Notice. Based on submissions, SEBI on 28.06.2006 vacated the Show Cause Notice and permitted IDBI Bank to open fresh demat accounts and also held that all issues & contentions relating to breach of extant KYC norms are left open to be decided by the Enquiry Officer (EO) in subsequent enquiry proceedings pursuant to his report. IDBI Bank made its written submissions in the enquiry proceedings and the order of EO is awaited. Pending enquiry proceedings, SEBI, vide ex-parte order dated 21.11.2006, imposed the disgorgement liabilities on joint & several basis on NSDL and its DPs including IDBI Bank to the tune of ₹90,02,18,451.80 (IDBI Bank's share was to the extent of ₹85,88,825.28). IDBI Bank preferred an appeal under section 15T of SEBI Act, 1992 with Securities Appellate Tribunal (SAT) for quashing and setting aside the same, which was initially heard on 11.01.2007 when SAT stayed the operation. Final hearing took place on 22.11.2007, when SAT set aside the ex-parte disgorgement order on the ground that principles of natural justice were not followed by SEBI. The enquiry proceedings are still pending and no orders have been passed as on date.

ii) Issues inherited from erstwhile United Western Bank Ltd.(eUWB) since merged with IDBI Bank Ltd.(formerly Industrial Development Bank of India Ltd.)

IDBI Bank had acquired 50 lakh no. of equity shares of Welspun India Ltd (WIL) on April 22, 2010 through the QIP route, resulting in acquiring 5.64% of the company's then paid up capital. In terms of SEBI's Takeover & PIT Regulations, IDBI Bank made the disclosure of the aforesaid acquisition to BSE, NSE & Kolkata Stock Exchange (KSE) on April 23, 2010.

However SEBI alleged that the Bank had violated the aforesaid regulation as the disclosures were received by BSE & NSE on 27/04/10, while KSE claimed that it had not received any disclosure notice. IDBI Bank furnished copies of the disclosure notices dated April 23, 2010 addressed to the above mentioned addressees alongwith proof of delivery (PoDs) evidencing handing over the notices to the courier agency, which provided reasonable grounds to believe that IDBI Bank had disclosed the acquisition of the company's shares to the stock exchanges within stipulated period. However, SEBI has considered that there has been a delay by one day in receipt of the disclosure notices by BSE & NSE and has imposed a penalty of ₹2 lakh vide its order dated February 26, 2014 on IDBI Bank in the matter. The Bank has duly complied with the above order by making the payment of ₹2 lakh to SEBI.

There are no restrictions whatsoever on the operations of IDBI Bank imposed either by any Court of Law or by any Regulatory, Statutory or Supervisory Authorities

3) <u>Tax-related</u>

As of 31 March 2015, the Issuer’s disputed tax assessments (net of provision), which date back to fiscal year 1997, amounted to ₹1173 Crore. In respect of these tax assessments, the Issuer has filed appeals to the relevant Indian tax authorities, including the Commissioner of Income Tax and the Income Tax Appellate Tribunal. Although the Issuer obtained favourable initial rulings in respect of some of these tax assessments, the final outcome of these assessments remains pending. With respect to all of these tax assessments, as the Issuer obtained favourable rulings with respect to similar cases in the past, it expects that similar ruling in favour of the Issuer may be granted in respect of such tax assessments amounting to ₹1173 Crore. However, there can be no assurance that such favourable ruling will be granted in favour of the Issuer.

vii. Details of acts of material frauds committed against the Bank in the last three years and the action taken by the Bank:

a) In March 2014, a borrower company requested consortium lenders for restructuring its liabilities, as the borrower company was facing liquidity problem. Forensic audit of the borrower company was carried out. The forensic audit report dated November 04, 2014 indicated probable diversion of fund to the extent of Rs 34 crore. Clarification given by the borrower company was not satisfactory and acceptable. RBI vide its letter dated Jan 20, 2015, advised the Bank to, inter alia, classify the a/c of the borrower company as fraud.

b) During 2011, Rs 19.20 crore was sanctioned to few borrowers for pisciculture. There were adverse audit observations in the Fish tank loans. Further, during a recent verification of portfolio of accounts in the branch, it came to light that the documents submitted for availing the loan, including the certificates issued by revenue officials, were forged.

c) During 2010, Fish Tank loans were sanctioned to few borrowers. Later the accounts were transferred to another branch due to Business re-organisation. During a recent verification of portfolio of pisciculture loan accounts in the branch, the fraud came to light that the documents submitted for availing the loan, including the certificates issued by revenue officials, were forged. Rs.139 crore is involved.

d) A borrower company, by creating falsified entries, has inflated income and assets since 1997. RBI after its inspection of the borrower company's accounts as on March 31, 2013 had, vide its press release dated September 13, 2013, imposed various restrictions on the borrower company including any business transaction, until further order. The account became NPA on December 31, 2013. The forensic audit revealed window dressing. The amount involved is Rs.274 crore.

e) A borrower company was sanctioned Rs.55.00 crore limit in March, 2012. It was observed that the borrower company was selling goods to the overseas customers despite of having not received the amount and further added new clients based on the recommendation of a single party, who apparently owns controlling stake in most of the company/ firms. During Joint Lenders Meeting dated Nov 19, 2013, it came to knowledge that another bank referred the case to CBI for investigation. The main promoters action in dealing with the affairs of the borrower company has not been to the satisfaction of the Lenders.

f) A borrower who was sanctioned a STL of ₹250 crore in March 2011 defaulted in payment of interest as also installments from June 2012. Forensic audit revealed manipulation in the books of account by the company. Necessary action in compliance with the law is being taken for recovery of the amount.

g) A borrower was sanctioned ₹150 crore limit in Aug 2009. Subsequently it was found out that the borrower had made exports to related parties and the buyers have not paid the dues since March 2013. It is case of suspected fraud and the Bank has lodged claim with ECGC on Nov 27, 2013.

h) Some borrowers had borrowed under Fish Pond Loan scheme. During a review of the loan accounts it was revealed that the documents on records in respect of the fish pond loan accounts like Fisheries department certificate/ land ownership certificate issued by MRO/ VRO etc were fake ones. The amount involved is estimated at ₹34.63 crore.

i) Another group of borrowers had also borrowed under the same Fish Pond Loan scheme and during review of the loan accounts it was revealed that the documents on records in respect of the fish pond loan accounts like Fisheries department certificate/ land ownership certificate issued by MRO/ VRO etc were fake ones. The amount involved is estimated at ₹31.34 crore.

For all the above cases, necessary action in terms of the regulatory guidelines is being followed for recovery of the amount.

IV. ISSUE DETAILS :

i. Date of passing of board resolution authorizing the offer of securities:

March 4, 2015

ii. Date of passing of resolution in the general meeting, authorizing the offer of securities:

August 12, 2015

iii. Details of the Bonds (Debt Securities) proposed to be issued and sought to be listed :

Unsecured Non-convertible Redeemable Subordinated Basel III compliant Tier 2 Bonds (in the nature of debentures) for augmenting Tier 2 capital, for strengthening our capital adequacy ratio in dematerialized form made in compliance with the applicable regulations specified by SEBI, provisions of the Companies Act, 2013 and the Rules prescribed there under, RBI guidelines and circulars and other applicable laws.

iv. Price at which the security is being offered including the premium, if any

₹10,00,000 per Bond to be offered at par, with no premium

v. Name and address of the valuer who performed valuation of the security offered

Not applicable, as the Bonds being offered are unsecured and are being issued at par.

vi. Amount intended to be raised :

₹700 crore with green shoe option upto ₹300 crore through private placement.

vii. Terms of raising securities:

Unsecured Non-convertible Redeemable Subordinated Basel III compliant Tier 2 Bonds in dematerialized form for inclusion in Tier 2 capital

Applicable RBI guidelines

RBI Master Circular No.RBI/2015-16/58 DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on Basel III Capital Regulations. The definitions, abbreviations or terms wherever used shall have the same meaning as defined in the RBI circulars applicable to the issue of these bonds.

Paid-in status

Fully paid-in

Maturity period

The minimum maturity period of the bonds shall be 5 years and there are no step-ups or other incentives to redeem.

Rate of Interest

The Bonds may be issued with a fixed or floating rate of interest. Floating rate of interest shall be referenced to a market determined rupee interest benchmark rate as may be decided by the Bank. The instrument cannot have a credit sensitive coupon feature, i.e. a coupon that is reset periodically based in whole or in part on the banks' credit standing. Prior approval of the RBI (DBR) may be taken as regards permissibility of offering floating reference rates. For the bond issuance, a fixed rate of interest as given in the summary Term Sheet would be applicable.

Put & Call Option

Put Option is not available to the bondholder(s). Call option is available to the Bank. The exercise of Call Option by the Bank will be subject to all of the below mentioned conditions.

a) The instrument has run for at least five years

b) The prior approval of RBI (Department of Banking Regulation).

c) The Bank must not do anything which creates an expectation that the call will be exercised.

d) The called instrument is replaced with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the Bank

or

e) The Bank demonstrates to RBI that its capital position is well above the minimum capital requirements after the call option is exercised.

Replacement issues can be concurrent with but not after the instrument is called.

Loss Absorption Features

As per RBI master circular. Please refer to circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 (Annexure 5 and Annexure 16).

Status of bondholders/ seniority of claim

The claims of the investors in instruments shall be :

(i) Senior to the claims of investors eligible for inclusion in Tier 1 Capital;

(ii) subordinated to the claims of depositors, general creditors of the bank;

(iii) is neither secured nor covered by a guarantee of the issuer or related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis Bank creditors.

Purchase/ funding of bonds by the Bank

Neither the Bank nor any related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor would the Bank directly or indirectly fund the purchase of the Bonds. The Bank shall also not grant advances against the security of the Bonds issued by it.

Loss absorption of Basel III compliant Tier 2 instruments at the pre-specified trigger:

I Minimum Requirements to Ensure Loss Absorbency of Non-equity Regulatory Capital Instruments at the Point of Non-Viability

Point of Non Viability ("PONV")

These Bonds, at the option of the Reserve Bank of India, will be permanently written-off upon occurrence of the trigger event, called the "Point of Non-Viability Trigger" ("PONV Trigger").

PONV Trigger

The PONV Trigger event is the earlier of:

a. a decision that a permanent write off is necessary without which the Bank would become non viable, as determined by the RBI; and
b. the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non viable, as determined by the relevant authority. The write-off consequent upon the trigger event shall occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted

The write-off of any Common Equity Tier 1 capital shall not be required before the write-off of these Tier 2 Bonds.

For this purpose, a non-viable bank will be:

A bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the Reserve Bank of India unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by a bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 capital of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. Such measures would include permanent write-off in combination with or without other measures as considered appropriate by the Reserve Bank of India.

A bank facing financial difficulties and approaching a PONV shall be deemed to achieve viability if within a reasonable time in the opinion of RBI, it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including permanent write-off/ public sector injection of funds are likely to:

a. Restore confidence of the depositors/ investors;
b. Improve rating/ creditworthiness of the bank and thereby improving its borrowing capacity and liquidity and reduce cost of funds; and
c. Augment the resource base to fund balance sheet growth in the case of fresh injection of funds.

The amount of non-equity capital to be written-off will be determined by RBI.

The order of claim of various types of Regulatory capital instruments issued by the Bank and that may be issued in future shall be as under:

- Tier 2 debt instruments will be superior to the claims of investors in instruments eligible for inclusion in Tier 1 capital and subordinate to the claims of all depositors and general creditors. However, write down / claim of Tier 2 debt instruments will be on pari-passu basis amongst themselves irrespective of the date of issue.
- Perpetual non-cumulative preference shares will be superior to the claims of Equity Shares.

Minimum subscription

5 bonds and in multiples of 1 bond thereafter

Face value, issue price, effective yield for investor

Each Bond has a face value of ₹10 lakhs and is issued at par i.e. for ₹10 lakhs. The effective yield for the investors shall be the same as the Coupon Rate on the Bonds.

Terms of payment

The full face value of the Bonds applied for is to be paid along with the Application Form. Applicant(s) need to send in the Application Form and the cheque(s)/ demand draft(s)/ RTGS for the full value of Bonds applied for.

Face Value per Bond	Minimum Application for	Amount Payable on Application per Bond
₹10 lakhs	5 Bonds and in multiples of 1 Bond thereafter	₹10 lakhs

Computation of interest

Interest for each of the Interest Periods, including Interest on Application Money, shall be computed on a 365 days-a-year basis on the principal outstanding of the Bonds. However, where the Interest Period (start date to end date) includes 29th February (in a leap year), Interest shall be computed on 366 days-a-year basis i.e. Actual/Actual.

Effect of Holidays

If the coupon payment date of the Bond, falls on a Sunday or a holiday in Mumbai, the location of the Registered Office of the Bank, the coupon payment shall be made on the next working day. If the maturity date of the Bond, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day.

Record Date

The Record Date for all interest payments and for the repayment of the face value amount upon redemption of the Bonds (including on exercise of Call Option, if applicable, will be 15 (fifteen) days prior to the due date/s of payment of interest or repayment of face value (both dates exclusive).

Payment of interest

Payment of interest on the Bonds will be made to those Bondholders whose names appear in the records of the Depositories as on the Record Date. Interest will be paid by RTGS/ NEFT/ Pay Orders/ Demand Drafts at coupon rate on due date/s as mentioned under the head ‘Coupon Rate’ and ‘Coupon Payment Date(s)’ under the key terms in the Term Sheet.

Redemption of Bond

The Bonds will be redeemed on the date as mentioned under the head ‘Date of redemption’ under key terms in the Term Sheet and redemption proceeds will be paid by RTGS/ NEFT/ Pay Orders/ Demand Drafts to those bondholders whose names appear on the list of beneficial owners as per the depository's record on the Record Date subject to the provisions mentioned in Condition 41 of the Term Sheet. If the bondholders fail to redeem their bonds on the redemption date, IDBI Bank shall not be liable to pay any interest or compensation beyond the date of redemption of the Bonds.

Depository Arrangement

The Bank has entered into depository arrangements for dematerialization of Bonds with National Securities Depository Limited (NSDL) and Central Depository Services Ltd. (CDSL). Investors will hold the security in dematerialized form only and deal with the same as per the provisions of Depositories Act, 1996 (as amended from time to time). Investors should indicate the necessary details in the application form.

The Bank has signed two tripartite agreements in this connection viz.

1) Tripartite Agreement dated March 1, 2012 between IDBI Bank Ltd., National Securities Depository Limited (NSDL) and the Registrar, Karvy Computershare Pvt. Ltd.
2) Tripartite Agreement dated February 21, 2012 between IDBI Bank Ltd., Central Depository Services Limited (CDSL) and the Registrar, Karvy Computershare Pvt. Ltd

Procedure for allotment of Bonds in Demat form

1. Investor(s) should have a Beneficiary Account with any Depository Participant of NSDL or CDSL

2. For allotment of Bonds in dematerialized form, the beneficiary account number and depository participants ID shall be specified correctly in the relevant columns of the Application Form. If incomplete/incorrect Beneficiary Account Details are given in the Application Form which do not match with the details in the Depository system, the allotment of Bonds shall be kept in abeyance till such time satisfactory demat account details are provided by the investor.

3. The Bonds allotted to investor would be directly credited to the Beneficiary Account as given in the application form after verification. Allotment advice/refund order (if any) would be sent directly to the applicant by the Registrars to the Issue but the confirmation of the credit of the bonds to the investor's Depository Account will be provided to the investor by the investor's Depository Participant.

4. Interest or other benefits with respect to the bonds held in dematerialized form would be paid to those Bondholders whose names appear on the list of beneficial owners given by the depositories to IDBI Bank Ltd. as on the Record Date. In case the beneficial owner is not identified by the depository on the Record Date due to any reason whatsoever, the Bank shall keep in abeyance the payment of interest or other benefits, till such time the beneficial owner is identified by the depository and intimated to IDBI Bank Ltd.

5. Investors may please note that the Bonds in demat form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL.

Common form of transfer

The Bonds will be issued in demat (electronic) form only and there would be no physical holding. The normal procedure followed for transfer of securities held in dematerialized form in accordance with the rules/ procedures as prescribed by the depositories, NSDL/CDSL, shall be followed for transfer of these Bonds. The concerned depositories shall provide information to the Registrars about the rightful owners of the bonds for payment of interest and principal amount on due dates.

Tax Deduction at Source

As per clause (ix) of Section 193 of Income Tax Act 1961, there is no obligation to deduct tax at source in respect of any amount payable by way of interest on securities issued by a company in dematerialized form and is listed on a recognized Stock Exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956. Since Bonds to be issued through this Disclosure Document would be in dematerialized mode only and listed on Stock Exchanges, tax will not be deducted at source in respect of interest payable on such Bonds. However, the applicability of TDS will be governed by the relevant provisions of Income Tax Act 1961 at the time of credit or payment of interest on the Bonds. The interest income is taxable in the hands of the recipient.

Transfer of Bonds

The difference between the sale price on transfer and the cost of acquisition of the Bond held by the Bondholder as a capital asset will be treated as long-term capital gain/loss in the hands of the investor, provided that such Bond listed in recognized stock exchange is held for a continuous period of more than twelve months. As per Section 112 of IT Act, 1961, tax on long term capital gain arising on transfer of listed securities will be 10% of the gain computed without indexation of cost plus surcharge, education cess and higher education cess, as applicable, for all the assesses. IDBI Bonds, on being listed, will be eligible for this benefit. It may be noted that the Bonds being debt instruments, will not have the benefit of cost indexation.

Short-term capital gains on the transfer of listed Bonds, where Bonds are held for a period of not more than twelve months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act.

Investors who wish to avail of the exemption from tax on capital gains on transfer of capital asset as provided in sections 54EC or 54F of IT Act, may do so subject to the conditions as prescribed in those sections. Moreover, investors are advised to consult their tax advisors in this matter.

In case the Bonds are held as stock in trade, the income on transfer of Bonds would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

Taxability of Interest income from the Bonds

Taxability of interest on Bonds received by Bondholders would be based upon the method of accounting adopted by the resident bond holder as mentioned and subject to the provisions of the I.T. Act.

Issue of duplicate redemption/interest warrant(s)

If any redemption/Interest Warrant(s) is/are lost, stolen or destroyed, then upon production of proof thereof, to the satisfaction of IDBI Bank Ltd. and upon furnishing such indemnity, as may be deemed adequate and upon payment of any expenses incurred by the Bank in connection thereof and upon compliance of all other requirements of the Bank, new redemption/interest warrants shall be issued. If any redemption/interest warrant(s) is/are mutilated or defaced, then, upon surrender of such interest warrant(s), the Bank shall cancel the same and issue a duplicate redemption/ interest warrant(s) in lieu thereof. The procedure for issue of the duplicate warrant shall be governed by the provisions of the Industrial Development Bank of India Ltd. (Issue and Management of Bonds) Rules, 2004.

Amendment of the Terms of the Bonds

The Bank may amend the terms of the Bond(s), within the purview of applicable laws, at any time by a resolution passed at a meeting of the Bondholders with the consent of the Bondholders holding in the aggregate more than 50% in nominal value of the Bonds held and outstanding under the respective schemes from those present and voting.

Future Borrowings / Issues

The Bank will be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue debentures / bonds / other securities in any manner having such ranking in priority, pari passu or otherwise and change the capital structure including the issue of shares of any class, on such terms and conditions as the Bank may think appropriate, without the consent of, or intimation to the Bondholders or the Trustees.

Notices

All notices to the Bondholder(s) required to be given by the Bank shall be deemed to have been given if sent to the Bondholder(s) at the address stated in the application form, or at the address as notified by the Bondholder(s) in due course or may, at the sole discretion of the Bank, but without any obligation, be published in one English and one regional language daily newspaper. All notices to the Bank by the Bondholder(s) must be sent by registered post or by hand delivery to the Bank at its Registered Office or to such person(s) at such address as may be notified by the Bank from time to time.

Register of Bondholders

The register of Bondholders containing necessary particulars will be maintained by the Bank/Registrar to the Issue at their Regd.Office/ Head Office.

Registrars :

Karvy Computershare Pvt. Ltd. (KCPL) has been appointed as Registrars to the Issue. The Registrar will monitor the applications while the private placement is open and will coordinate the post-private placement activities of allotment, dispatching interest warrants etc. Any query/complaint regarding application/ allotment/ transfer should be forwarded to the Registrar at their address given below. All requests for registration of transfer along with appropriate documents should also be sent to the registrars:

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032
Tel.No. 040-6716 1598/1600 | Fax No. 040 2300 1153
Email: einward.ris@karvy.com

Investor Relations and Grievance Redressal

Arrangements have been made to redress investor grievances expeditiously. All grievances related to the Issue, quoting the DP ID/ Client ID, number of Bonds and amount invested, may be addressed to the Registrars at the address given above.

Undertakings from the Issuer

The Bank hereby undertakes that :

(a) The complaints in respect of the Issue would be attended to expeditiously and satisfactorily.

(b) The Bank would take necessary steps for listing the instruments on time.

(c) The Bank shall co-operate with the rating agencies in providing true and adequate information

How to apply

This being a private placement Issue, the eligible investors who have been addressed through this communication directly, only are eligible to apply. Applications for the Bonds must be in the prescribed form and completed in BLOCK LETTERS in English and as per the instructions contained therein.

Applications complete in all respects must be submitted before the last date indicated in the issue time table or such extended time as decided by the Bank, accompanied by the remittance particulars of application money (by RTGS) alongwith all necessary documents as detailed in this Disclosure Document to DRD, Head Office of the Bank on the same day.

The remittance of application money should be made by electronic transfer of funds through RTGS mechanism for credits.

Cheque(s), demand draft(s), money orders, postal orders will not be accepted. The Bank assumes no responsibility for any applications lost in mail. The entire amount of ₹10 lakhs per Bond is payable on application.

Applications should be for the number of Bonds applied by the Applicant. Applications not completed in the said manner are liable to be rejected. The name of the applicants bank, type of account and account number must be filled in the Application Form. This is required for the applicants own safety and these details will be printed on the refund orders and interest/ redemption warrants.

The applicant should mention his/her Permanent Account Number (PAN) allotted under the Income-Tax Act, 1971 or where the same has not been allotted, the GIR No. and the Income tax Circle/W ard/District. As per the provision of Section 139A (5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, the applicant should mention his PAN/GIR No. In case neither the PAN nor the GIR Number has been allotted, the applicant shall mention "Applied for" and in case the applicant is not assessed to income tax, the applicant shall mention "Not Applicable" (stating reasons for non applicability) in the appropriate box provided for the purpose. Application Forms without this information will be considered incomplete and are liable to be rejected.

All applicants are requested to tick the relevant column "Category of Investor" in the Application Form. Public/ Private/ Religious/ Charitable Trusts, Provident Funds and Other Superannuation Trusts and other investors requiring "approved security" status for making investments.

For further instructions about how to make an application for applying for the Bonds and procedure for remittance of application money, please refer to the Summary Term Sheet and the Application Form.

viii. Time schedule for which the offer letter is valid :

The time schedule for the offer is as follows :

Issue opening date : January 02, 2016

Issue closing date : January 02, 2016

ix. Purposes and objects of the offer:

The proposed issue of Bonds is being made for augmenting Tier 2 capital and overall capital of the Bank for strengthening its capital adequacy and for enhancing its long-term resources.

x. Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects:

No contribution has been made by the director as part of the offer or separately in furtherance of such objects

xi. Principle terms of assets charged as security:

Not applicable as the Bonds issued are unsecured.

xii. Appointment of Bond Trustee.

The Bank has appointed the Trustee to protect the interest of all the investors. On happening of the Event of Default, the Bondholders may proceed against the Bank in the manner as may be stipulated under the Trustee Agreement to be entered into for the Issue between the Trustee and the Bank. The Bondholders would be restricted under the Trustee Agreement from initiating proceedings against the Issuer, acting singly, and would need to act through the Trustee in relation thereto. The Trustee may refuse to take any action upon the instructions of the Bondholders under the Trustee Agreement unless suitably indemnified.

xiii. Events of Default

As specified in the Bond trust deed.

xiv. Material Contracts & Agreements Involving Financial Obligations of the Issuer :

By very nature of its business, the Bank is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Bank. However, the contracts referred to in Para A below (not being contracts entered into in the ordinary course of the business carried on by the Bank) which are or may be deemed to be material have been entered into by the Bank. Copies of these contracts together with the copies of documents referred to in Para B may be inspected at the Head Office of the Bank during business hours on any working day until the issue closing date.

A. MATERIAL CONTRACTS

a. Letter appointing Registrar and Agreement entered into between the Bank and the Registrar.

b. Letter appointing Trustee to the Bondholders.

B. DOCUMENTS

a. Board Resolution dated March 4, 2015, authorizing issue of Bonds offered under terms of this Disclosure Document.

b. Resolution under section 180(1)(c) of the Companies Act 2013 regarding borrowing powers passed at the Extra Ordinary General Meeting (EGM) of the shareholders of IDBI Ltd. held on June 30, 2014.

c. Letter of consent from the Trustee for acting as trustees for and on behalf of the holder(s) of the Bonds.

d. Letter of consent from the Registrar for acting as Registrar to the Issue.

e. Application made to the NSE and BSE for grant of in-principle approval for listing of Bonds.

f. Letter from Rating Agencies conveying the credit rating for the bonds.

g. Tripartite Agreement between the Bank, NSDL and Registrar.

h. Tripartite Agreement between the Bank, CDSL and Registrar.

xv. Cash Flows for each bond of ₹10 lacs each with Coupon rate of 8.62% p.a. payable annually :

Cash Flows	Date	Day	No. of days in Coupon Period	Amount (in ₹)
1st Coupon	02/01/2017	Monday	366	86,200
2nd Coupon	02/01/2018	Tuesday	365	86,200
3rd Coupon	02/01/2019	Wednesday	365	86,200
4th Coupon	02/01/2020	Thursday	365	86,200
5th Coupon	02/01/2021	Saturday	366	86,200
6th Coupon*	03/01/2022	Monday	366	86,436
7th Coupon	02/01/2023	Monday	364	85,964
8th Coupon	02/01/2024	Tuesday	365	86,200
9th Coupon	02/01/2025	Thursday	366	86,200
10th Coupon	02/01/2026	Friday	365	86,200
Principal	02/01/2026	Friday		10,00,000

*Coupon payment falling due on Sunday to be paid on following working day.

Note : Any other holiday except Sunday has not been considered. The coupon payment is subject to loss absorption and coupon limitation provisions as provided in the Term Sheet.

xvi Summary Term Sheet for the issue of Bonds (*as defined below*) in terms of Master Circular - Basel III Capital Regulations, RBI/2015-16/58 DBR.No.BP.BC.1/ 21.06.201/2015-16 dated July 1, 2015, as amended from time to time ("Basel III Guidelines").

1.	Security Name	IDBI Omni Tier 2 Bond 2015-16 Series II
2.	Issuer	IDBI Bank Limited
3.	Issue Size	₹700 Crore with green shoe option upto ₹300 crore
4.	Objects of the Issue / Details of the utilization of the proceeds	Augmenting Tier 2 Capital (as the term is defined in the Basel III Guidelines) and over all capital of the Issuer for strengthening its capital adequacy and for enhancing its long-term resources. The Bank shall utilise the proceeds of the Issue for its regular business activities and such other activities as may be permitted under the Memorandum and Articles of Association.
5.	Type of Instrument	Unsecured, subordinated, non-convertible, redeemable bonds which will qualify as Tier 2 Capital (as the term is defined in the Basel III Guidelines) (the "**Bonds**").
6.	Nature of Instrument	The Bonds are neither secured nor covered by a guarantee of the Issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim of the holders of the Bonds (the "**Bondholders**") vis-à-vis other creditors of the Issuer.
7.	Seniority	The claims in respect of the Bonds, will rank: (i) superior to the claims of investors in instruments eligible for inclusion in Tier 1 capital; (ii) subordinate to the claims of all depositors, general creditors of the Issuer other than subordinated debt qualifying as Tier 2 Capital (as the term is defined in the Basel III Guidelines) of the Issuer; (iii) is neither secured nor covered by a guarantee of the Issuer or related entity or

		other arrangement that legally or economically enhances the seniority of the claim vis-à-vis Bank creditors. (iv) *pari passu* without preference amongst themselves and other debt instruments classifying as Tier 2 Capital in terms of Basel III Guidelines; and (v) to the extent permitted by the Basel III Guidelines, *pari passu* with any subordinated obligation eligible for inclusion in either lower tier II capital or upper tier II capital under the then prevailing Basel II guidelines. *As a consequence of these subordination provisions, if a winding up proceeding should occur, the Bondholders may recover less rateably than the holders of deposit liabilities or the holders of other unsubordinated liabilities of the Issuer.* *Bondholders will not be entitled to receive notice of, or attend or vote at, any meeting of shareholders of the Issuer or participate in the management of the Issuer.*
8.	Listing (including name of stock Exchange(s) where it will be listed)	Proposed on the Wholesale Debt Market (WDM) Segment of NSE / BSE.
9.	Tenor	Redeemable after 10 years from the deemed date of allotment
10.	Redemption / Maturity Date	January 02, 2026
11.	Redemption Amount	Subject to Condition 39 (*Permanent principal write-down on PONV Trigger Event*) the redemption amount would be ₹10,00,000/- per Bond
12.	Convertibility	Non-convertible
13.	Face Value	₹10,00,000/- (Rupees Ten Lakh) per Bond.
14.	Credit Rating	'IND AA+' with stable outlook by India Rating (ICRA)AA+ hyb with negative outlook by ICRA CRISIL AA+/ negative by CRISIL

15.	Mode of Issue	Private placement.
16.	Security	Unsecured.
17.	Coupon Rate	8.62% p.a.
18.	Coupon Reset	Not Applicable.
19.	Coupon Type	Fixed.
20.	Coupon Payment Frequency	Subject to Condition 39 *(Permanent principal write-down on PONV Trigger Event)*, coupon will be payable annually in arrear.
21.	Coupon Payment Dates	On the anniversary of the Deemed Date of Allotment. *All instances of non-payment of coupon on relevant Coupon Payment Date will be notified by the Issuer to the Chief General Managers-in-Charge of Department of Banking Regulation and Department of Banking Supervision of the Reserve Bank of India, Mumbai.*
22.	Interest on application money	Interest at the Coupon Rate (subject to deduction of Income-tax under the provisions of the Income-tax Act 1961, or any statutory modification or re-enactment as applicable) will be paid to all the applicants on the application money for the Bonds. Such interest shall be paid from the date of realization of cheque (s)/demand draft (s) and in case of RTGS/other means of electronic transfer interest shall be paid from the date of receipt of funds to one day prior to the Deemed Date of Allotment. The Interest on application money will be computed as per Actual/Actual Day count convention. Such interest would be paid on all the valid applications including the refunds. For the application amount that has been refunded, the Interest on application money will be paid along with the refund orders and for the application amount against which Bonds have been allotted, the Interest on application money will be paid within ten working days from the Deemed Date of Allotment. Where an applicant

		is allotted lesser number of Bonds than applied for, the excess amount paid on application will be refunded to the applicant along with the interest on refunded money. Income Tax at Source (TDS) will be deducted at the applicable rate on Interest on application money.
23.	Record Date	Reference date for payment of coupon or of principal which shall be the date falling 15 days prior to the relevant Coupon Payment Date, Tax Call Date or Regulatory Call Date (each as defined later) on which interest is due and payable. In the event the Record Date falls on a day which is not a Business Day, the next Business Day will be considered as the Record Date.
24.	Computation of Interest	Actual/ Actual
25.	Put Option	No Put Option available
26	**Call Option :**	
(i)	Tax Call or Variation	If a Tax Event (as described below) has occurred and continuing, then the Issuer may, subject to Condition 27 *(Conditions for call)* having been satisfied and having notified the Trustee not less than 21 calendar days prior to the date of exercise of such Tax Call or Variation (which notice shall specify the date fixed for exercise of the Tax Call or Variation "**Tax Call Date**"), may exercise a call on the Bonds or substitute the Bonds or vary the terms of the Bonds so that the Bonds have better classification. A **Tax Event** has occurred if, as a result of any change in, or amendment to, the laws affecting taxation (or regulations or rulings promulgated thereunder) of India or any change in the official application of such laws, regulations or rulings the Issuer will no longer be entitled to claim a deduction in respect of computing its taxation liabilities with respect to coupon on the Bonds. RBI will permit the Issuer to exercise the Tax Call only if the RBI is convinced that the Issuer was not in a position to anticipate the Tax Event at the time of issuance of the Bonds.

(ii)	Regulatory Call or Variation	If a Regulatory Event (as described below) has occurred and continuing, then the Issuer may, subject to Condition 27 *(Conditions for call)* having been satisfied and having notified the Trustee not less than 21 calendar days prior to the date of exercise of such Regulatory Call or Variation (which notice shall specify the date fixed for exercise of the Regulatory Call or Variation (the "**Regulatory Call Date**")**,** may exercise a call on the Bonds or substitute the Bonds or vary the terms of the Bonds so that the Bonds have better classification. A **Regulatory Event** is deemed to have occurred if there is a downgrade of the Bonds in regulatory classification i.e. Bonds is excluded from the consolidated Tier 2 Capital of the Issuer. RBI will permit the Issuer to exercise the Regulatory Call only if the RBI is convinced that the Issuer was not in a position to anticipate the Regulatory Event at the time of issuance of the Bonds.
(iii)	Call Notification Time	12 calendar days prior to the date of exercise of Call
27.	Conditions for call	The Issuer shall not exercise a call option or substitute or vary any of the Bonds unless: (i) in the case of exercise of call option, either (a) the Bonds are replaced with the same or better quality capital (in the opinion of the RBI), at conditions sustainable for the income capacity of the Issuer and such replacement of the capital will be concurrent but not after the exercise of call; or (b) the Issuer has demonstrated to the satisfaction of the RBI that its capital position is well above (in the opinion of the RBI) the minimum capital requirements after such call option is exercised; (ii) the prior written approval of the RBI shall have been obtained; (iii) the Issuer has not created any expectation that such call or variation shall be exercised; and (iv) any other pre-conditions specified in the Basel III Guidelines at such time have been satisfied.
28.	Depository	(i) National Securities Depository Limited (the

		"**NSDL**"); and (ii) Central Depository Services (India) Limited (the "**CDSL**").
29.	Events of Default	As specified in the Bond trust deed.
30.	Cross Default	Not Applicable
31.	Proposed Listing	(i) National Stock Exchange of India Limited (the "**NSE**"); and (ii) BSE Limited (the "**BSE**")
32.	Issuance	Only in dematerialized form
33.	Trading	Only in dematerialized form
34.	Issue Schedule : 1. Issue Opening Date 2. Issue Closing Date	 January 02, 2016 January 02, 2016
35.	Pay-In-Date	January 02, 2016
36.	Deemed Date of Allotment	January 02, 2016
37.	Minimum Application and in multiples of Debt securities thereafter	5 Bonds and in multiples of 1 Bond thereafter
38.	Settlement	Payment of interest and repayment of principal shall be made by way of credit through direct credit/ NECS/ RTGS/ NEFT mechanism.
39.	Permanent principal write-down on PONV Trigger Event	**PONV Trigger Event**, in respect of the Issuer or its group, means the earlier of: (i) a decision that a conversion or principal write-down, without which the Issuer or its group (as the case may be) would become non-viable, is necessary, as determined by the RBI; and (ii) the decision to make a public sector injection of capital, or equivalent support, without which the Issuer or its group (as the case may be) would have become non-viable, as determined by the RBI; However, any capital infusion by Government of India into the Issuer as the promoter of the Issuer in the normal course of business may not be construed as a PONV trigger.

		If a PONV Trigger Event occurs, the Issuer shall: (i) notify the Trustee; (ii) cancel any coupon which is accrued and unpaid on the Bonds as on the write-off date; and (iii) without the need for the consent of Bondholders or the Trustee, write down the outstanding principal and any interest which is accrued and unpaid in relation to the Bonds by such amount as may be prescribed by RBI ("**PONV Write Off Amount**") and subject as is otherwise required by the RBI at the relevant time. The Issuer will affect a write-off within thirty days of the PONV Write-off Amount being determined and agreed with the RBI. Once the principal of the Bonds have been written off pursuant to PONV Trigger Event, the PONV Write-Off Amount will not be restored in any circumstances, including where the PONV Trigger Event has ceased to continue. If the Issuer is amalgamated with any other bank pursuant to Section 44 A of the Banking Regulation Act, 1949 (the BR Act) before the Bonds have been written down, the Bonds will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger. If the Issuer is amalgamated with any other bank after the Bonds have been written down pursuant to a PONV Trigger Event, these cannot be reinstated by the amalgamated bank. If the RBI or other relevant authority decides to reconstitute the Issuer or amalgamate the Issuer with any other bank, pursuant to Section 45 of the BR Act, the Issuer will be deemed as non-viable or approaching non-viability and the PONV Trigger Event will be activated. Accordingly, the Bonds will be permanently written-down in full prior to any reconstitution or amalgamation. *The write down of the Bonds vis-à-vis other capital instruments which the Issuer has already*

		issued or may issued in future will be based on the advice of the Issuer's legal counsels. *A write-off due to a PONV Trigger Event shall occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.* *The Basel III Guidelines state that, for this purpose, a non-viable bank will be a bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the RBI unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by a bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 Capital of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. Such measures would include a permanent write-off in combination with or without other measures as considered appropriate by the RBI.* *A bank facing financial difficulties and approaching a point of non-viability shall be deemed to achieve viability if within a reasonable time in the opinion of the RBI, it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including a permanent write-off or public sector injection of funds are likely to:* *a. restore confidence of the depositors/ investors;* *b. improve rating/ creditworthiness of the bank and thereby improving its borrowing capacity and liquidity and reduce cost of funds; and* *c. augment the resource base to fund balance sheet growth in the case of fresh injection of funds.*
40.	Treatment in Bankruptcy/ Liquidation	The holders of the Bonds shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation of the Issuer.
41.	Order of claim of Tier 2	The order of claim of various types of

	instruments at the event of Gone concern situation	Regulatory capital instruments issued by the Bank and that may be issued in future shall be as under: Tier 2 debt instruments will be superior to the claims of investors eligible for inclusion in Tier 1 capital; and subordinate to the claims of all depositors and general creditors of the bank. However, write down / claim of Tier 2 debt instruments will be on *pari-passu* basis amongst themselves irrespective of the date of issue. Perpetual non-cumulative preference shares will be superior to the claims of Equity Shares.
42.	Transaction Documents	The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the issue: (i) Letter appointing Trustees to the Bond Holders. (ii) Bond trustee agreement; (iii) Bond trust deed (iv) Rating agreement with Rating agency; (v) Tripartite agreement between the Issuer, Registrar and NSDL for issue of Bonds in dematerialized form; (vi) Tripartite agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form; (vii) Letter appointing Registrar and agreement entered into between the Issuer and the Registrar. (viii) Listing Agreement with NSE & BSE.
43.	Conditions precedent to subscription of Bonds	The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following: (i) Rating letter(s) from the aforesaid rating agencies not being more than one month old from the issue opening date; (ii) Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s); (iii) Letter to NSE & BSE for seeking its In-principle approval for listing and trading of Bonds.
44.	Conditions subsequent to subscription of Bonds	The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned

		elsewhere in this Disclosure Document: (i) Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 2 working days from the Deemed Date of Allotment (ii) Make listing application to NSE/BSE within 10 days from the Deemed Date of Allotment of Bonds and seek listing permission within 20 days from the Deemed Date of Allotment of Bonds in pursuance of SEBI Debt Regulations; (In the event of a delay in listing of the Bonds beyond 20 days of the Deemed Date of Allotment, the Issuer will pay to the investor penal interest of 1% per annum over the Coupon Rate commencing on the expiry of 30 days from the Deemed Date of Allotment until the listing of the Bonds.) (iii) If listing permission is refused before the expiry of the 20 days from the Deemed Date of Allotment, the Issuer shall forthwith repay all monies received from the applicants in pursuance of the Disclosure Document along with penal interest of 1.00% per annum over the Coupon Rate from the expiry of 20 days from the Deemed Date of Allotment. Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Disclosure Document.
45	Business Day	means all days except Saturday (2nd & 4th of the month), Sunday and any public holiday, in accordance with the Negotiable Instruments Act, 1881 being a date on which banks are normally open for business in Mumbai.
46.	Business Day Convention	Should any of the dates, other than the Coupon Payment Date including the Deemed Date of Allotment, Tax Call Date or Regulatory Call Date as defined in this Information Memorandum, fall on day which is not a Business Day, the immediately preceding Business Day shall be considered as the effective date. Should the Coupon Payment Date, as defined in this Disclosure Document, fall on day which is not a Business Day, the immediately next Business Day shall be considered as the effective date.

47.	Re-capitalization	Nothing contained in this term-sheet or in any transaction documents shall hinder re-capitalization by the Issuer.

I. OTHER GENERAL TERMS

1.	Eligible Investors	a. Mutual Funds; b. Public Financial Institutions as defined under the Companies Act. c. Scheduled Commercial Banks; d. Insurance Companies; e. Provident Funds, Gratuity Funds, Superannuation Funds and Pension Funds; f. Co-operative Banks; g. Regional Rural Banks authorized to invest in bonds/ debentures; h. Companies and Bodies Corporate authorized to invest in bonds/ debentures; i. Trusts authorized to invest in bonds/ debentures; and j. Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures, etc. k. Any other person eligible to invest under applicable statutory/ regulatory requirements This Issue is restricted only to the above investors. Prospective subscribers must make their own independent evaluation and judgment regarding their eligibility to invest in the issue.
2.	Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the courts of Mumbai, Maharashtra.
3.	Applicable RBI Guidelines	The present issue of Bonds is being made in pursuance of Master Circular on Basel III capital regulations issued vide circular RBI/2015-16/58 DBR.No.BP.BC.1/21.06.201/2015-16 dated July

		1, 2015, by the RBI covering criteria for inclusion of debt capital instruments as Tier 2 capital (Annex 5) and Minimum Requirements to ensure loss absorbency of Additional Tier I instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the PONV (Annex 16) as amended or replaced from time to time. In the case of any discrepancy or inconsistency between the terms of the Bonds or any other Transaction Document and the Basel III Guidelines, the provisions of the Basel III Guidelines shall prevail.
4.	Prohibition on Purchase/ Funding of Bonds	Neither the Bank nor a related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor shall the Bank directly or indirectly fund the purchase of the Bonds. The Bank shall also not grant advances against the security of the Bonds issued by it.
5.	Trustees	SBICAP Trustee Company Ltd.
6.	Registrar	M/s.Karvy Computershare Pvt. Ltd.

V. DECLARATION:

a. The Bank has complied with the provisions of the Act and the rules made there under;

b. The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;

c. The monies received under the offer shall be used only for the purposes and objects indicated in the Offer Document;

I am authorized by the Board of Directors of the Bank vide resolution dated March 04, 2015 to sign this form and declare that all the requirements of Companies Act, 2013 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 the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

(Neeta Sood)

General Manager

Date : 01 January, 2016

Place: Mumbai

Attachments:-

Copy of Board Resolution

Copy of Shareholders' Resolution