THIS DISCLOSURE DOCUMENT HAS BEEN PREPARED IN CONFORMITY WITH FORM PAS-4 PRESCRIBED UNDER SECTION 42 OF COMPANIES ACT, 2013 READ WITH RULE 14(1) OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014 AND SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2008/13/127878 DATED JUNE 06, 2008 AND SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ISSUED VIDE CIRCULAR NO. SEBI/LAD-NRO/GN/2015-16/013 DATED SEPTEMBER 02, 2015, RBI CIRCULAR ON BASEL III CAPITAL REGULATIONS VIDE MASTER CIRCULAR NO. RBI/2015 -16/ 58 DBR.NO.BP.BC.1/21.06.201/2015-16 DATED JULY 01, 2015, EACH AS AMENDED FROM TIME TO TIME

IDBI BANK LIMITED

A company incorporated and registered under the Companies Act, 1956 (1 of 1956) and an existing company under the Companies Act, 2013 and a banking company within the meaning of Section 5 (c) of the Banking Regulation Act, 1949 (10 of 1949)

Registered Office: IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005
Corporate Office: IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005
Tel: (022) 66553355/22189111 | Fax: (022) 2218 8137 | Website: www.idbibank.in
(hereinafter referred to as the "**Issuer**" or the "**Bank**")

Disclosure Document ("Disclosure Document") for issue of unsecured, non-convertible, redeemable, subordinated, Basel III compliant Tier 2 Bonds (in the nature of debentures) of ₹10,00,000 (Rupees Ten Lakh Only) each for cash at par (hereinafter referred to as the "Bonds"), amounting to ₹ 500 crore (Rupees Five Hundred crore Only) with an option to retain over-subscription up to ₹ 1000 crore (Rupees One Thousand Crore Only) (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: **"CRISIL A+/Stable" (A plus with stable outlook) from CRISIL**
"CARE A+; Stable" (A plus; Outlook: Stable) from CARE

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 and the NSE.

Registrars to the Issue
KFin Technologies Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda,
Hyderabad – 500032

Trustee to the Bondholders
SBICAP Trustee Company Limited
APEEJAY House, 6th Floor,
3, Dinshaw Wachha Road,
Churchgate,
Mumbai - 400020

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I. DEFINITIONS AND ABBREVIATIONS

Term	Description
Articles of Association	Articles of Association of the Bank
Bankruptcy Code	The Insolvency and Bankruptcy Code, 2016, as amended, modified or supplemented from time to time
Basel III Guidelines	Master Circular - Basel III Capital Regulations, RBI/2015-16/58 DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 issued by the RBI, as amended, modified or supplemented from time to time
Bondholders	Bondholders means the several persons who are, for the time being, holders of the Bonds and who are identified in the Register of Bondholders as holders of the respective Bonds for the time being.
BSE	BSE Limited
CARE	CARE Ratings Limited
CDSL	Central Depository Services Limited
CRISIL	CRISIL Limited
Depositories Act	Depositories Act, 1996, as amended, modified or supplemented from time to time
Depository Participant/DP	A depository participant as defined under the Depositories Act
GDP	Gross Domestic Product
IT Act	The Income-tax Act, 1961 as amended, modified or supplemented from time to time.
Issuer, we, us, our, the Bank	IDBI Bank Limited
Memorandum of Association	Memorandum of Association of the Bank
MUDRA	Micro Units Development and Refinance Agency Bank
NEFT	National Electronic Funds Transfer
NRIs	An individual resident outside India who is citizen of India, as defined under the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
NSDL	National Securities Depositories Limited
NSE	National Stock Exchange of India Limited
RBI	The Reserve Bank of India
RTGS	Real Time Gross Settlement
SEBI	The Securities and Exchange Board of India
SEBI Listing Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, modified or supplemented from time to time

II. DISCLAIMERS

DISCLAIMER CLAUSE OF THE ISSUER

This Offer Letter / Disclosure Document / Information Memorandum **is neither a prospectus nor a statement in lieu of prospectus**. This Disclosure Document has not been submitted to or approved by the SEBI and has been prepared in conformity with the extant SEBI Listing Regulations and the Companies Act, 2013, as amended. This Issue of Bonds, which is to be listed on the relevant debt segment of the BSE/NSE, is being made strictly on a private placement basis. This Offer Letter is being circulated to identified eligible investors only. This Disclosure Document is for the exclusive use of the addressee(s) and it should not be circulated or distributed to third party (ies). It is not and shall not be deemed to constitute an offer or an invitation to the public in general to subscribe to the Bonds issued by the Issuer. Apart from this Disclosure Document, no offer document or prospectus has been prepared in connection with the offering of this Issue or in relation to the Issuer.

This Disclosure Document and the contents hereof are addressed only to the intended recipients who have been addressed directly and specifically through a communication by the Bank. Each copy of this Offer Letter is serially numbered and the person, to whom a copy of the Offer Letter is sent, is alone entitled to apply for the Bonds. All potential investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Disclosure Document are intended to be used only by those potential investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient or made public or its contents disclosed to a third person. No invitation is being made to any person other than the investor to whom this Disclosure Document has been sent. Any application by a person to whom this Disclosure Document has not been sent by the Bank may be rejected without assigning any reason.

Apart from this Offer Letter, no offer document or prospectus has been prepared in connection with the issuance of Bonds or in relation to the Bank nor is such offer document or prospectus required to be registered under applicable laws or regulations. Accordingly, this Offer Letter has neither been delivered for registration nor is it intended to be registered with any authority. The Bank accepts no responsibility for statements made other than in this Offer Letter (and any relevant pricing or other supplements) or any other material expressly stated to be issued by or at the instance of the Bank in connection with the issue of the Bonds and that anyone placing reliance on any other source of information would be doing so at their own risk.

You shall not and are not authorized to: (1) deliver this Disclosure Document to any other person; or (2) reproduce this Disclosure Document, in any manner whatsoever. Any distribution or reproduction or copying of this Disclosure Document in whole or in part or any public announcement or any announcement to third parties regarding the contents of this Disclosure Document is unauthorized. Failure to comply with this instruction may result in a violation of applicable laws of India and/or other jurisdictions. The views contained in this Offer Letter do not necessarily reflect the views of its directors, officers, employees or affiliates. This Offer Letter does not purport to contain all the information that any eligible investor may require. This Disclosure Document has been prepared by the Bank for providing information in connection with the proposed Issue. The Bank does not undertake to update this Disclosure Document to reflect subsequent events after the date of this Disclosure Document and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Bank.

Neither the delivery of this Disclosure Document nor the issue of any Bonds made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Bank since the date thereof.

This Disclosure Document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where distribution or use of such information would be contrary to law or regulation. Persons into whose possession this Disclosure Document comes are required to inform themselves about and to observe any such restrictions. This Disclosure Document is made available to potential investors in the Issue on the strict understanding that it is confidential and may not be transmitted to others, whether in electronic form or otherwise.

This Issue is a domestic issue restricted to India and no steps have been taken or will be taken to facilitate the Issue in any jurisdictions other than India. Hence, this Disclosure Document does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Bonds or the distribution of this Disclosure Document in any jurisdiction where such action is required. This Disclosure Document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where distribution or use of such information would be contrary to law or regulation. Persons into whose possession this Disclosure Document comes are required to inform themselves about and to observe any such restrictions. This Disclosure Document is made available to Eligible Investors in the Issue on the strict understanding that it is confidential and may not be transmitted to others, whether in electronic form or otherwise.

It is the responsibility of allottees of these Bonds to also ensure that they/it will transfer these Bonds in strict accordance with this Disclosure Document and other applicable laws.

DISCLAIMER CLAUSE OF THE SEBI

As per the provisions of SEBI Listing Regulations, a copy of this Disclosure Document has not been filed with or submitted to SEBI. It is distinctly understood that this Disclosure Document should not in any way be deemed or construed to be approved or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of the Bank or for the correctness of the statements made or opinions expressed in this Disclosure Document.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGE(S)

As required, a copy of this Disclosure Document has been filed with BSE/NSE in terms of SEBI Listing Regulations. It is to be distinctly understood that submission of this Disclosure Document to BSE/NSE should not in any way be deemed or construed to mean that this Disclosure Document has been reviewed, cleared or approved by BSE/NSE, nor does BSE/NSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Disclosure Document. BSE/NSE does not warrant that the Bonds will be listed or will continue to be listed on BSE/NSE nor does BSE/NSE take any responsibility for the soundness of the financial and other conditions of the Bank, its promoter, its management or any scheme or project of the Bank.

DISCLAIMER IN RESPECT OF JURISDICTION

Issue of these Bonds have been/will be made in India to investors as specified under clause **"Eligible Investors"** in this Disclosure Document, who have been/shall be specifically approached by the Bank. This Disclosure Document is not to be construed or constituted as an offer to sell or an invitation to subscribe to Bonds offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the jurisdiction of the courts and tribunals at Mumbai. This Disclosure Document does not constitute an offer to sell or an invitation to subscribe to the Bonds herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

FORCE MAJEURE

The Bank reserves the right to withdraw the Issue at any time prior to the closing date thereof in the event of any unforeseen development adversely affecting the economic and/or regulatory environment or otherwise. In such an event, the Bank will refund the application money, if any, collected from the potential investors / applicants in respect of the Issue without assigning any reason.

DISCLAIMER IN RESPECT OF RATING AGENCIES

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agencies have based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agencies do not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agencies have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

DISCLAIMER OF THE BOND TRUSTEE

The Bond Trustee ipso facto does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the Bonds. Each prospective investor should make its own independent assessment of the merit of the investment in the Bonds and the Issuer. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments.

ISSUE OF BONDS IN DEMATERIALISED FORM

The Bonds will be issued in dematerialized form. The Issuer has made arrangements with NSDL and/or CDSL for the issue of the Bonds in dematerialized form. The investor will have to hold the Bonds in dematerialized form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Bonds allotted to the beneficiary account maintained by the investor with its depositary participant. The Issuer will make the allotment of Bonds to the Eligible Investors on the Deemed Date of Allotment after verification of the application form, the accompanying documents and on realization of the application money.

DISCLAIMER CLAUSE OF THE RBI

The Bonds have not been recommended or approved by the RBI nor does RBI guarantee the accuracy or adequacy of this Disclosure Document. It is to be distinctly understood that this Disclosure Document should not, in any way, be deemed or construed that the Bonds have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Issuer, or the Bonds being issued by the Issuer or for the correctness of the statements made or opinions expressed in this Disclosure Document. The potential investors may make investment decision in respect of the Bonds offered in terms of this Disclosure Document solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/repayment of such investment

DISCLAIMER CLAUSE OF THE BANK

The Bank has certified that the disclosures made in this Disclosure Document are adequate and in conformity with Companies Act, 2013 and rules made thereunder, SEBI guidelines and applicable RBI guidelines in force for the time being. This requirement is to facilitate investors to take an informed decision for making an investment in the proposed Issue. The Bank accepts no responsibility for statements made otherwise than in the Disclosure Document or any other material issued by or at the instance of the Bank and that anyone placing reliance on any other source of information would be doing so at their own risk.

III. RISK FACTORS

Management's perception of 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 Reserve Bank of India vide its letter dated 05.05.2017 has put the Bank under **'Prompt Corrective Action' (PCA)** in view of high net NPA and negative ROA. The Issuer, being under PCA framework is subjected to certain restrictions. PCA will contribute to improving the internal controls of the Bank and improvement in its activities. However, continuation of Bank under PCA for prolonged period may adversely affect the business growth of the Bank.

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 (NBFCs) 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 2019, 10.11% of the Bank's net loan assets were classified as NPAs which has further come down to 5.97 % as on September 2019. Though the level of GNPA and NNPA has come down from 27.95 % and 16.69% as on March 31, 2018 to 27.47% and 10.11% on March 31, 2019 respectively but the Bank may face difficulties in maintaining and checking further slippages to NPA in short term 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, slowdown in certain sectors such as Auto Industry, liquidity Crisis in NBFC sector and high level of NPAs in the entire banking sector in recent couple of years. 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. Corporate advances at ₹88,928 Crore constitute 49% of the total Gross advances portfolio of the bank and NPA in corporate advance contribution to total GNPA is 90 % as on March 31, 2019. It was envisaged that the enactment of the Bankruptcy Code in May 2016 would be of great assistance to IDBI Bank for recovery/resolution in Corporate NPA accounts in a time bound manner. As on September 30, 2019, a net of 187 cases were admitted in NCLT under IBC pending for resolution involving IDBI exposure of Gross Principal Outstanding of ₹ 39,194 Cr (comprising of ₹19,562 Cr in 96 Technically Written Off accounts and ₹19,632 Cr in 91 NPA/Other category).

Among other reasons due to high level of NPA and negative return on Asset for a long period, the Bank has not been able to come out of PCA so far which has been imposed by RBI on the Bank since May 05, 2017. Despite a number of initiatives by the Bank to tighten its Credit appraisal systems, Credit risk monitoring and management systems and improved collections on existing non-performing assets ("**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. If (a) the Bank is not able to recover its existing NPAs, (b) there is a further significant increase in the amount of new loans classified as NPAs, or (c) there is a significant increase in the amount of new loans classified as NPAs as a result of a change in the methodology of NPA classification mandated by the RBI or otherwise, the Bank's asset quality may further deteriorate, its provisioning for probable losses may increase, and its business, future financial performance and the trading price of Capital Securities could be adversely affected.

Repayment of principal is subject to the credit risk of the Bank.

Potential investors should be aware that receipt of the Principal Amount along with coupon payable thereon and any other amounts that may be due in respect of the Bonds is subject to the credit risk of the Bank and the potential investors assume the risk that the Bank may not be able to satisfy their obligations under the Bonds. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Bank, the payment of sums due on the Bonds may be substantially reduced or delayed.

Bonds may be illiquid in the secondary market.

The Bank intends to list the Bonds on the relevant debt segment of BSE/NSE. The Bank cannot provide any guarantee that the Bonds will be frequently traded on the Stock Exchange/s and that there would be any market for the Bonds. The current trading of the Bank's existing listed non-convertible debentures, if any, may not reflect the liquidity of the Bonds being offered through the Issue. It is not possible to predict if and to what extent a secondary market may develop for the Bonds or at what price the Bonds will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the Bonds may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading. Further, the Bank may not be able to issue any further Bonds, in case of any disruptions in the securities market.

Rating Downgrade Risk.

The Rating Agencies have assigned the credit ratings to the Bonds. In the event of deterioration in the financial health of the Bank, there is a possibility that the Rating Agencies may downgrade the rating of the Bonds. In such cases, potential investors may incur losses on re-valuation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms. The rating is not a recommendation to purchase, hold or sell the Bonds in as much as the ratings do not comment on the market price of the Bonds or its suitability to a particular investor. There is no assurance either that the rating will remain at the same level for any given period of time or that the rating will not be lowered or withdrawn entirely by the Rating Agencies. In the event of deterioration the rating of the Bonds, the investors may have to take loss on revaluation of their investment.

Tax Considerations and Legal Considerations.

Special tax considerations and legal considerations may apply to certain types of potential investors. Potential investors are urged to consult with their own financial, legal, tax and other professional advisors to determine any financial, legal, tax and other implications of this investment.

Accounting Considerations.

Special accounting considerations may apply to certain types of taxpayers. Potential investors are urged to consult with their own accounting advisors to determine implications of this investment.

Material changes in regulations to which the Bank are subject could impair the Bank's ability to meet payments or other obligations.

The Bank is subject generally to changes in Indian law, as well as to changes in Government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Bank or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

Non-Payment due to Bank's weak capital position.

Potential investors should be aware that in certain circumstances, the RBI shall be entitled to determine write down of the principal value of the Bonds. Such risks may arise due to the Bank's weak capital position or loan delinquencies (Various criteria for loss absorption through write-down/write-off on breach of pre-specified trigger and at the point of non-viability are elaborated in the Summary Term Sheet and later part of this document)

Order of priority at the time of winding up of the Bank.

In case the Bank goes into liquidation and is being wound up, then the order of priority of holders of Bonds shall be:

(i) Senior 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 Bank.

For more details regarding the treatment of Bonds in the event of winding up, please refer Summary Term Sheet.

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 quality of the Bank's loan portfolio could be adversely affected.

The Bank's total customer exposure ("TCE") (comprising both fund based and non-fund based credit exposure, as well as investment exposure) to borrowers as of March 31, 2019 was ₹3,35,136 Crore (U.S.$48.45 billion). The single largest borrower accounted for 1.42 per cent of the Bank's TCE and the ten largest individual borrowers of the Bank in the aggregate accounted for 9.99 per cent (₹33,480 Crore) of the Bank's TCE as on March 31, 2019. The Bank's largest single borrower group accounted for 2.62 per cent (₹8,792 Crore) of the Bank's TCE, and its ten largest borrower groups accounted for 15.23 per cent (₹51,055 Crore) of the Bank's TCE as of March 31, 2019. Credit losses on account of these group exposures may significantly affect the Bank's future performance, financial condition and the trading price of the Capital Securities.

The Bank's major exposures by industry are to the Housing Loans (including priority sector housing) (₹41,487 Crore) and Energy (₹37,924 Crore) which together accounted for about 23.46 per cent of TCE as of March 31, 2019. As a prudential measure, the Bank has set its exposure limits to each individual industry at 10 per cent of its TCE with the exception of 15 per cent of TCE for the power energy (excluding renewable energy) sector, 20 per cent of TCE for the real estate sector (with a sub-ceiling of 2.00 per cent of TCE for the commercial real estate segment), 8.00 per cent of TCE for the NBFC sector (including micro-finance institutions (MFIs) and excluding housing finance companies), 1.50 per cent of TCE for the gems and jewelry (diamond) sector and 2.00 per cent of TCE for the non-NBFC-MFI sector. As of March 31, 2019, the highest exposure was to the Housing Loan sector at 12.38 per cent of TCE, followed by the Energy sector at 11.32 per cent of TCE. The Bank has high concentration of loans to certain borrowers and industries. 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 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 March 31, 2019, the Bank had credit exposure to various industrial sectors in India. As of that date, the Bank's three largest industry exposures were to the Housing Loans (Including priority sector housing) (₹41,487 Crore), Energy (₹37,924 Crore), Basic Metal and Metal Products sector (₹25,654 Crore), comprising a total of ₹1,05,065 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 Capital Securities.

If the Bank is not able to control or reduce the level of NPAs in its portfolio, or if there is any increase in provisioning requirements mandated by the RBI, its business will suffer.

As of March 31, 2019, the Bank's net NPAs amounted to ₹14,837 Crore, or 10.11 percent of its net advances, as compared to ₹28,665 Crore, or 16.69 percent of its net advances, as of March 31, 2018, which is a decrease of 6.58% (six point five eight percent) over the year. However, the GNPAs were ₹55,588 Crore as on March 31, 2018 and ₹50,027 Crore as on March 31, 2019 which was 27.95% and 27.47% respectively for both the years. High provisioning have resulted into lower levels of NNPA but continued addition of FTNPAs over last couple of years have resulted into not only deterioration of the quality of capital but also its erosion. A number of factors have affected the Bank's inability to control and reduce non-performing loans. Some of these factors, including developments in the Indian economy, movements in global commodity markets, global competition, interest rates and exchange rates delay in resolution of corporate NPAs under IBC 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, its business, future financial performance, shareholders' funds and the price of the Capital Securities could be adversely affected.

There can be no assurance that there will be no increase 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 in immediate short term will be sufficient enough to pull the Bank out of PCA by reversing the trend of negative ROA, profit per employee and low NII, NIM, ROCE etc.. In the event of further 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 Capital Securities.

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 counter parties, 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 September 30, 2019, the amount of assets maturing within five years was lower than the amount of liabilities maturing within that period resulting in a cumulative negative gap of ₹32,520 crore as per Statement of Structural Liquidity (INR). 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 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 Capital Securities.

The Bank has large contingent liabilities.

As of March 31, 2019, the Bank had estimated contingent liabilities of ₹1,40,854 Crore, on account of swaps, forward rate agreements, options, acceptance, endorsement, guarantees, letters of credit, underwriting commitments, uncalled monies on partly paid shares and debentures, 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 Capital Securities.

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

As of 31 March 2019, the tax exposure on account of pending litigation in the Income Tax Department and Service Tax Authorities against the Bank on account of income tax, interest tax, penalty and interest demand was ₹4,302 crore. 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 tax liabilities which may adversely affect the Bank's business, its future financial performance and the trading price of the Capital Securities.

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 of India 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 Capital Securities.

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 (NIM) of the Bank are affected adversely due to deterioration in Asset Quality and higher level of NPA coupled with PCA restrictions on lending. To improve NIM, the Bank has been taking various steps to contain NPA, increase low cost deposits (i.e. CASA), improve fee income, focus on high yielding secured retail loan products with sufficient cushion in Loan to Value (LTV), improve asset quality, step-up recovery from NPA, effective utilization of credit monitoring tools like early warning signals, loan review mechanism etc. to contain fresh slippages.

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 Capital Securities.

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 it exposed to unidentified or unanticipated risks, which could negatively affect its 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 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 Capital Securities.

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 August 28, 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 on the Bank for non-compliance or aberrations in compliance with its instructions relating to KYC and AML.

In February 04, 2019, RBI has imposed monitory penalty of ₹ 20 lakh on non-compliance with various guidelines issued by RBI on KYC/AML standards, more specifically those contained in circular dated November 29, 2004 and May 22, 2008.

To the extent the Bank fails to fully comply with applicable laws and regulations, the relevant government agencies to which 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 Capital Securities. 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 Capital Securities 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 Capital Securities. 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 customers are secured by real assets, including property, plant and equipment. The Bank's loans to customers also include working capital Credit facilities that are typically secured by a first charge on inventory, receivables and other current assets. In some cases, the Bank may have taken further security of a first or second charge 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.

In India, foreclosure on collateral generally requires a written petition to an Indian court or tribunal. An application, when made, may be subject to delays and administrative requirements that may result, or be accompanied by, a decrease in the value of the collateral. 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, and 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 Capital Securities.

IDBI BANK

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 has presence in the overseas markets. In particular, the Bank has established its first overseas branch in Dubai International Financial Centre ("DIFC"), United Arab Emirates. The Bank has also established its branch (International Banking Unit) in International Financial Services Centre (IFSC) at Gujarat International Finance Tec-City (GIFT). 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 Capital Securities.

In December 2009, the Bank obtained a Category-1 license from the Dubai Financial Services Authority (DFSA) to establish the DIFC branch to cater largely to the wholesale banking business. The DIFC branch commenced operations on 7 December 2009. The DIFC branch is the Bank's first overseas banking branch and the Bank will face intense competition from international banks operating in the same region as well as operational, legal and regulatory risks that are unfamiliar to the Bank. There can be no assurance that such factors will not have a material adverse effect on the financial condition and operations of the DIFC branch in the future. There is also no guarantee that the Bank will be able to realise the projected benefits of setting up the DIFC branch.

The Bank received an approval from the Kandla Special Economic Zone (SEZ) under the Special Economic Zones Act, 2005 in September 2015 and the RBI issued its licence in October 2015 to the Bank to open an International Financial Services Centre (IFSC) Banking Unit (IBU) at Gujarat International Finance Tec-City (GIFT). On 6 May 2016, the Bank became the first public sector bank to commence its IFSC IBU operations.

As a result of its overseas operations and given that the Bank may establish more foreign branches in the future, 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. In addition, failure to comply with the applicable laws and regulations in various jurisdictions by the employees, representatives, agents and third party service providers of the Bank, its overseas branches, overseas subsidiaries and overseas affiliates, either in or outside the course of their services, or suspected or perceived failures by them, may result in inquiries or investigations by regulatory and enforcement authorities, in regulatory or enforcement action against either, the Bank, its overseas branches, overseas subsidiaries, overseas affiliates or such employees, representatives, agents and third party service providers. Such actions may, amongst other consequences, impact the reputation of the Bank, its overseas branches, overseas subsidiaries and overseas affiliates, result in adverse media reports, lead to increased or enhanced regulatory or supervisory concerns, lead to additional costs, penalties, claims and expenses being incurred by the Bank, its overseas branches, overseas subsidiaries and overseas affiliates or impact adversely its ability to conduct business owing to implications on business continuity, possible distraction, lack of proper attention or time by such employees, representatives, agents and third party service providers to their official roles and duties, or suspension or termination by the Bank of their services and having to find suitable replacements apart from personal liability, financial or other penalties and restrictions that may be imposed on or suffered by them including personal liability for criminal violation.

If the Bank or any overseas operations fail to manage their legal and regulatory risk in the jurisdictions in which they operate, their business could suffer, their reputation could be harmed and they would be subject to additional legal risk. This could, in turn, increase the size and number of claims and damages asserted against the Bank and any overseas operations or subject them to regulatory investigations, enforcement actions or other proceedings, or lead to increased regulatory or supervisory concerns. The Bank and any overseas operations may also be required to spend additional time and resources on any remedial measures which could have an adverse effect on its business.

Despite the best efforts of the Bank and any overseas operations to comply with all applicable regulations, there are a number of risks that cannot be completely controlled. The international expansion of the Bank and any overseas operations has led to increased risk in this respect. Regulators in the jurisdictions in which the Bank and any overseas operations operate have the power to bring administrative or judicial proceedings against the Bank and any overseas operations (or its employees, representatives, agents and third party service providers), which could result, among other things, in suspension or revocation of one or more of the licenses of the Bank and any overseas operations, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action which could materially harm its results of operations and financial condition.

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

Banks in India 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 Capital Securities.

In accordance with current RBI guidelines, banks in India are required to maintain a minimum of 18.25% 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 per cent of their adjusted net bank credit (**ANBC**) or equivalent amount of off-balance sheet exposure (**OBE**), whichever is higher, to certain eligible sectors (**Priority Sector Lending**), 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 per cent 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 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 the 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 the Banking Regulation Act. Unlike a company incorporated under the Companies Act, 1956 or the Companies Act, 2013, 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 per cent of such profit to the reserve fund before paying any dividend. Furthermore, pursuant to the revised guidelines issued by the RBI, only those banks, which comply with, among others, the requirements of minimum capital adequacy requirements as laid down by the RBI would be eligible to declare dividends.

- 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 under the trust deed, the agency agreement and the capital securities, 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 Capital Securities may not be able to claim any compensation for a failure by the Bank to perform its obligations under the trust deed, the agency agreement and the capital securities, 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 Common Equity Tier I (CET 1) ratio of 7.375 percent (including CCB of 1.875% (one point eight seven five percent), minimum Tier 1 capital of 7 percent and a minimum risk weighted capital adequacy ratio of 10.875% (ten point eight seven five percent) (including CCB of 1.875% (one point eight seven five percent). As per Basel III norms, as of March 31, 2019, the Bank's standalone Common Equity Tier I (CET 1) including CCB, Tier I and total capital adequacy ratios including CCB were 8.91% (eight point nine one percent), 9.13% (nine point one three percent) and 11.58% (eleven point five eight percent), respectively, while the Group's consolidated CET 1 plus CCB, Tier I and total capital adequacy ratios plus CCB were 9.06% (nine point zero six percent), 9.28% (nine point two eight percent) and 11.73% (eleven point seven three percent) respectively as of March 31, 2019.

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 capitalization 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 RBI has introduced External Benchmark Based Lending and all new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans to Micro and Small Enterprises extended by banks from October 01, 2019 shall be benchmarked to one of the external benchmarks rates.

In a move aimed at faster transmission of monetary policy rates, RBI has mandated Banks to benchmark their all new floating rate loans to personal or retail loans (housing, auto, etc.) and loans to Micro and Small Enterprises to one of the external benchmarks rates stipulated by RBI. While new floating rate loans will be linked to external benchmarks, most of bank deposits are still under the fixed rate regime and this may increase its asset-liability mismatch (ALM) and bank may have a high ALM risk. Retail depositors which form majority of the Bank's deposits may not be keen on external benchmark-linked deposits, thus, the cost of funding for bank does not change materially with changes in policy rates, as only the new (fixed) deposit pricing is adjusted while the pricing on the stock of deposits remains unchanged.

Managing interest rate risk will be challenging for the Bank in new scenario. Under external benchmark regime, assets will be re-priced more frequently, while, in comparison, average duration of bank's deposits remains higher. It will increase the quantum of interest rate sensitive assets (RSA) in comparison to interest rate sensitive liabilities (RSL), leading to positive Gap (i.e. RSA>RSL). This may cause volatility to bank's net interest margin (NIMs).

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. In addition, the Bank's ability to obtain its various sources of funding may be affected by factors which include, among others, the deterioration of market conditions and disruptions to financial markets. The Bank may not be able to secure required funding on commercially acceptable terms on a timely basis, or at all. The Bank's failure to obtain rollover of customer deposits upon maturity or to replace them with new deposits with similar maturity profile as the Bank's assets, or its inability to secure funding on commercially acceptable terms, or at all, could have a material adverse effect on the Bank's business, future financial performance and the trading price of the Capital Securities.

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.

Robust growth in any bank requires sound fundamentals of Business coupled with Operational Controls, for achieving sound organic growth. However attraction as well as retention of talented professionals is the biggest challenge which the bank is facing in the last few years. Public Sector bank CTC, including that of IDBI bank, is reasonably less than for similarly placed officials in peer private sector organizations. Although, now bank has started payment of salary on CTC basis to some officers hired at senior level on contract basis and accordingly Head of Treasury, Head of Data Analytics and Chief Technology Officer, were hired in FY 2019-20. Further, consequent to LIC buying stake holding in the bank, there is an ongoing debate with regards to status of the bank, i.e., whether PSB or Private Sector entity. Due to this dichotomy, retention of officers at execution and supervisory levels is also a challenge, as many officer's tend to join/leave for a more established PSB and some also join Private Sector on higher packages. Hence, inability to attract and retain talented professionals could have an adverse impact on the bank's business and future financial performance.

The Bank is subject to Regulatory Reserve requirements, which affect the interest on a portion of the Bank's balances.

As of March 31, 2019, 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.

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

India's economy could be adversely affected by a general rise in interest rates, adverse weather condition affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GOI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market condition in Asia. A decline in India's foreign exchange reserves may also affect liquidity and interest rated in the Indian economy, which could adversely impact our financial condition. A loss of investors' confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy which could materially and adversely affect our business and result of operations.

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

A weaker than expected growth with signs of slowdown in major economies is one of the key risks to global financial stability at this juncture. Adverse geopolitical developments and trade tensions have been gradually taking a toll on business and consumer confidence. In response, central banks in the Advanced Economies' (AEs) have eased their monetary policy stance. While asset prices and global capital flows initially recovered in response, the markets appear to be deeply conditioned by the implied 'Fed put' and any significant reassessment would require re-rating of a host of issues relating to Emerging Market & Developing Economies (EMDEs) with a risk of sharp adjustments.

Financial and confidence channels quickly transmit the global shocks as was evident in the case of India during the taper tantrum period in mid-2013. With high monetary policy uncertainties in advanced economies, capital flows have proved to be fluid and therefore posed considerable risk to EMDEs. In the beginning of 2018, EMDEs like India faced financial market turbulence due to a faster-than-expected tightening in monetary policies in advanced economies. Many EMEs including India witnessed portfolio capital outflows, exerting downward pressure on domestic currencies.

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 Capital Securities 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 financial market continues and/or intensifies, such investment securities may be adversely affected by future developments in the financial markets. In addition, the ongoing financial stress in several global economies may adversely affect the ability of the Bank's borrowers to fulfil 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.

The global economic growth is expected to slow down in 2019-20. The underlying global macro-financial conditions coupled with geopolitical uncertainty have potentially increased spill-over risks to EMDEs. These risks may emanate through implications of central banks' actions; geopolitical uncertainties and trade protectionism; commodity market behaviour; and capital flows.

A change in expectations stemming from stronger-than-expected economic data releases or the possibility that investors have taken too benign a view regarding the outlook for monetary policy in the US could lead to a sharp re-pricing of risk assets. In this event, pressures on EMDEs including India could resume through disruptions in cross-border capital flows.

Apart from this, strain on asset quality in the Indian banking sector continues to be a major concern although various structural reforms undertaken in the economy such as the implementation of the Bankruptcy Code has provided much needed institutional mechanism for resolution of stressed assets. Consequently, there has been decline in the gross non-performing assets of banks and other indicators like the provision coverage ratio (PCR), capital adequacy and return on assets have also improved.

The risks to asset quality emerge from various factors including the developments on the global and domestic macroeconomic front. 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 capital securities.

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 Capital Securities to decrease.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries. Financial turmoil in Asia, Europe, Latin America, Russia, the US 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 crises experienced elsewhere. The global financial crisis of 2008 had a limited impact on India owing to stringent regulation and consequent limited integration with the global financial system.

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 capital securities.

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

The Bank's assets and customers are predominantly located in India. The Government has traditionally exercised, and continues to exercise, a dominant influence over many aspects of the economy. Its economic policies have had and could continue to have a significant effect on entities operating in India, including the Bank, and on market conditions and prices of Indian securities, including securities issued by the Bank. The most recent parliamentary elections were completed in May 2019. Continued reforms agenda and political stability augur well for India but the slowing growth, on back of muted consumption and investment demand, may impact the Bank's performance. Such events could also affect India's debt rating, the Bank's business, its future financial performance and the trading price of the Capital Securities.

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 Capital Securities could decrease.

India has from time to time experienced social and civil unrest and hostilities both internally and with neighbouring countries. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armament and Kashmir. India has also experienced terrorist attacks and social unrest in some parts of the country. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on the Bank's business, its future financial performance and the trading price of the Capital Securities. For example, the terrorist attacks in the United States on September 11, 2001 and subsequent military action in Afghanistan and Iraq affected markets worldwide. The United States' continuing battle against terrorism could lengthen these regional hostilities and tensions.

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 Capital Securities.

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

India's trade relationships with other countries can influence Indian economic conditions. For the fiscal year 2018-19, India's Current Account Deficit (CAD) widened to US$ 57.2 billion or 2.1% of GDP as compared to US$ 48.7 billion or 1.8% of GDP in 2017-18 on the back of wider trade deficit. The trade deficit amounted to US$ 180.3 billion in 2018-19 as compared to US$ 160.0 billion in 2017-18. The widened trade deficit was largely on account of higher oil import bill. The merchandise trade deficit was marginally higher at US$ 45.96 billion in first quarter of the fiscal year 2019-20 as compared to US$44.94 billion in first quarter of the fiscal year 2018-19. In Q2 of 2019-20, the CAD narrowed to US$ 6.3 billion or 0.9% of GDP from US$ 19.0 billion or 2.9% of GDP in Q2 of 2018-19. The CAD tapered on an annualized basis mainly due higher net dollar inflows from services exports such as travel, financial services and telecommunications, computer and information services.

Changes in global demand, coupled with developments on the trade relations front and movement in crude oil prices & exchange rates, will have a deterministic influence on India's trade deficit. If India's trade deficits increase or become unmanageable, it could hurt the performance of the Indian economy, and therefore the Bank's business, future financial performance and the trading price of the capital securities could be adversely affected.

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

In January 2018, CRISIL affirmed its 'A+' for Tier – II Bonds (Under Basel-III), Infrastructure Bonds, Senior/Lower Tier-II Bonds (Under Basel-II), Omni Bonds and Flexi Bonds, 'A' for Upper Tier-II Bonds (Under Basel-II) and Tier-I perpetual Bonds (Under Basel-II), 'BBB+' for Tier-I Bond (Under Basel-III) and 'A1+' for Certificate of Deposit with rating outlook revised to ' Stable'. In November 2018, CRISIL downgraded rating on the Upper Tier II bonds (under Basel II) and Tier I Perpetual bonds (under Basel II) of IDBI Bank to 'CRISIL A-' from CRISIL A and placed the ratings on 'Watch with Developing Implications'. The ratings on the Tier II bonds (under Basel III), Infrastructure bonds, Lower Tier II bonds (under Basel II), Omni bonds and Flexi bonds were reaffirmed at 'CRISIL A+/Stable' while the ratings on the fixed deposits programme and the certificate of deposits programme affirmed at FAA/Stable and CRISIL A1+ respectively. The ratings on the Tier I Bonds (under Basel III) withdrawn as the instruments were redeemed. In January 2019, CRISIL removed its rating on the Upper Tier II bonds (under Basel II) and Tier I Perpetual bonds (under Basel II), from 'Watch with Developing Implications' and assigned a 'Stable' outlook on the same. Other rating has been reaffirmed.

In June 2018, India Rating & Research (India Rating) affirmed its 'A1+' for Short-Term Issuer Rating and Certificate of Deposit while downgraded rating on Long Term Issuer Rating, Basel III compliant bonds, Omni infrastructure bonds, Basel III-complaint Tier II bonds, Senior debt and Lower Tier II bonds from 'AA' to 'AA-' and Deposit rating from 'tAA+' to 'tAA-', Upper Tier II subordinated bond programme from 'BBB+' to 'BBB-' and rating of AT1 perpetual debt withdrawn with 'Negative' rating outlook. In November 2018, all rating instruments downgraded to 'A' from 'AA-' while Upper Tier II subordinated bond programme affirmed at exiting level 'BBB-' and Certificates of deposits downgraded to 'A1' from 'A1+'. The Outlook revised to 'Rating Watch Negative' from 'Negative'. In July 2019, affirmed IDBI's Long-Term Issuer Rating at 'IND A' and Short-Term Issuer Rating at 'IND A1'. Rating outlook changed from "Rating Watch Negative" to "Negative".

In May 2018, ICRA reaffirmed its 'A' for Infrastructure Bonds, Flexi bond Series, Senior & Lower Tier-II (Subordinated Bonds), Subordinated Debt Programme & Basel-III Compliant Tier-II Bonds, 'BBB+' for Upper Tier-II Bonds Programme & Basel-II Compliant Perpetual Bonds, 'MAA-' for Fixed Deposits Programme and 'A1' for Certificate of Deposit Programme. Rating outlook changed from 'rating watch with negative implications' to 'Negative'. In August 2018, ICRA reaffirmed its existing rating and outlook, except for change in outlook for Upper Tier-II Bonds Programme & Basel-II Compliant Perpetual Bonds from 'Negative' to 'Watch with developing implications'. In March 2019, ICRA reaffirmed its existing rating and outlook, except for change in outlook for Upper Tier-II Bonds Programme & Basel-II Compliant Perpetual Bonds from 'Watch with developing implications' to 'Negative'. In September 2019, ICRA reaffirmed its existing rating and outlook.

In November 2018, Fitch retained its sovereign rating for India at 'BBB-', the lowest investment grade with a stable outlook, saying a weak fiscal position continues to constrain the ratings and there were significant risks to macroeconomic outlook. Fitch had last upgraded India's sovereign rating from BB+ to BBB- with a stable outlook on August 1, 2006. Fitch Ratings has affirmed India's long-term foreign-currency issuer default rating (IDR) at 'BBB-' with a Stable Outlook. The rating balances a strong medium-term growth outlook and favorable external balances relative to peers with weak fiscal finances, a fragile financial sector and some lagging structural factors. In April 2019, Fitch once again affirmed India's Long Term Foreign Currency Issuer Default Rating at 'BBB-' with Stable Outlook.

A robust growth outlook continues to support India's credit profile. Fitch accepts growth of 6.08% in the fiscal year ending March 2020 and 7.08% in FY 2021, supported by accommodated monetary policy, an easing of bank regulations, and Government spending. The main factors that individually or collectively could trigger positive rating action are (a) reduction in general government debt over the medium term to a level closer to that of rated peers (b) higher sustained investment and growth rates without the creation of macroeconomics imbalances, such as from successful structural reforms implementation. Whereas the factors that could trigger negative action are arise in a rise in the government debt burden, for instances due to the stalling of fiscal consolidation or greater than expected deterioration in the balance sheets of public sector banks and loose macroeconomic policy setting that cause a return of persistently high inflation and widening current-account deficits, which would increase the risk of external funding stress.

While Moody's had in November 2017 raised India's sovereign rating from the lowest investment grade of 'Baa3' to 'Baa2', S&P refrained from upgrading the rating from 'BBB-' citing high government debt and low-income levels. S&P has maintained 'BBB-' rating on India since 2007.

S&P in 2017 had kept India's sovereign rating unchanged at the lowest investment grade of 'BBB-minus', citing high government debt and low income levels. US-based Moody's had in 2017 upped India's rating to Baa2 from Baa3, changing outlook to 'stable' from 'positive', and said that reforms will help stabilize rising levels of debt.

In August 2018, India pitched for ratings upgrade with S&P as the US-based agency discussed macroeconomic situation with the Finance Ministry against the backdrop of depreciating rupee and widening current account deficit (CAD).

In May 2018, Fitch affirmed the Bank's Issuer Default Rating at BB+/Stable and maintained the Viability Rating of 'ccc' on Rating Watch Evolving. Subsequently in November 2018, Fitch once again affirmed IDBI Bank's Long-Term Issuer Default Rating (IDR) at 'BB+ / Stable' and Viability Rating (VR) of 'ccc' while removing it from Rating Watch Evolving. The Rating Watch Evolving was removed in view of LIC-IDBI deal which reflects better visibility on the potential new equity that IDBI will receive from stake sale to LIC.

In May 2019, Fitch once again affirmed IDBI Bank's Long-Term Issuer Default Rating (IDR) at Long-Term IDR at BB+ / Stable. The Rating was driven by its Support Rating of '3' and Support Rating Floor of 'BB+' keeping in view that the Government's willingness to support IDBI remains intact, although state support will likely be routed indirectly via 100% state-owned Life Insurance Corporation of India (LIC), since it has become the majority shareholder of IDBI Bank. Fitch believed that the Government will continue to remain the ultimate support provider of the bank as LIC may have limited financial ability to independently and timely support IDBI on a standalone basis, and due to IDBI's size and systemic role relative to other Indian state-owned banks.

S&P in November 2018 affirmed its 'BB' long-term and 'B' short-term issuer credit ratings on IDBI Bank Ltd. which remain on CreditWatch with negative implications, where they were initially placed on Aug. 17, 2018. Subsequently in January 2019, S&P removed the ratings from CreditWatch, where they were placed with negative implications and has affirmed its 'BB' long term and "B" short term foreign currency issuer credit ratings on IDBI Bank. The outlook on the long term rating is stable. S&P has also affirmed "BB" long term issue rating on the senior unsecured notes issued by the Dubai branch of the India-based Bank. Large capital infusion by LIC supports its view of very high likelihood of support from the government (and government owned entities such as LIC) for the Bank. S&P believes that infusion could enable Bank to accelerate write-offs and provisions against stressed assets.

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 Capital Securities.

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

In 2018-19, there was depletion in India's foreign exchange reserves by US$ 3.3 billion as compared to an accretion of US$ 43.6 billion in 2017-18. India's foreign exchange reserves touched an all-time high of US$ 454.95 billion in the week ended December 20, 2019. The rise in reserves was on account of increase in foreign currency assets, which is a major component of the overall foreign exchange reserves. Trade balance, investment flows, external debt and international trade relations, among other factors would impact India's foreign exchange reserves. Developments on the trade balance front, Rupee valuation as well as changing global liquidity conditions and their impact on the capital flows in India would determine the level of foreign exchange reserves. Depletion in foreign exchange reserves may impact the liquidity and interest rates in India and consequently, the Bank's business, its future financial performance and the trading price of the capital securities.

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 Capital Securities 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 capital securities to decrease.

Indian accounting principles and audit standards differ from those which prospective investors may be familiar with in other countries.

As stated in the report of the Bank's independent auditors included in this Disclosure Document, the Bank's financial statements are in conformity with the generally accepted accounting principles in India ("**Indian GAAP**"), consistently applied during the periods stated, and no attempt has been made to reconcile any of the information given in this Disclosure Document to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries. The Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standard) Rules, 2015 which specify that Indian Accounting Standards (Ind AS) are applicable to a certain class of companies and set the roadmap for adoption of Ind AS by the said class of companies. The roadmap for the implementation of Ind AS in banks has been laid down by the RBI. The impact of Ind AS on banks is yet to be ascertained.

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

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in the United States and other developed countries. The SEBI is responsible for approving and improving disclosure and other regulatory standards for the Indian securities markets. The SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in developed countries.

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 Capital Securities 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 a national deposit insurance scheme.

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

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

The Ministry of Corporate Affairs (MCA) had notified IFRS-converged Indian Accounting Standards (Ind AS) as Companies (Indian Accounting Standards) Rules, 2015 vide Notification dated February 16, 2015 and also the roadmap for the applicability of Ind AS for certain class of companies from FY 2016-17. The MCA had also notified (vide press release dated January 18, 2016) the roadmap for applicability of Ind AS for Banks, Insurance companies and NBFCs from FY 2018-19. With these developments, the era of implementation of Ind AS has begun in India. These developments are a significant step in bringing the financial reporting framework in India at par with the global financial reports. Initially, RBI vide circular dated February 11, 2016, advised all scheduled commercial banks to prepare financial statements for accounting periods beginning from April 1, 2018 onwards in accordance with Ind AS. RBI subsequently, vide its press release on April 05, 2018 deferred implementation of Ind AS in the Banking Sector by one year. RBI has now vide its Circular No. DBR.BP.BC.No.29/21.07.001/2018-19 date March 22, 2019, pending approval of legislative amendments by Government of India, decided to defer the implementation of Ind AS till further notice.

For accounting of Capital Securities, as per Ind AS 32, classification as equity or liability for a financial instrument is based not on its legal form (e.g. a share or a bond) but in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

Furthermore, Ind AS will change its methodology for estimating allowances for probable loan losses. Under the current practice, provisions on advances are as per regulatory requirements based on the incurred loss model. Ind AS 109 replaces the extant provision calculation under the regulatory IRAC model and has developed a forward looking approach and outlines a three-stage model (general approach) for impairment (i.e. ECL) based on changes in credit quality since initial recognition. Ind AS requires the Bank to estimate the ECL based on the present status and expected significant increase in credit risk of the assets under consideration. ECL is to be calculated on all financial assets classified under amortised cost and Fair Value through Other Comprehensive Income (FVOCI), lease receivables, commitments to lend money and financial guarantee contracts. 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 Ind AS 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. There can be no assurance that the Bank's adoption of Ind AS will not adversely affect its reported results of operations or financial condition and the price and ability to pay interest of on the Capital Securities.

Domestic inflation may cause a rise in lending rates, which could have an adverse impact on the Bank.

In May 2016, the Reserve Bank of India (RBI) Act, 1934 was amended to provide a statutory basis for the implementation of the flexible inflation targeting framework. As per the amendments, a Monetary Policy Committee (MPC) was instituted and inflation targeting was incorporated as an explicit objective in the monetary framework. Accordingly, the target for Consumer Price Index (CPI) inflation was set as 4% (+/-2%) for the period from August 5, 2016 to March 31, 2021.

In the recent months, inflationary pressures, as measured by the All-India Consumer Price Index (CPI) and Wholesale Price Index (WPI), have remained benign, despite an uptick in food inflation. The CPI inflation rate, which measures the retail inflation level and is the mainstay of the monetary policy, averaged 3.27% in the April-September period of 2019-20 as compared to 4.32% in the April-September period of 2018-19. The WPI inflation rate also was lower at 1.76% in the April-September period of 2019-20 as compared to 4.87% in the April-September period of 2018-19. Keeping in view the moderating inflationary pressures and imperative to support growth, the Reserve Bank of India lowered its key policy rate – Repo Rate – by a cumulative 135 basis points in the February-December 2019 period.

Although the RBI has maintained its accommodative stance in the 4th bi-monthly policy review, upside risks to inflation emanating from the escalating food prices, external developments through exchange rate and asset price fluctuations and fiscal position of the Government may lead to a pause in any further rate cuts by the RBI. Furthermore, any slowdown in economic growth in India as a result of a rise in inflation could result in, among others, reduced loan demand, higher defaults among corporates, retail and rural borrowers and reduced investor confidence in India's economy and financial system generally, which, in turn, would adversely affect the Bank's business, its future financial performance and the trading price of the capital securities

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 over 80% of its requirements of crude oil, which comprised approximately 27% of its total imports in fiscal year 2018-19. Accordingly, a significant increase from current levels in the price of crude oil could adversely affect the Indian economy. India is dependent on foreign suppliers and is vulnerable to the geopolitics of the international oil market and this dependence on oil imports hurts local currency and affects the trade balance. Furthermore, India becomes vulnerable to imported inflation through elevated crude oil prices.

Since 2004-05, 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. In the years 2010-12, the peaking crude oil prices to over US$ 100/ barrel saw the WPI inflation rates in India escalate.

In June 2010, the Indian Government eliminated subsidies on petroleum products, which significantly increased the retail prices of fuel. In June 2011, the Indian 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, during the years 2015-17, there was 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 (OPEC) 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. India benefitted from the falling crude oil prices during these years. Taking advantage of the low crude oil prices, the Indian Government deregulated the prices of certain oil products including diesel. The deregulated retail prices for fuel are market-determined and hence, would move in tandem with the global prices. Since 2018, there has been a surge in the global crude oil prices on the back of escalating geo-political tensions. While the crude oil prices have been relatively benign in the recent months, the upside risks for crude oil prices emanate from geopolitical risks surrounding major oil producing countries such as Iran, Qatar and Venezuela, and the threat of OPEC production cuts.

Any further 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.

An outbreak of contagious diseases may adversely affect the Indian economy and the Bank's business.

A number of countries in Asia, including India, have had outbreaks of contagious diseases, including confirmed cases of the highly pathogenic H5N1 strain of avian influenza in birds resulting in numerous human deaths. Certain countries in Southeast Asia have reported cases of bird to human transmission of avian influenza resulting in numerous human deaths. There was a global outbreak of a new strain of influenza virus commonly known as swine flu. An outbreak of the Middle East Respiratory Syndrome corona virus (MERS) has affected several countries, primarily in the Middle East. Similarly, future outbreaks of avian influenza, swine flu, MERS or similar contagious diseases could adversely affect the Indian economy and economic activity in the region thereby having a material adverse effect on the Bank's business.

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

The Government of India has implemented the Goods and Services Tax Act in India with effect from July 1, 2017 (the "**GST**"). The GST replaced many indirect taxes on goods and services that previously existed in the country. Since the GST is at its initial phases, 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 Capital Securities. The Government of India had also introduced a direct tax reform, the Direct Tax Code in 2010, with intent to revise, consolidate and simplify India's direct tax law structure. However, the Direct Tax Code was subsequently cancelled. As the taxation system is going to undergo a 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 Capital Securities.

The Government of India has announced reduction in Corporate Tax rates during the year FY 2019-20 (Corporate Tax Rate reduced from 30% to 22%)

The Government of India has pronounced Section 115BAA of the IT Act through Taxation Laws (Amendments) Ordinance, 2019. The said section provides option to the domestic company to pay tax at a lower rate of 22% plus applicable surcharge and cess. The Bank is currently evaluating the option for availing the benefit u/s 115BAA of the Income-tax Act, 1961 and continues to recognize taxes on the income as per earlier tax rate provisions.

The new Bankruptcy Code in India may affect the Bank's rights to recover loans from borrowers.

The Bankruptcy Code was notified by the Government of India on 5 August 2016 and has been amended thereafter by various government notifications. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. In case insolvency proceedings are initiated against a debtor to the Bank, the Bank may not have complete control over the recovery of amounts due to it. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Accordingly, if the provisions of the Bankruptcy Code are invoked against any of the borrowers of the Bank, it may affect the Bank's ability to recover its loans from the borrowers and enforcement of the Bank's rights will be subject to the Bankruptcy Code. There can be no assurance that the Bank will be able to recover sufficient amounts or any amounts at all under such insolvency or liquidation proceedings to cover the cost of its loans to such borrowers.

The new bankruptcy code in India may be made applicable on Banks in India

In the month of November 2019 Government of India has extended the provisions of the Bankruptcy Code to NBFCs. The Government of India may extend the provisions Bankruptcy Code to Banks as well or frame a new law in this regard. The Government of India has in recent past introduced the Financial Resolution and Deposit Insurance Bill, 2017 (FRDI Bill) in the parliament, which proposed a comprehensive resolution framework for revival or closure of financial institutions, including commercial banks, insurance companies, NBFCs, and co-operative banks. The government had proposed setting up of an independent resolution corporation for carrying out 'speedy and efficient' resolution of financial firms in distress. However, the Government subsequently withdrew the FRDI Bill. Customers or investors of a failing financial institution may have to bear a part of the cost of resolution by reduction in their claims. In the event, the Bank is brought within the purview of Bankruptcy Code by any future government notification, it may affect the Bondholder's ability to recover if the Bank goes into liquidation under the Bankruptcy Code.

With LIC of India acquiring 51 % stake in the Bank, the Government of India may not extend continuous capital support to the Bank

On January 21, 2019 the Life Insurance Corporation of India (LIC) acquired 51% (fifty one percent) stake in the Bank and consequently Bank has been re-categorized as a "Private Sector Bank" by RBI for regulatory purposes. The Bank has in the past received continuous capital support from the Government of India to expand its business and also to maintain regulatory capital ratios. In addition to the above, during the FY 2019-20 also Bank received capital infusion of ₹ 4557 crore capital from the Government of India. However, there can be no assurance that the in the future the Bank will receive capital support from Government of India. This may affect its ability to achieve business growth and also maintaining capital ratios.

2. <u>Risks 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 of India. Although the Government of India owned 46.46% (forty six point four six percent) of the Bank's issued and paid up share capital as of March 31, 2019, the Government of India is not providing a guarantee in respect of the Bonds. In addition, the Government of India is under no obligation to maintain the solvency of the Bank. Therefore, investors should not rely on the Government of India ensuring that the Bank fulfills its obligations under the Bonds.

The Bonds are not guaranteed by the Life Insurance Corporation of India.

In January 2019, The Life Insurance Corporation of India (LIC) acquired 51% stake in the Bank. Consequently, LIC has been classified as the promoter of the Bank. Although the LIC of India owns 51.00% (fifty one percent) of the Bank's issued and paid up share capital as of March 31, 2019, LIC is not providing a guarantee in respect of the Bonds. In addition, LIC is under no obligation to maintain the solvency of the Bank & is not providing a guarantee in respect of the Bonds. Therefore, investors should not rely on the LIC 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 at the initiative of the bank only after a minimum of 5 years. 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 Summary 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.

IV. 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.idbibank.in
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.idbibank.in
iii.	Compliance Officer of the Issuer	a) Shri Pawan Agrawal, Company Secretary b) Nodal Officer for compliance activities relating to the issuance of the Bonds – Smt. Kavita Vijay Kotian DGM, Domestic Resources Department, IDBI Tower, 22nd floor, WTC Complex, Cuffe Parade, Mumbai – 400005, Contact: Ph: 022-66552208, E-mail: k.kavita@idbi.co.in
iv.	Chief Financial Officer of the Issuer	Shri Ajay Sharma ED & CFO, IDBI Bank Limited, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005 (w.e.f. 02/05/2018)
v.	Arranger, if any, to the Issue	Not Applicable
vi.	Trustee of the Issue	SBICAP Trustee Company Limited, Apeejay House, 6th Floor, 3, Dinshaw Wachha Road, Churchgate, Mumbai – 400020
vii.	Registrar of the Issue	KFin Technologies Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032
viii.	Credit Rating Agencies of the Issue **("Rating Agency(ies)")**	a) CRISIL Limited b) CARE Ratings Limited
ix.	Auditors of the Issuer	a) M/s. M P Chitale & Company, Chartered Accountants, Hamam House, 1st Floor Ambalal Doshi Marg, Fort, Mumbai - 400 001, Maharashtra b) M/s. JLN US & Co, Chartered Accountants, M-19-20-21, Metro Tower A, Atlantis K – 10, Opp. Vadodara Central, Sarabhai Main Road, Vadodara - 390 007, Gujarat c) M/s K S Aiyar & Co, Chartered Accountants F -7, Laxmi Mills, Shakti Miils Lane (Off Dr E Moses Road), Mahalaxmi, Mumbai - 400 011

B. Brief summary of the business/activities of the Bank and its line of business

i. Overview and History

The Bank is a company incorporated under the Companies Act, 1956 (1 of 1956) on September 27, 2004 and within the meaning of Section 2(20) of the Companies Act 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 May 7, 2008 and a fresh certificate of incorporation (consequent upon the change of name) was issued by the Registrar of Companies, Maharashtra in Mumbai.

The Bank was originally known as Industrial Development Bank of India ("IDBI") and was established in 1964 by the Government of India under the Industrial Development Bank of India Act, 1964 (the "IDBI Act"). Initially, the Bank 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 the Bank was transferred to the Government of India 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 October 1, 2004, the undertaking of IDBI was transferred to the Bank through the Industrial Development Bank (Transfer of Undertaking & Repeal) Act, 2003. 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. IDBI Bank as part of its development banking role was also instrumental in creating various financial institutions.

The Bank's total assets were ₹3,50,086 crore as of March 31, 2018 and ₹3,20,284 crore as of March 31, 2019. The Bank's advances to customers were ₹1,71,740 crore as of March 31, 2018 and ₹1,46,790 crore as of March 31, 2019. The Bank's net loss was ₹8,238 crore for the FY ended March 31, 2018 and ₹15,116 crore for the FY ended March 31, 2019.

The Bank is listed on the BSE and the NSE. As of December 31, 2019, the market capitalisation of the Bank on the NSE and BSE was ₹ 38,408.19 crore.

Ownership

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

The IDBI Act was amended in October 1994 to permit IDBI, *inter alia*, to raise equity from the public subject to the Government of India's shareholding in IDBI not falling below 51 percent. Pursuant to the amendment, IDBI made its initial public offering ("**IPO**") in July 1995 and raised ₹2,184 crore. The percentage of Government of India ownership was reduced from 100 percent to 72.14 percent following the IPO.

The Government of India's shareholding was further reduced to 55.99 percent with effect from June 5, 2000 as the Government of India 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 March 29, 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, the Government of India's shareholding fell further to 52.80 percent. From FY 2015-16 till FY 2017-18, the bank received capital from Government of India (GOI) to the tune of ₹ 16,600 crore and ₹1,242 crore from Life Insurance Corporation of India (LIC India). During the FY 2018-19 LIC of India has become promoter of IDBI Bank by infusing ₹ 21,624 Crore capital during FY 2018-19. In current FY 2019-20, the bank has received capital support from GOI & LIC India ₹ 4,557 crore & 4,743 crore respectively.

In the past, the Government of India 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 of India, however, has no legal obligation to provide financial assistance or support to the Bank.

In January 2019, the Life Insurance Corporation of India (LIC) acquired 51% stake in the Bank. Consequently, LIC was reclassified as the promoter of the Bank. The Reserve Bank of India, vide its press release dated March 14, 2019 categorised the Bank as a "Private Sector Bank" for regulatory purposes. During the FY 2019-20 Bank has received capital from Government of India to the tune of ₹4,557 crore and ₹4,743 crore from LIC, following that the shareholding of LIC and Government of India stands at 51 % and 47.11% as on December 31, 2019.

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 an 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 October 1, 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;

- the Government of India, 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 of India and the shareholders of IDBI (including the Government of India), 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 IT 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 of India); 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 the conversion into a banking company, the Board decided that the Bank should merge with its existing banking subsidiary, IDBI Bank Limited. Accordingly after obtaining respective board and shareholders approvals, the two entities were merged in April, 2005, with the effective date of merger being October 1, 2004.

In consideration of the fact that the Government of India's holding in the Bank is required by the AoA to remain at or above 51% (fifty one percent) and that, during the discussion on the IDBI Repeal Bill, 2003 on December 8, 2004, the Finance Minister of India provided an assurance to the Parliament of India that the Government of India intends to maintain such interests in the Bank, the RBI issued a notification on April 15, 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 5 (five) years after the Appointed Day. In addition, the Bank was also required to meet the PSL requirements in a phased manner so as to comply with those requirements by the end of FY 2011.

The Bank has since complied with the SLR requirements with effect from June 2009. As of March 31, 2019, the SLR holding of the Bank is 27.24 per cent, as compared to the RBI's stipulated norms of 18.50 per cent.

Other regulatory relaxations extended to the Bank by the RBI include

1. As on December 31, 2019, the Bank was fully compliant with respect to investment through equity below 30% under Section 19(2) of the Banking Regulation Act except in one account under unlisted category, where breach of limit was due to pledge of shares and the same has been reported to RBI vide our letter dated October 24, 2019 and further clarification email was also submitted to RBI on November 29,2019 as desired by RBI..

2. (a) Regarding para 2(a), IDBI Bank is in compliance with regulatory guidelines of holding upto 10% in investee companies paid up capital except for restructuring cases for which RBI vide its letter dated April 3, 2018 has granted time upto March 31, 2021 for compliance. IDBI Bank is taking various measures to bring down the shareholding within the limit and submitting its action plan/updated status from time to time for taking note of the compliance/updated status (latest letter issued to RBI on October 24, 2019 and subsequent clarification as desired by RBI was submitted on November 29, 2019) to RBI.

   (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% (twenty percent) of the investee company's paid-up share capital; and as of December 31, 2019, the Bank was fully compliant with the above compliance.

   (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% (twenty percent) of the bank's paid-up share capital and reserves and as of December 31, 2019, the Bank was fully compliant with the above compliance.

3. In respect of IDBI Federal Life Insurance Company Limited ("IDBI Federal Life") (previously known as IDBI Fortis Life Insurance Company Limited, and where the Bank's outstanding exposure by way of equity investment is 48% (forty eight percent), the Bank has been granted an exemption from the RBI as the investment is a strategic one.

4. Permission to issue bonds of varying maturity in respect of undisbursed commitments as of the Appointed Day.

5. Special securities of ₹9,000 crore issued to the Bank by the Government of India in consideration of the transfer of assets to the Stressed Assets Stabilisation Fund to be classified as HTM investments and kept out of the prescribed ceiling of 25% percent stipulated for HTM investments.

Merger of IDBI Bank Limited

The Board decided that, to ensure an effective transition into a banking company, IDBI Limited should merge with its banking subsidiary, IDBI Bank Limited The scheme of amalgamation dated April 1, 2005 (the "**IDBI Bank Limited Scheme**") of the Bank with IDBI Limited was approved separately at the extraordinary general meetings of IDBI Limited and IDBI Bank Limited and also received consent of the RBI under the Banking Regulation Act. The IDBI Bank Limited Scheme became effective from the Appointed Day and operative from April 2, 2005 (the "**Effective Day**"). Under the IDBI Bank Limited Scheme, all of the assets and liabilities of IDBI Bank Limited were transferred to and vested in IDBI Limited. With effect from the Effective Day, the existing business and employees of the IDBI Limited 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 of India, on September 30, 2006, granted its approval of the amalgamation of the Bank with UWB, with effect from October 3, 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 March 31, 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 PSL 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, 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 (twelve) 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 October 3, 2006.

Acquisition of 51% controlling stake in Bank by LIC

LIC completed acquisition of 51% controlling stake in IDBI Bank on 21st January 2019, making it the majority shareholder of the bank. The deal, conceptualized in June 2018, is envisaged as a win-win situation for both IDBI Bank and LIC with an opportunity to create enormous value for shareholders, customers & employees of both entities through mutual synergies. The transaction promises a paradigm shift for both partners, creating for the first-time a unique financial conglomerate in India. LIC and IDBI Bank are two of the most trusted brands in the country. Strong together, they bring the convenience of banking and insurance services under one window for all their customers.

IDBI Bank has about 1.5 crore retail customers and about 18,000 employees. With this deal, LIC will have a strategic investment in a large bancassurance channel, thereby increasing its productivity and reducing distribution costs. Over 1800 branches of IDBI Bank can be used as touch points for selling LIC policies. More than 900 of the bank's branches are also proposed to be enabled for settlement payments via NEFT. The bank will extend its cash management facility to LIC, which will help in boosting its current account balances and reduce its cost of funds. IDBI Bank will get access to a wide network of over 1 lac employees and 11 lac agents of LIC. In addition, LIC employees and agents will get access to preferential and value-added banking services. Customers' trust in the LIC brand will strengthen IDBI Bank's position in the industry. The bank will significantly increase its investments in building data analytics capabilities to analyze customer behavior of both entities. This will enable the bank to enhance its product offerings, reduce distribution cost, de-risk portfolio and support retail business build. Retail loan portfolio for IDBI Bank has already increased from 32% of overall lending in FY 15 to 46% in FY 18 and 51% in FY 19.

Significant revenue synergies are estimated from the partnership. IDBI Bank and LIC have started working to ensure full realization of their synergies over the next 12 months. Improved financial health will pave the way for the bank to exit from PCA in a time bound manner and be a future-ready, top ranked bank.

Subsidiaries

As of March 31, 2019, the Bank had five subsidiaries, namely IDBI Intech Limited (IIL), IDBI Capital Markets and Services Limited (ICMS), IDBI Asset Management Ltd(IAML), IDBI Trusteeship Services Limited (ITSL) and IDBI MF Trustee Company Limited(IMTCL), whereas there is one Joint Venture namely IDBI Federal Life Insurance Co Ltd.

In view of LIC acquiring a majority stake in the Bank, process to divest our stake in IDBI Asset Management Ltd., IDBI MF Trustee Company Limited Ltd was commenced to be compliant with extant regulatory guidelines. Apart from above, Bank is also in the process of identifying buyers for sale of stake in IDBI Federal Life Insurance Co Ltd. Further, The Board of Directors of IDBI Bank at its meeting held on December 10, 2019, has approved divesting/diluting IDBI's stake in ICMS and IIL to the extent of 49% and retaining majority stake (i.e. 51%) in these companies.

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) Large Corporate Group ("**LCG**"), (ii) Mid Corporate Group ("**MCG**"), (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 Twelve zones situated at (i) Mumbai, (ii) Ahmedabad, (iii) Nagpur (iv) Chennai (v) Bangalore (vi) Kolkata (vii) Bhubaneswar (viii) New Delhi (ix) Chandigarh (x) Lucknow (xi) Pune & (xii) Hyderabad which all are headed by the Chief General Managers. All administrative units of the business verticals are located at the Bank's head office.

STRATEGY

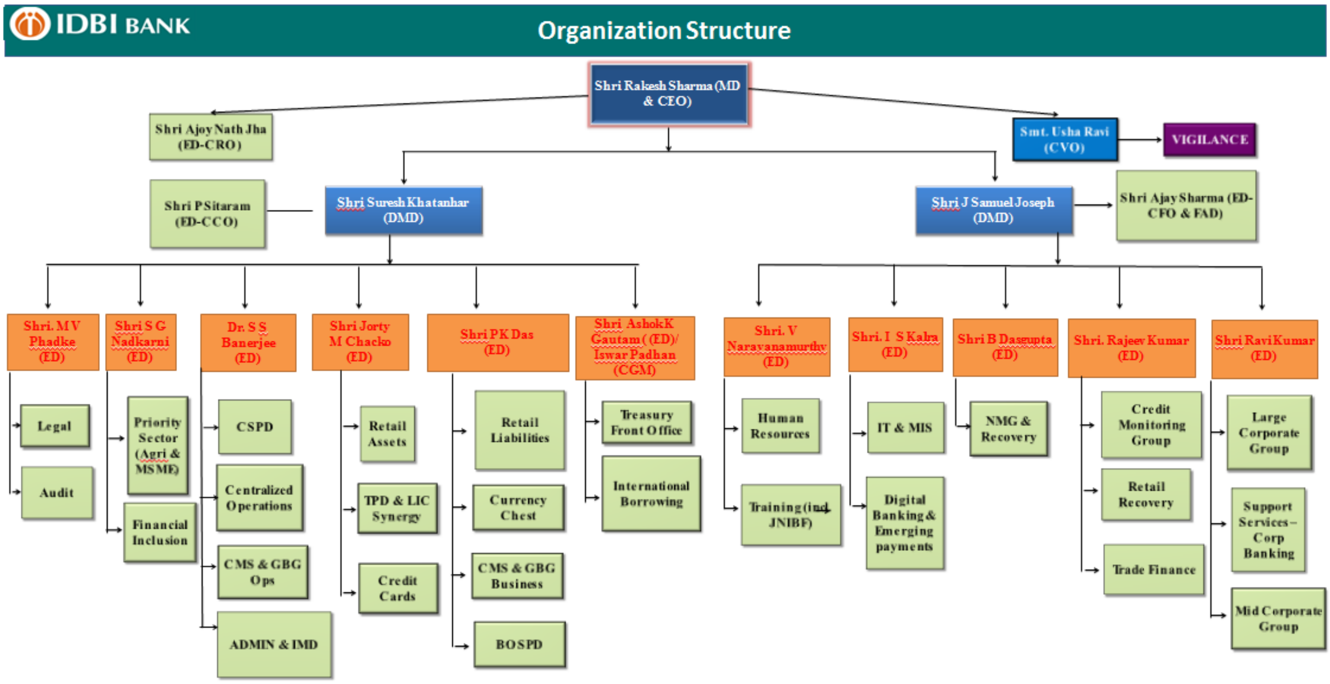
i. Overall Strategy

The Bank endeavoured to boost its retail business by augmenting its low-cost deposit base and ramping up the Retail, Agri and MSME (RAM) asset book. At the same time, the Bank restricted growth in its corporate asset book in consonance with its strategy of realigning the loan book in favour of more granular retail assets. Recognising the importance of driving targeted sales, the Bank has been progressively building up its Customer Relationship Management (CRM) and business intelligence capabilities to have an insight into customer preferences. In an increasingly digital world, the Bank is exploring technological advances to not just drive operational efficiency but also enhance customer convenience. The Bank is striving to move towards ensuring a seamless customer experience across all physical and digital channels as it seeks to cater to the prevailing customer need for facilitating transactions at any time, any place. Asset quality continued to be a major concern for the Bank. Taking cognizance of this, the Bank took concerted efforts to pursue all possible legal and regulatory recourses for maximization of recovery and up gradation of its NPAs. Furthermore, the Bank has set up a dedicated Collection & Recovery War Room to provide the much needed impetus towards its collection and recovery efforts. The Bank has also set up an automated comprehensive bank-wide Early Warning System to further augment its capability to identity high risk accounts and accounts showing early signs of stress.

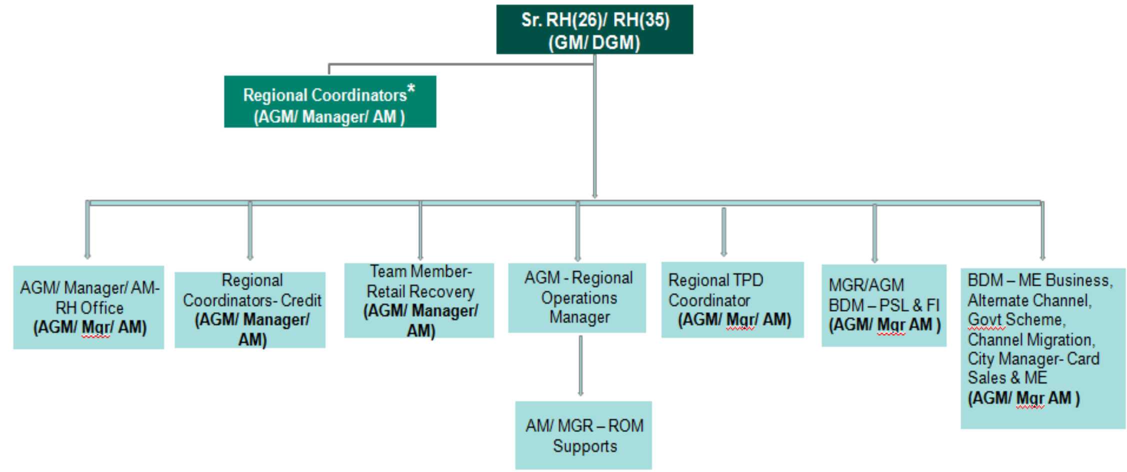
Way forward:

The Bank made significant progress in de-risking its balance sheet. Going forward, the retail segment would remain the key driver of growth with the Bank seeking to augment the CASA deposits and SRA book. The synergies between the Bank and LIC would also aid in boosting the retail deposit and loan book of the Bank. Simultaneously, the Bank will also work towards further enhancing its digital capabilities for greater customer convenience and operational efficiency. On the asset quality front, the Bank will continue to aggressively pursue legal and regulatory recourses to maximize recovery and up gradation from its NPAs. Furthermore, to prevent slippages in asset quality going forward, the Bank is committed to strengthening its risk management practices and credit policies to build a stable portfolio. The Bank's major priorities are exit PCA, containment of NPA and increase recovery from NCLT and non-NCLT cases, improve recovery form Technically Written Off Accounts (TWO), Revenue Maximisation, Sale of non-core Assets, Rationalization of operational cost, Revamping HR, Sales excellence through Data Analytics, improving digital footprint, deliver excellent Customer Service, improve quality in Compliance and improvement in overall efficiency of the Bank by utilizing the emerging technological advancements in Information Technology and emerge as a future looking Retail Bank to maximize shareholders' / stakeholders' value.

ii. Corporate Structure :

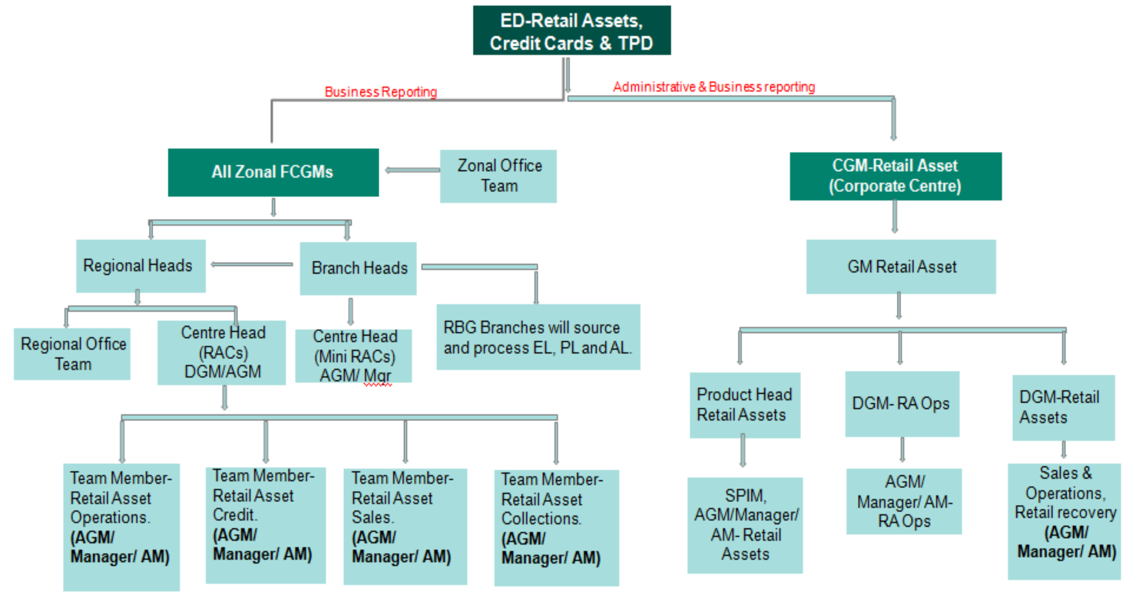


RBG Regional Office Structure

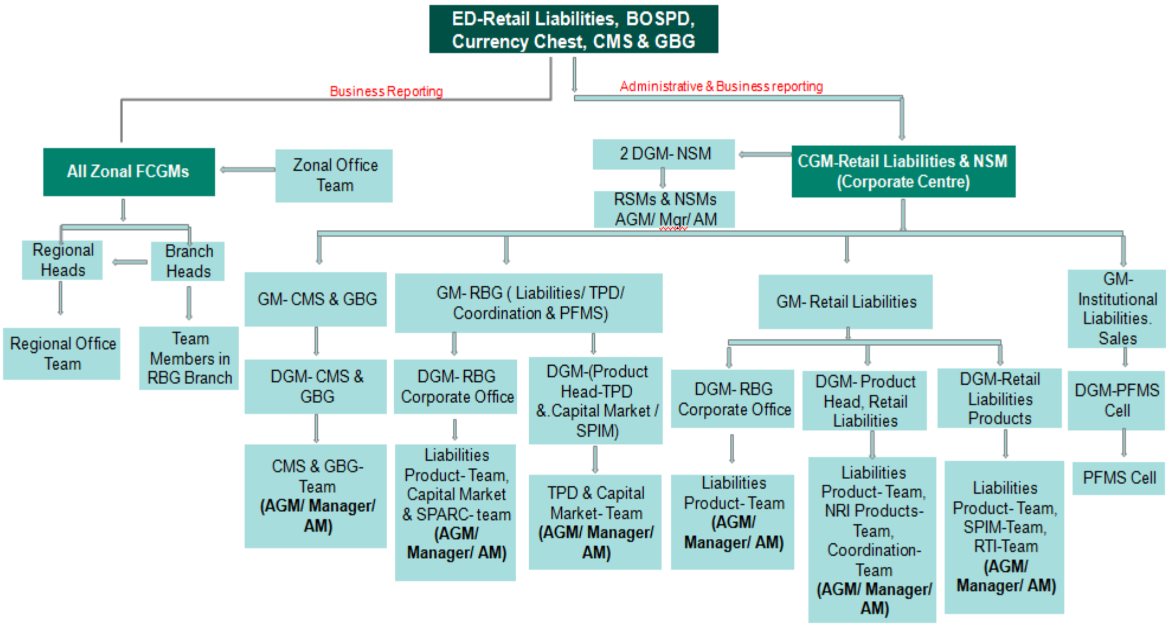


*Majority reporting to RH/ SRH, However, reporting to AGMs at RO too if Grade A/ B posted.
There is no pre defined reporting structure at present. RHs are deciding the reporting pattern as per available manpower and requirements

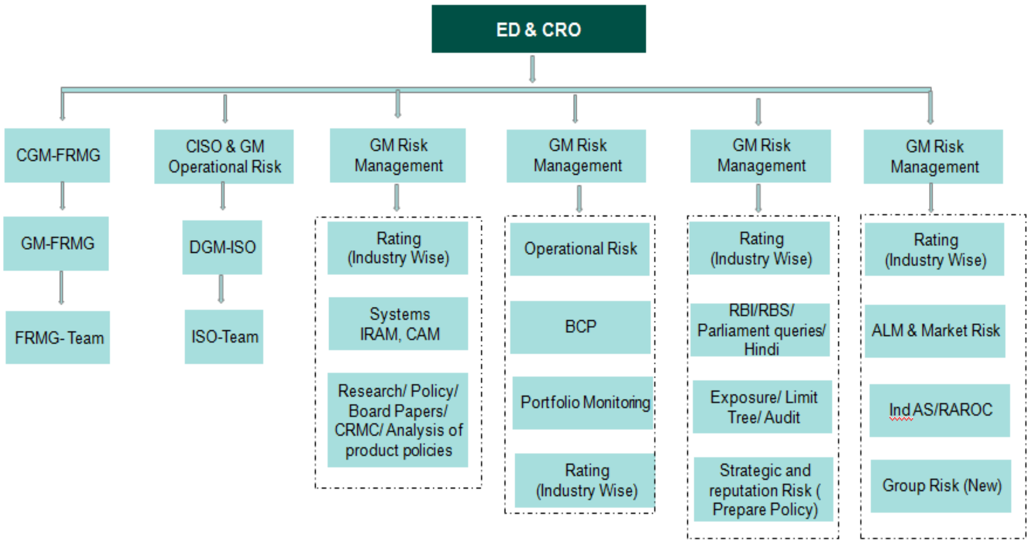
Retail Assets- Organisational Structure



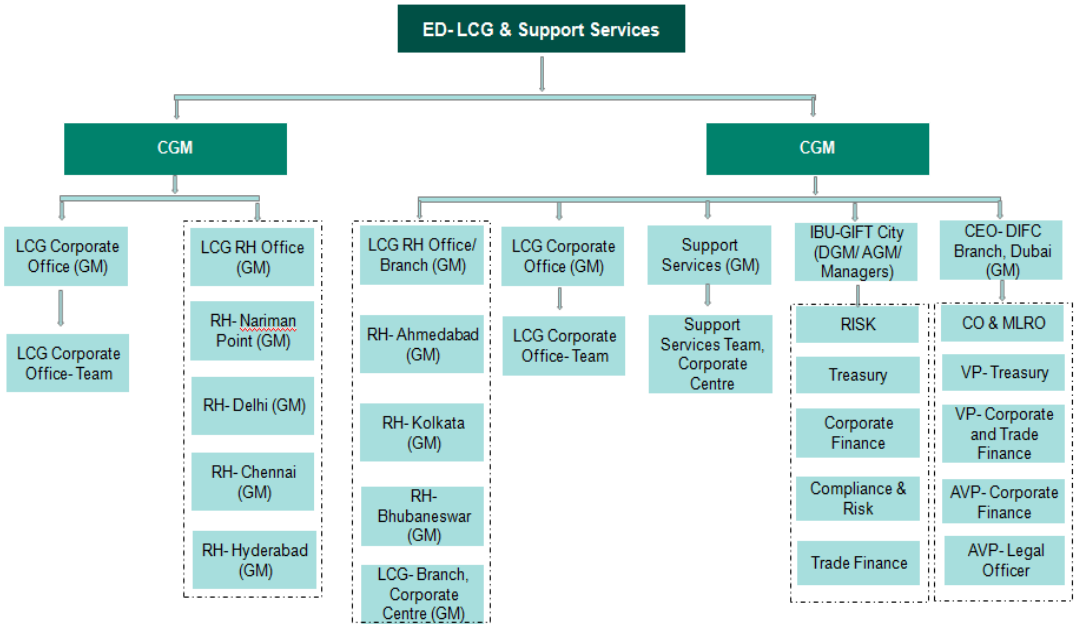
Retail Liabilities- Organisational Structure



Risk Vertical- Organisational Structure



LCG Vertical- Organisational Structure



PRODUCTS AND SERVICES

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

Corporate Banking

- Bank's Corporate Banking portfolio comprises exposure to varied sectors such as power, oil & gas, textiles, telecom, cement, steel, engineering, construction, paper & paper products, electronics & electrical equipment, sugar, chemicals, automobiles, Non-Banking Financial Companies (NBFCs), etc.

- Bank's asset basket for corporate clients includes term loans, working capital (both fund-based and non-fund based), packing credit to exporters, receivables buyout, bill discounting, etc. Within the ambit of Corporate Banking, Bank also offers Priority Sector Lending products such as channel financing and vendor financing for dealers/vendors of large corporates. The Corporate Banking team works closely with other specialized teams, in Retail Banking, Transaction Banking, Treasury, etc. to develop suitable products and devise appropriate solutions which fulfills specific needs of the corporate clients.

- In alignment with its turnaround strategy, Bank is currently consciously restricting growth in its corporate loan book which would help it in shifting to a capital light model while simultaneously de-risking its business portfolio.

- With the capital support from LIC and major portion of bad loans already provided for in the previous quarters, it is estimated that IDBI Bank's corporate operations would come on track and Bank would again commence fresh financial assistance to corporate clients.

Priority Sector Lending

The RBI has issued a number of guidelines on PSL to emphasise that commercial banks should increase their involvement in the financing of priority sectors. These guidelines are updated vide Master Direction dated December 4, 2018 on 'Priority Sector Lending – Targets and Classification'. The Direction are updated from time to time as and when fresh instructions are issued. 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 PSL 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 PSL, ANBC denotes the outstanding Bank credit in India minus bills rediscounted with RBI and other approved financial institutions ("FIs"), exemption on issuance of long term bonds for infrastructure and affordable housing, eligible advances extended in India against incremental FCNR/MNRE deposits, qualifying for exemption from CRR/SLR requirements plus permitted non-SLR securities in the HTM category, plus other investments eligible to be treated as part of PSL, such as investments in securitised assets and RIDF and similar funds.

Total priority sector advances should be 40 percent of ANBC or credit equivalent of off-balance sheet exposure (whichever is higher as of March 31 of the previous year). The achievement will be arrived at the end of financial year based on the average of priority sector target /sub-target achievement as at the end of each quarter. The RBI has also prescribed specific percentages to be lent to other sectors within the overall PSL target. For instance, agricultural advances and advances to weaker sections are required to comprise 18 percent and 10 percent respectively of ANBC or credit equivalent of off-balance sheet exposure (whichever is higher as of March 31 of the previous year). RBI has also stipulated sector wise target for micro enterprises & SFMF at 7.5 percent and 8 percent of ANBC to be achieved by March 31, 2017. 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 RIDF established with National Bank for Agriculture and Rural Development ("NABARD") or funds with National Housing Bank ("NHB") or Small Industries Development Bank of India ("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 PSL. The RBI in aforesaid circular has also allowed incremental bank loans to export credit as eligible PSL up to 2 percent of ANBC.

PSL which includes lending to agricultural 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 57 (fifty seven) dedicated credit processing centres 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 as 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 and rabi seasons, and MSME advances through the year.

The Bank has appointed 39 Corporate Business Correspondents ("BC") and Business Facilitators ("BF") to reach out to the most remote parts of India and to supplement brick and mortar branches. The Bank is also engaging the services of individual BC/BFs to augment the efforts of branches in achieving PSL targets. So far, the Bank has appointed 963 number of individuals as BC/BFs and as on March 2019, O/s under corporate BC/BF portfolio was at ₹2797.17 crore. The Bank endeavours to exploit these channels to deepen relationship with the customers / farmers. The Bank has also made arrangements with sugar factories/dairy processing units/OEMs for identification of raw material suppliers and financing them working capital limits and investment credits.

One of the Reforms Agenda of 'Responsive and Responsible PSBs' emerged from PSB-Manthan is to enable MSME financing through technology. In order to implement the agenda, a fintech company i.e. Online PSB Loans Private Ltd. "OPLPL" has been acquired by major Banks as investors. The fintech company has developed the portal viz. PSBLOANSIN59MINUTES.COM which is being used by the prospective borrowers for sanction of loans up to ₹500 lakh in a contactless manner. Our Bank is a member in the platform both in market place as well as in Bank specific URL. During FY 2018-19, the bank has sanctioned 1701 cases aggregating to ₹ 537.69 crore, through above platform. The Bank has also signed agreement with Treds Exchange Operators viz. RXIL, A. Treds Ltd. and Mynd Solution Pvt. Ltd. to enhance business under MSME category.

The Bank encourages/arranges "Financial Literacy Camps" for the purpose of knowledge dissemination.

With a view to increase PSL, 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 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 a 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 (ten) clusters under MSME sector.

The Bank's advances to priority sector lending as of March 31, 2019 was at ₹70432 crore excluding funds invested under RIDF and achieved more than 40 percent of its ANBC as Priority Sector Lending target.

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 ("**SEPs**") 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 of India 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 including NRIs and organisations/agencies (Trust / Association / Society / Club) as permitted by RBI. In addition to the basic benefits of a savings account, customers can also access various other benefits including Debit card products, Mobile, 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 specially tailored to meet the needs of specific customer groups such as HNIs, Mass Affluent, Women, Senior Citizens, Youth, Kids and Basic Savings Bank Deposit (BSBD) Accounts under financial inclusion.

The Bank also offers payroll account product including salary accounts for Indian Army and Central/State Government employees which includes free insurance and a built-in overdraft facility. With a view to facilitate acquisition of Payroll accounts of LIC, its subsidiaries and Agents and thus benefit from the synergies emerged as a result of stake enhancement by LIC in the Bank, the Bank introduced specially designed Payroll product variants for LIC of India.

The Bank also introduced the facility of Grouping of Family Accounts for Balance Maintenance purpose to facilitate acquisition of accounts of family members

Current Accounts

The Bank's current account products are mainly targeted towards Business Entities. The Bank's flagship 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 also offers segmented current account products customised to meet the needs of specific customer groups viz. Customers willing to commit fixed higher Monthly Average Balances ("**MAB**"), Businesses with higher cash deposit requirements, Start-up Ventures, Accounts of Real Estate Builders under The Real Estate (Regulation and Development) Act 2016 and rules made there under and Businesses availing Trade Finance facilities from the Bank.

The Bank offers sub-membership of Centralised Payment System, Decentralised Payment System, and National Automated Clearing House to the co-operative banks which in turn enables the Bank to open accounts of Co-operative Banks and benefit from bulk low cost funds.

The bank is fully integrated with Public Financial Management System (PFMS), an end to end solution for distribution of Govt. funds to the ultimate beneficiaries under various centrally sponsored schemes. The Bank is thus well positioned to leverage this opportunity and open accounts of various implementing agencies such as statutory bodies, Trusts, Registered societies, Autonomous bodies, State Govt. institutions, local bodies etc. and thus benefit from bulk low cost funds.

The Bank has also completed integration with Government E-Marketplace (GeM). The integration facilitates Banks participation in the GeM (an online, end to end solution for procurement of commonly used goods and services for all Central Government and State Government Ministries, Departments, Public Sector Units (PSUs) and affiliated bodies) by opening GeM pool account and benefit from bulk low cost funds.

With a view to benefit from the synergies as a result of stake enhancement by LIC in the Bank, the Bank has introduced specially designed Current Account products for Branches and Satellite Offices of LIC with a simplified account opening process.

Retail Term Deposits

Retail term deposits are term deposit products of amounts less than ₹ 2 crore with tenors ranging from 07 (Seven) days to 20 (twenty) years. Interest rates for the fixed deposit products are determined based on various internal and external considerations and decided by the Asset Liability Committee (ALCO) of the Bank.

The Bank offers Fixed Deposits with various interest payout options: Annually/ Quarterly / Monthly (at discounted rate) and Cumulative Term Deposit – Interest accumulated on quarterly compounding basis and payable on Maturity.

The Bank also offers various fixed deposit products to meet specific customer requirements:

a. Term Deposits for Senior Citizens with additional interest rate over and above the normal interest rates (*citizens over the age of 60 years*).

b. Tax savings fixed deposits wherein the customer gets a tax benefit under the IT Act on the amount invested.

c. Floating rate term deposits wherein the interest rate in case of FRTD is anchored to a transparent, market- based rupee benchmark rate. This is intended to help the customer leverage the upside of an increase in interest rates

d. The Bank is authorized to accept deposits under the Capital Gains Accounts Scheme (CGAS), 1988 by CBDT, Department of Revenue, Ministry of Finance, GOI.

e. The Bank also offers Non-Callable Deposits with differential Interest Rates and no pre-mature withdrawal facility.

f. Recurring deposits are term deposits where customers can contribute fixed sums on a monthly basis.

Retail Assets

Home Loans

The Bank's home loan offerings have 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**") can seek benefit from such home loan schemes of the Bank. As on the date of this Disclosure 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 including PMAY CLSS, Affordable housing in partnership etc. 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 is secured by way of first charge on the property financed. The Bank also seeks additional collateral security from the borrowers as and when 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 asset centres.

Besides providing an excellent opportunity for the bank in developing a steady and healthy loan portfolio, this product offering also helps the Bank in deepening the wallet share of the customer by way of cross selling its other loan and fee income products to the customer, opening of savings bank account and deposit accounts of the borrower or his/ her family, sell of cards, etc.

Personal Loans

The Bank offers personal loans to its customers as well as to the employees of Government departments, Public Sector Units ("**PSUs**"), Multinational Companies and listed companies. The purpose of this offering is to provide temporary funding arrangement to its customers that will help them meet their immediate financial needs. Customers can utilize the proceeds from this facility to settle various financial dues viz. dispose of credit card debt, meet other business and household financial emergencies such as repayment of existing loan obligations, home purchases, children's education, hospitalisation or any other immediate payment. However, these facilities must not be utilised for any speculative or illegal activities.

Under its personal loan facility, the Bank offers assistance in three ways, viz. (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 Lakh. For overdraft facilities, the maximum limit is restricted up to five times of customer's net salary or pension credit. The maximum loan tenure in the case of a personal loan is 60 (sixty) months, whereas a salary overdraft facility 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).

Education Loans

The Bank provides education loans for (i) non-vocational courses; (ii) vocational courses; (iii) students pursuing education in premier educational institutions; (iv) students who secured admission through management quota; (v) Skill Loan Scheme; and (vi) Specialization courses. The main objective of the Bank's education loan offerings is to provide financial assistance to Indian nationals to pursue higher education in India and abroad. The Bank offers loans up to ₹ 20 lakhs for studies in India, ₹ 30 lakhs for studies in Premier Institutes in India and ₹ 30 lakhs for studies abroad. A moratorium period of maximum up to the tenure of the course plus one year is allowed and the repayment tenure is up to 15 years after completion of moratorium period. The margin for education loan is nil for loans of up to ₹4 lakh; 5% for loans above ₹4 lakh (for studies in India) and 15 percent for studies abroad. The collateral security obtained for education loans is nil for loans up to ₹4 lakh, for education loans above ₹4 lakh and up to ₹7.5 lakh in the form of a suitable third party guarantee; and tangible collateral security for loan amounts above ₹7.5 lakh. In the case of education loans to students studying at premier institutes, collateral security is not required for loans up to ₹30 lakh where a parent of the applicant is able to prove sufficient net-worth. However, in case of loans above ₹30 lakh, tangible security must be provided by the applicant. The Bank also offers borrowers the option of transferring their existing education loan provided by other lenders, provided moratorium period on such loans is completed

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 percent of the on-road price (excluding the cost of accessories) of a vehicle and up to 85 percent 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 such as Marti Suzuki, TATA Motors and Honda Cars India Limited to access auto loan leads generated at their respective auto dealerships. 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 have shown high acceptance rate in the market and has seen sustained growth from FYs 2017 onwards. With a view to have a quality credit portfolio, the Bank has also introduced CIBIL score based pricing for Auto Loans and Personal Loans wherein customer's with higher CIBIL scores are offered lower interest rates. 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 Kisan Vikas 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 NSDL and CDSL**.** The Bank provides dematerialisation, rematerialisation, transaction and pledge services through De-mat accounts

Applications Supported by Blocked Amount (ASBA)

The Bank provides Applications Supported by Blocked Amount ("**ASBA**") facility to its customers. 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 with a view to meet the financial requirements of the Bank's customers. Distribution of these third party products also generates fee income for the Bank.

Cross selling of various products leads to strong customer loyalty and consolidates the existing relationship by providing the customer a one stop solution regarding all his / her financial needs. This not only helps in deepening of existing relationship but also helps the client with all the value added services under one roof. The customer satisfaction in having all the financial needs accomplished under one single roof helps the Bank to have a major share of the customers' wallet. The cross selling helps to know our customers better, ensuring stickiness and consolidation of the customer base.

The Bank offers various third party products such as mutual fund schemes, the life insurance products of Life Insurance Corporation of India and IDBI Federal Life Insurance Company, the general insurance products of The New India Assurance Co. Ltd, TATA AIG General Insurance Co. Ltd, and Max Bupa for Standalone Health Insurance (SAHI) Products, e-insurance account facility, Atal Pension Yojana under Social Security Schemes and fixed income securities such as tax free bonds, government bonds, National Highway Authority of India and Rural Electrification Corporation Limited bonds etc.

Life Insurance

The Bank is a corporate agent and distributor of the life insurance products offered by Life Insurance Corporation of India and IDBI Federal Life Insurance Company Limited. Recognizing 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 The New India Assurance Co. Ltd., TATA AIG General Insurance Co. Ltd. The Bank also offers customer the choice of specially designed co-branded products for home insurance. .Bank also offers the Health insurance products of Max Bupa for Standalone Health Insurance (SAHI) to its customers. These products offer comprehensive cover at a competitive price exclusively through the Bank's branches.

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 percent 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.

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 of India 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 of India 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. Contribution made in NPS by individuals is eligible for Additional deduction of ₹50,000/- under Sec 80-CCD(1B) available in excess of ₹1,50,000/- under Sec 80-C.

Fixed Income Bonds ("FI Bonds")

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

E-Insurance Account

The Bank, in association with NSDL Database Management Limited, has launched the Electronic Insurance Account ("**e-IA**"). The portfolio for 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.

Atal Pension Yojana ("APY")

Atal Pension Yojana was launched on May 9, 2015 by the Prime Minister to create a universal social security system for all Indian Citizens, especially the poor, the under-privileged and the workers in the unorganised sector. All citizens of India, in the age group of 18-40 years and having saving bank account are eligible for enrolling under in this scheme. Under this scheme, the subscriber is eligible for life-long pension from the age of 60 years ranging from ₹1000/- to ₹5000/-, per month depending on their amount of contribution. The Bank has played an important role in mobilizing citizens to subscribe the scheme and as of March 31, 2019, has enrolled 1.72 lakh customers having corpus of more than ₹110 core.

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 government securities 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 RBI have articulated a financial inclusion policy to deliver formal banking and financial services at affordable costs to disadvantaged groups in India, where those services are not available or affordable. On August 15, 2014, the Pradhan Mantri Jan Dhan Yojana (the "**PMJDY**") scheme was announced as part of a national mission for financial inclusion, which aims to provide all households in India with financial services, with particular focus on empowering the weaker sections of society, including women, small and marginal farmers and labourers, in both rural and urban areas. In addition, the beneficiaries under the scheme are issued RuPay Debit cum Automated Teller Machine ("**ATM**") Card with an in-built accident insurance cover of 100,000. Account-holders under the PMJDY are also provided with free life insurance cover in the amount of 30,000, subject to certain eligibility criteria. The PMJDY also envisages channelling government benefits, such as scholarships and subsidies, to the beneficiaries' accounts through direct benefit transfers. The Bank has participated actively in this national scheme and, as of March 31, 2019, has opened 8.41 lakh basic savings bank deposit accounts under the PMJDY with outstanding balance of ₹248.58 crore.

In pursuit of the objective of financial inclusion, the Prime Minister of India launched three social security schemes in India, namely the Pradhan Mantri Suraksha Bima Yojana scheme, which offers accident insurance coverage of 200,000 at a nominal premium, the Pradhan Mantri Jeevan Jyoti Bima Yojana scheme, which offers life insurance coverage of 200,000 at a very nominal premium, and the Atal Pension Yojana scheme, a pension scheme for the unorganised sector in India. The Bank has actively participated in social security schemes and as of March 31, 2019, had 1.92 million enrolments under both the schemes.

As Aadhaar, a 12 digit individual identification number issued by the Unique Identification Authority of India that serves as a proof of identity and address, has assumed a significant role under financial inclusion, the Bank has joined with the Unique Identification Authority of India as Registrar to undertake Aadhaar enrolments throughout the country. As of March 31, 2019, the Bank has enrolled 45.59 lakh residents.

Financial literacy has been identified as a pre-requisite for effective financial inclusion and an integral part of the PMJDY in order to enable the beneficiaries make best use of the financial services being made available to them. The 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 2018-19, the Bank's branches conducted 1563 such outdoor literacy camps educating more than 24,000 villagers in the process. The Bank has also organized 45 Street Plays through professional troupe in report locations of Chhattisgarh and Maharashtra during the month of

February & March 2019. The Bank aims to expand this education initiative to the other parts of India as well in the near future.

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 was one of the original promoters of the Infrastructure Development Finance Company Limited ("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) Limited ("ARCIL"), IDBI Trusteeship Services Limited and Biotech Consortium Limited, 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, ICICI Limited (which merged with ICICI Bank Limited) and Tourism Finance Corporation of India Limited and North Eastern Development Finance Corporation Limited, a specialized financial institution catering to the development needs of the north-eastern region of India.

Capital Markets

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 Limited, Credit Analysis and Research Limited, and Investor Services of India Limited. In order to reduce paperwork and the difficulties associated with securities settlements, the Bank promoted the 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 Securities Trading Corporation of India Limited ("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 Limited (CCIL), a specialized 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 Limited 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 Limited 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.

Trade Finance

The Bank's Trade Finance Department covers domestic as well as International Trade Finance (TF) business through its full-fledged Trade Finance Centers that are located across India. Trade Finance is one of the important departments of the Bank which contributes about 30% of the fee income of the Bank. There are 39 TF locations pan India, called as Category "B" branches/Authorized Dealer Branches which handle transactions in all major Foreign currencies and Banks maintains 21 different NOSTRO accounts with 19 reputed Foreign Banks. The Bank has a strong relationship with foreign banks for facilitating trade finance business. The Bank has established Relationship Management Application tie ups (RMA tie up) with 1139 major foreign banks globally to handle trade transactions. The major Trade Finance products offered by IDBI Bank are as under:

- Letter of Credit (LC)

- Negotiations of the documents under letter of credit
- Import collections
- Import financing - Buyers/Suppliers credit.
- Standby letter of credit.
- Guarantees – Inland and Foreign
    - Bid Guarantees
    - Performance guarantees
    - Financial guarantees
    - Deferred payment guarantees
    - Shipping guarantees
- Export collections
- Export Credit – Rupee and Foreign Currency
    - PreShipment Credit
    - Post Shipment Credit
- Bill Discounting
    - LC Backed (LCBD)
    - Non LC Backed (Clean Bill Discounting)
- Remittances – Inward and Outward
- Capital Account Transactions

The Bank has laid down a strong foundation to build Retail Trade Finance for enhancing TF fee income through the setting up of Trade Desk Office (TDO) in 177 potential Retail Branches with requisite training and support. The increasing levels of digitalization of TF services/processes are enabling in enhancing customer service, ensuring timely regulatory reporting and optimizing staff productivity. The Bank is also undertaking Centralization of TF Operations with a view to enhance compliance levels and for better monitoring & control.

Government Business

The Bank acts as an agent for the Central Government as well as State Governments to manage their receipts and payments. In addition to collecting Central Government taxes which includes income tax, Tax deducted at Source, Corporation tax, Customs duty and Goods & Services Tax, the Bank also has the mandate to collect Government receipts for 23 States and 4 Union Territories. The Bank has collected over ₹3.45 lakh crore in various taxes and duty payments on behalf of the Central and State Governments during FY 2018-19. The Bank is an accredited bank to the Department of Printing under the Ministry of Urban Development. The Bank also garners subscriptions under Small Savings Schemes viz. Public Provident Fund, Sukanya Samriddhi Account Scheme and Senior Citizen Saving Scheme. The Bank also collects Employee Provident Fund Organisation and Employee State Insurance Corporation dues.

Treasury

Treasury is responsible for managing the funds position of the Bank and ensuring safety, liquidity and optimal yield on these funds. It maintains Statutory Reserve requirements (CRR/ SLR management) and invests in bonds, commercial papers, certificate of deposits, equity, mutual funds, etc. as a part of the fund management operations. The Bank operates its Treasury operations from a state-of-the-art dealing room at its Corporate Office in Mumbai. IDBI Bank Treasury is a prominent player in various markets e.g. Foreign Exchange, Fixed Income, Money Market, Derivative, Equity, Currency and Interest rate Futures and other alternate asset classes. The Bank is offering various services like inward / outward forex remittances, world currency cards, interest rate swaps, currency swaps, and currency options, forward contracts through authorised branches dealing in foreign exchange across India.

The Bank demonstrated its capabilities in effectively dealing with extreme adverse circumstances in the market. The Bank has been able to capitalise on the opportunities offered by yield movements. The Bank has been managing its portfolio efficiently and maintained optimum yields on interest bearing investments.

Treasury handles the foreign exchange business of the Bank, providing solutions to customers for managing their currency inward/outward flows by providing prompt services with transparent and competitive exchange rates. Further Bank provides live quotes/rates for transactions up to equivalent USD 500,000. Bank protects its customers' business from exchange rate fluctuations by hedging risks through futures and options, swaps and forwards, in addition to providing liquidity to markets. Bank offers remittance services for customers of Co-operative Banks also.

Bank provides the platforms to its customers, who can invest in risk free Government Securities with IDBI Bank's Samriddhi Portal/ ATM. Customer can maintain Constituent Subsidiary General Ledger (CSGL) account with Bank. Bank also accepts high value (Bulk) deposits at market rates. Bank also facilitates Co-operative Banks to invest in call/notice/term money.

iii. Key Operational and Financial Parameters for last 3 Audited Years:

The figures for the previous period/year have been re-grouped/re-classified wherever considered necessary.

a. <u>Standalone</u>

(₹ in Crore)

Parameters	HY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
Net worth	10527.18	11140.35	12031.01	11428.93
Total Debt (Borrowings) (Deposits excluded)	30205.66	45287.73	63185.53	56363.98
Non current maturities of Long Term Borrowing (Maturities more than one year)	22099.53	26021.35	33905.67	43914.89
Current maturities of Long Term and Short Term Borrowing (Maturities upto one year)	8106.13	19266.38	29279.86	12449.09
Net Fixed Assets	8191.11	8230.99	6770.98	7348.78
Non Current Assets (Gross Fixed Assets incl. CWIP)	10280.60	11135.82	9605.97	9901.01
Cash and Cash Equivalents	30280.25	21233.70	33686.09	32684.08
Current Investments (Maturities upto one year)	26744.23	36577.86	29531.73	27730.92
Current Assets (Other Assets)	53692.01	50956.74	46282.64	38081.27
Current Liabilities (Other Liabilities)	21275.47	10013.35	17758.85	14408.75
Assets under management	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Off Balance Sheet Liabilities	130665.47	140854.29	198016.17	185982.32
Interest Income	10289.45	22071.24	23026.53	27791.37
Interest Expenses	7200.25	16165.62	17386.21	22039.71
Provisioning & Write offs	9220.07	19168.42	16147.14	9776.83
Profit/(Loss) after tax	(7259.68)	(15116.29)	(8237.92)	(5158.14)
Gross NPA (%)	29.43	27.47	27.95	21.25
Net NPA (%)	5.97	10.11	16.69	13.21
Tier I Capital Adequacy Ratio (%)	9.52	9.13	7.73	7.81
Tier II Capital Adequacy Ratio (%)	2.46	2.45	2.68	2.89

b. Consolidated

(₹ in Crore)

Parameters	HY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
Net worth	11241.37	11848.30	12690.53	12097.21
Total Debt(Borrowing) (Deposits excluded)	30205.66	45287.73	63185.53	56363.98
Non current maturities of Long Term Borrowing (Maturities more than one year)	22099.53	26021.35	33905.67	43914.89
Current maturities of Long Term and Short Term Borrowing (Maturities upto one year)	8106.13	19266.38	29279.86	12449.09
Net Fixed Assets	8271.08	8309.91	6852.93	7433.23
Non Current Assets (Gross Fixed Assets incl. CWIP)	10449.27	11299.73	9767.73	10051.07
Cash and Cash Equivalent	30340.95	21303.92	33781.07	32732.31
Current Investments (Maturities upto one year)	26879.30	36625.28	29564.26	27744.02
Current Assets (Other Assets)	54099.55	51379.40	46687.24	38421.63
Current Liabilities (Other Liabilities)	21361.69	10189.88	17952.86	14575.42
Assets under management	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Off Balance Sheet Liabilities	130717.48	140905.10	198045.74	186090.22
Interest Income	10303.32	22102.10	23046.25	27805.38
Interest Expenses	7197.11	16162.46	17376.20	22019.44
Provisioning & Write offs	9230.22	19229.48	16183.21	9819.67
PAT	(7268.18)	(15012.97)	(8157.11)	(5069.45)
Tier I Capital Adequacy Ratio (%)	9.67	9.29	7.86	7.92
Tier II Capital Adequacy Ratio (%)	2.46	2.44	2.67	2.88

c. Gross Debt Equity Ratio of the Issuer (before & after the proposed Issue)

(₹ in Crore)

Particulars	As on September 30, 2019 *	Post the Issue#
Borrowings (Deposits excluded)	30,205.66	30,705.66
Total Debt (A)	**30,205.66**	**30,705.66**
Net worth (excluding Revaluation Reserve & Intangible Assets) **(Equity (B)**	10527.18	10527.18
Debt/Equity Ratio	**2.87**	**2.92**

* *The financial statements as on December 31, 2019 are under preparation and therefore position as on September 30, 2019 is given.*

Taking into account basic size of₹500 crore for the proposed 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 of Association and Articles of Association.

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

i. **Details of Share Capital of the Bank as on December 31, 2019**

Share Capital	Amount
Authorised Share Capital	₹25000,00,00,000 (25000000000 equity shares of ₹10 each)
Issued, subscribed and paid-up share capital	₹103805939980 (10380593998 equity shares of ₹10 each)

The present issue of Bonds will not have any impact on the paid up capital of the Bank after the Issue.

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

Date of Change (AGM /EGM/ Postal Ballot)	(₹)	Particulars
22.07.2016- AGM	Authorised Capital: ₹4,500,00,00,000 (4500000000 equity shares of ₹10 each)	Increase in authorized capital of the Bank from ₹3,000 crore (300 crore equity shares of ₹10 each) to ₹4,500 crore (450 crore equity shares of ₹10 each) was approved by shareholders at the 12th AGM of the Bank held on July 22, 2016
21.05.2018- Postal Ballot	Authorised Capital: ₹8,000,00,00,000 (8000000000 equity shares of ₹10 each)	Increase in authorized capital of the Bank from ₹4,500 crore (450 crore equity shares of ₹10 each) to ₹8,000 crore (800 crore equity shares of ₹10 each) was approved by shareholders through postal ballot on May 21, 2018
07.11.2018- Postal Ballot	Authorised Capital: ₹15,000,00,00,000 (15000000000 equity shares of ₹10 each)	Increase in authorized capital of the Bank from ₹8,000 crore (800 crore equity shares of ₹10 each) to ₹15,000 crore (1500 crore equity shares of ₹10 each) was approved by shareholders through postal ballot on November 7, 2018
22.10.2019- Postal Ballot	Authorised Capital: ₹25,000,00,00,000 (25000000000 equity shares of ₹10 each)	Increase in authorized capital of the Bank from ₹15,000 crore (1500 crore equity shares of ₹10 each) to ₹25,000 crore (2500 crore equity shares of ₹10 each) was approved by shareholders through postal ballot on October 22, 2019.
	As on December 31, 2019 Authorized Capital: ₹250000000000 (25000000000 equity shares of ₹10 each) Issued, Subscribed and paid up capital: ₹103805939980 (10380593998 equity shares of ₹10 each)	

iii. **Equity Share Capital History of the Bank as on December 31, 2019, 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		
						No of equity shares	Equity Share Capital (₹)	Equity Share Premium (₹ in thousand)
04.07.14	6845	10	-	Cash	ESOP	1603957605	16039576050	96788286.21
06.08.14	9790	10	-					96789335.21
26.09.14	1710	10	-					96789518.43
30.09.15	1,095	10	-	Cash	ESOP	2058815081	20588150810	96789635.76
30.12.15	296,094,580	10	75.28	Cash	Preferential allotment to GOI			116118689.95

<table>
<tr><th rowspan="2">Date of Allotment</th><th rowspan="2">No of Equity Shares</th><th rowspan="2">Face Value (₹)</th><th rowspan="2">Issue Price (₹)</th><th rowspan="2">Consideration (Cash, other than cash, etc)</th><th rowspan="2">Nature of Allotment</th><th colspan="3">Cumulative</th></tr>
<tr><th>No of equity shares</th><th>Equity Share Capital (₹)</th><th>Equity Share Premium (₹ in thousand)</th></tr>
<tr><td>23.03.16</td><td>158761801</td><td>10</td><td>53.44</td><td>Cash</td><td>Preferential Allotment to LIC</td><td></td><td></td><td>123015302.58</td></tr>
<tr><td>30.06.17</td><td>11853588</td><td>10</td><td>76.77</td><td>Cash</td><td>Preferential allotment to LIC</td><td rowspan="5">3083862696</td><td rowspan="5">30838626960</td><td>123806766.65</td></tr>
<tr><td>14.08.17</td><td>247492510</td><td>10</td><td>76.77</td><td>Cash</td><td>Preferential allotment to GOI</td><td>140331841.54</td></tr>
<tr><td>14.08.17</td><td>39468543</td><td>10</td><td>76.77</td><td>Cash</td><td>Preferential allotment to LIC</td><td>142967156.16</td></tr>
<tr><td>06.10.17</td><td>284861472</td><td>10</td><td>65.33</td><td>Cash</td><td>Preferential Allotment to GOI</td><td>158728541.41</td></tr>
<tr><td>28.03.18</td><td>441371502</td><td>10</td><td>61.83</td><td>Cash</td><td>Preferential Allotment to GOI</td><td>181604826.36</td></tr>
<tr><td>25.05.18</td><td>1097326649</td><td>10</td><td>71.82</td><td>Cash</td><td>Preferential allotment to GOI</td><td rowspan="4">7736294880</td><td rowspan="4">77362948800</td><td>249441559.80</td></tr>
<tr><td>04.10.18</td><td>339897328</td><td>10</td><td>61.73</td><td>Cash</td><td>Preferential allotment to LIC</td><td>267024448.57</td></tr>
<tr><td>28.12.18</td><td>2387617322</td><td>10</td><td>60.73</td><td>Cash</td><td>Preferential Allotment to LIC</td><td>388148275.32</td></tr>
<tr><td>21.01.19</td><td>827590885</td><td>10</td><td>60.73</td><td>Cash</td><td>Preferential Allotment to LIC</td><td>430131960.92</td></tr>
<tr><td>23.10.19</td><td>1348592550</td><td>10</td><td>35.17</td><td>Cash</td><td>Preferential Allotment to LIC</td><td rowspan="2">10380593998</td><td rowspan="2">103805939980</td><td>464076035.40</td></tr>
<tr><td>23.10.19</td><td>1295706568</td><td>10</td><td>35.17</td><td>Cash</td><td>Preferential allotment to GOI</td><td>496688969.72</td></tr>
</table>

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

During FY 2018-19, LIC acquired 51% controlling stake in IDBI Bank through Preferential Allotment and Open Offer. Post-acquisition, LIC has become the Promoter of the Bank (with Management Control) and Government of India is the Co-Promoter of the Bank (without Management Control).

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

Nil

vi. The pre-issue and post issue shareholding pattern of the Bank :

No change will occur in the shareholding pattern because of the Issue

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

i. **Shareholding pattern of the Bank as on December 31, 2019:**

S 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 (Co-Promoter without Management control)	4889871903	4889871903	47.11
2.	Life Insurance Corporation of India (Promoter with Management control)	5294102939	5294102939	51.00
3.	Mutual Funds/UTI	54510	54510	0
4.	Financial Institutions / Banks	2389073	2382893	0.02
5.	Insurance Companies	12778869	12778869	0.12
6.	Foreign Institutional Investors	780407	780307	0.01
7.	QIBs	297500	297500	0
8.	NBFCs	5746	5746	0
9.	Bodies Corporate	24221066	24067731	0.23
10.	Individuals	139753092	130966056	1.35
11.	Clearing Members	1111896	1111896	0.01
12.	Societies &Trusts	365540	312580	0
13.	NRIs	5477203	4385200	0.05
14.	IEPF	4289620	4289620	0.04
15.	HUF	5090234	5090234	0.05
16.	Directors	4400	4400	0
	Total	**10380593998**	**10370502384**	**100**

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 last quarter end (December 31, 2019):**

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.	Life Insurance Corporation Of India & Its Associates	5294102939	5294102939	51.00
2.	President Of India	4889871903	4889871903	47.11
3.	United India Insurance Company Limited	8057143	8057143	0.08

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
4.	The Oriental Insurance Company Limited	3202859	3202859	0.03
5.	Globe Capital Market Limited	2788773	2788773	0.03
6.	Indian Syntans Investments Private Limited	1632000	1632000	0.02
7.	The New India Assurance Company Limited	1463867	1463867	0.01
8.	Sheetal Gupta	1333000	1333000	0.01
9.	East India Securities Ltd	1002600	1002600	0.01
10.	Samco Securities Ltd	972161	972161	0.01

E. Details regarding the Directors of the Bank

i (a) Details of the current directors :

Name, Designation and DIN	Age	Address	Director of the Bank since
Shri Mangalam Ramasubramanian Kumar Non-Executive Non Whole Time Chairman DIN: 03628755	58 years	Life Insurance Corporation of India, Central Office, Yogakshema, 7th Floor, West Wing, Jeevan Bima Marg, Mumbai- 400021	May 13, 2019
Shri Rakesh Sharma Managing Director & CEO DIN : 06846594	61 years	IDBI Bank Limited IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005	October 10, 2018
Shri Samuel Joseph Jebaraj, Deputy Managing Director DIN: 02262530	51 years	IDBI Bank Limited IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005	September 20, 2019
Shri Suresh Kishinchand Khatanhar Deputy Managing Director DIN: : 03022106	56 years	IDBI Bank Limited IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005	January 15, 2020
Ms. Meera Swarup Government Nominee Director DIN: 07459492	57 years	Additional Secretary and Financial Advisor, Department of Expenditure, Ministry of Finance, R.N. 166-C, North Block, New Delhi- 110001	August 20, 2019

Name, Designation and DIN	Age	Address	Director of the Bank since
Shri Sudhir Shyam Government Nominee Director DIN : 08135013	48 years	Director, Department of Financial Services, Ministry of Finance, Jeevandeep Building, 10, Parliament Street, NEW DELHI – 110 001.	May 16, 2018
Shri Rajesh Kandwal LIC Nominee Director DIN: 02509203	60 years	A 154A, SF, Sushant Lok 2, Sector 55, Gurugram - 122011	January 21, 2019
Shri Gyan Prakash Joshi Independent Director DIN: 00603925	64 years	Kavya,Khopa, Malla Ramgarh, Dist. Nainital, Uttarakhand, 263137	August 28, 2015
Dr. Ashima Goyal Independent Director DIN: 00233635	64 years	Professor, Indira Gandhi Institute of Development Research, Gen. A.K. Vaidya Marg, Film City Road, Santosh Nagar, Goregaon (East), Mumbai – 400 065,	April 28, 2017
Shri Bhuwanchandra Balkrishna Joshi, Independent Director DIN: 06713850	62 years	6/1503, Runwal Greens, Mulund Goregaon Link Road, Near Fortis Hospital Nahur (West), Mumbai – 400 078	October 9, 2017
Shri Samaresh Parida, Independent Director DIN: 01853823	59 years	1015, Maker Chambers V, Nariman Point, Mumbai – 400 021.	May 19, 2018
Shri Jambunathan Narayanan, Independent Director DIN: 05126421	64 years	CEO, C-Edge Technologies, 9th Floor, A-Wing, Lodha i-Think Techno Campus, Pokhran Road No. 2, Eastern Express Highway, Thane (West) - 400607	May 19, 2018
Shri Deepak Singhal, Independent Director DIN: 08375146	60 years	C-2101, Raheja Ridgewood, Off Jogeshwari Flyover, Goregaon (East), Mumbai – 400 053.	February 28, 2019
Shri Sanjay Gokuldas Kallapur, Independent Director DIN: 08377808	56 years	Professor & Deputy Dean, Indian School of Banking, ISB Campus, Gachibowli, Hyderabad - 500111	March 5, 2019

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 M R Kumar , Non-Executive Chairman (DIN- 03628755)	1. LIC of India – Chairman 2. LIC Housing Finance Ltd - Nominee Director & Chairman 3. LIC Pension Fund Ltd – Additional Director 4. LIC Cards Services Ltd - Additional Director 5. LIC Mutual Fund Asset Management Co. Ltd – Nominee Director & Chairman 6. LIC (Nepal) Ltd – Chairman 7. LIC (International) BSC @ Bahrain - Chairman 8. LIC (Lanka) Ltd. 9. Kenindia Assurance Company Ltd - Director 10. Life Insurance Corporation (Singapore) Pte. Ltd
2.	Shri Rakesh Sharma, MD & CEO (DIN- 06846594)	1. Stressed Assets Stabilization Fund - Chairman of the Board of Trustees 2. EXIM Bank – Director 3. IDBI Capital Markets & Securities Ltd – Non-Executive Chairman 4. IDBI Intech Ltd – Non-Executive Chairman 5. Entrepreneurship Development Institute of India – President of the Governing Body 6. IDBI Asset Management Limited – Non Executive Chairman
3.	Shri Samuel Joseph Jebaraj, DMD (DIN- 02262530)	NIL
4.	Shri Suresh Kishinchand Khatanhar, DMD DIN: : 03022106	1. National Securities Depository Limited
5.	Ms. Meera Swarup, Govt. Nominee Director (DIN: 07459492)	1. Security Printing And Minting Corporation of India Limited 2. Goods And Services Tax Network

Sr. No.	Name of the Director	Directorship held in other Companies/Firms/Body Corporate
6.	Shri Sudhir Shyam Govt. Nominee Director (DIN- 08135013)	NIL
7.	Shri Rajesh Kandwal, LIC Nominee Director (DIN- 02509203)	NIL
8.	Shri Gyan Prakash Joshi, Independent Director (DIN- 00603925)	NIL
9.	Dr. Ashima Goyal Independent Director (DIN- 00233635)	1. Edelweiss Financial Services Ltd. - Director 2. SBI General Insurance Company Ltd - Director
10.	Shri Bhuwanchandra B. Joshi, Independent Director (DIN- 06713850)	NIL
11.	Shri Samaresh Parida, Independent Director (DIN- 01853823)	1. SP Growth Consulting – Self- Founder and CEO 2. SH Kelkar & Co Ltd – Spouse – Director 3. Cosmo Films Ltd– Spouse – Director 4. Prime Securities Ltd– Spouse – Director 5. GRP Ltd– Spouse – Director 6. Primesec Investments Limited– Spouse – Director 7. FSN E.-commerce Ventures. Pvt. Ltd– Spouse – Director 8. DMA Yellow Works Ltd - Spouse — Managing Director
12.	Shri N. Jambunathan, Independent Director (DIN- 05126421)	NIL
13.	Shri Deepak Singhal, Independent Director (DIN- 08375146)	1. RBI Services Board – Part time Member 2. Nabkisan Finance Limited - Director
14.	Shri Sanjay Gokuldas Kallapur, Independent Director (DIN- 08377808)	1. American Accounting Association (a not-for-profit professional association)- Council of Member 2. Sriteq Solutions Inc. – Spouse is a Director in the Company.

ii. **Details of change in directors since last three years (since April 1, 2016):**

Name, Designation and DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Shri Kishor Kharat, MD & CEO (DIN - 07266945)	03.04.2017	14.08.2015	Ceased to be the MD & CEO of the Bank on account of his appointment as MD & CEO of Indian Bank vide GoI's notification F.No.13/8/(2) 2015-BO.I dated March 18, 2017
Shri K. P. Nair, DMD (DIN - 02611496)	31.05.2019	15.09.2016	Ceased to be the DMD on account of retirement on superannuation.
Shri G. M. Yadwadkar, DMD (DIN - 01432796)	14.09.2019	15.09.2016	Ceased to be the DMD of the Bank on account of completion of term.
Shri B. K. Batra, DMD (DIN - 00015732)	31.07.2016	13.01.2012	Ceased to be the DMD on account of retirement on superannuation.
Shri Pankaj Jain, Government Nominee Director (DIN - 00675922)	08.08.2019	02.05.2016	Ceased to be Government Nominee Director of IDBI Bank Limited on account of appointment of Ms. Meera Swarup as Government Director in his place
Shri Praveen Garg, Government Nominee Director (DIN - 00208604)	14.05.2018	07.02.2017	Ceased to be Government Nominee Director of IDBI Bank Limited on account of appointment of Shri Sudhir Shyam as Government Director in his place
Shri Ashok Pal Singh, Government Nominee Director (DIN - 07562972)	29.12.2016	29.06.2016	Ceased to be the Director of IDBI Bank on account of resignation dated December 29, 2016.
Ms. Snehlata Shrivastava, Government Nominee Director (DIN - 06478173)	01.05.2016	11.01.2013	Ceased to be Government Nominee Director of IDBI Bank Limited on account of appointment of Shri Pankaj Jain as Government Director in her place
Shri S. Ravi, Independent Director (DIN – 00009790)	12.05.2018	02.07.2012	Ceased to be the Director of IDBI Bank on account of resignation dated May 12, 2018
Shri Ninad Karpe, Independent Director (DIN – 00030971)	11.05.2018	02.07.2012	Ceased to be the Director of IDBI Bank on account of resignation dated May 11, 2018
Shri Gyan Prakash Joshi, Independent Director (DIN – 00603925)	28.08.2015	-	Appointed as Additional Director of the Bank by the Board at its meeting held on August 28, 2015 and as Independent Director by the shareholders for the first term in it's 12th Annual General Meeting held on July 22, 2016 and for the 2nd and last term in it's 15th Annual General Meeting held on August 20, 2019

Name, Designation and DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Shri Pankaj Vats, Independent Director (DIN – 06712380)	14.12.2016	30.09.2013	Ceased to be Director of IDBI Bank vide Government of India's Notification F.No.6/24/ 2013-BO.I dated December 15, 2016
Ms. Neeru Abrol, Additional Director in Independent category (DIN – 01279485)	18.07.2017	29.07.2016	Ceased to be director w.e.f. July 18, 2017 i.e. on the date of 13th AGM of the Bank in terms of the provisions of Section 161(1) of the Companies Act, 2013.
Shri Mahesh Kumar Jain, MD & CEO (DIN- 03513127)	21.06.2018	03.04.2017	Ceased to be the MD & CEO of the Bank vide GoI's notification F.No. 4/6/2018-BO. I dated June 20, 2018
Dr. Ashima Goyal, Independent Director (DIN- 00233635)	28.04.2017	-	Appointed as Additional Director of the Bank by the Board at its meeting held on April 28, 2017 and as Independent Director by the shareholders in its 13th Annual General Meeting held on July 18, 2017
Shri Bhuwanchandra B. Joshi, Independent Director (DIN- 06713850)	09.10.2017	-	Appointed as Additional Director of the Bank by the Board at its meeting held on October 09, 2017 and as Independent Director by the shareholders in its 14th Annual General Meeting held on August 13, 2018.
Shri Hemant Bhargava, Non Executive Non Whole Time Chairman (DIN – 01922717)	13.03.2019	25.02.2019	Ceased to be the Director of the Bank on account of vacation of office as Chairman of LIC.
Shri Rakesh Sharma, MD & CEO (DIN-06846594)	10.10.2018	-	Appointed as MD & CEO of the Bank vide GOI's notification dated October 10, 2018, continued as MD & CEO vide Board's approval dated January 21, 2019 and has been appointed as MD & CEO of the Bank for 3 years through fresh appointment w.e.f. March 19, 2019
Shri B. Sriram, MD & CEO (DIN – 02993708)	30.09.2018	30.06.2018	Ceased to be MD & CEO of the Bank on account of retirement on superannuation.
Shri Sudhir Shyam, Government Nominee Director (DIN – 08135013)	16.05.2018	-	Appointed as Government Nominee Director on the Board w.e.f. May 16, 2018 vide GoI's notification dated May 14, 2018
Shri Rajesh Kandwal, LIC Nominee Director (DIN – 02509203)	21.01.2019	-	Appointed as the LIC Nominee Director w.e.f. January 21, 2019.
Shri Samaresh	19.05.2018	-	Appointed as Additional Director

Name, Designation and DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Parida, Independent Director (DIN – 01853823)			of the Bank by the Board at its meeting held on May 19, 2018 and as Independent Director by the shareholders in its 14th Annual General Meeting held on August 13, 2018.
Shri Jambunathan Narayanan, Independent Director (DIN – 05126421)	19.05.2018	-	Appointed as Additional Director of the Bank by the Board at its meeting held on May 19, 2018 and as Independent Director by the shareholders in its 14th Annual General Meeting held on August 13, 2018.
Shri Deepak Singhal, Independent Director (DIN – 08375146)	28.02.2019	-	Appointed as Additional Director of the Bank by the Board at its meeting held on February 28, 2019 and as Independent Director by the shareholders in it's 15th Annual General Meeting held on August 20, 2019
Shri Sanjay Gokuldas Kallapur, Independent Director (DIN – 08377808)	05.03.2019	-	Appointed as Additional Director of the Bank by the Board at its meeting held on March 5, 2019 and as Independent Director by the shareholders in it's 15th Annual General Meeting held on August 20, 2019
Shri Mangalam Ramasubramanian Kumar (DIN: 03628755)	13.05.2019	-	Appointed as Non-Executive Non Whole Time Chairman of the Bank w.e.f. May 13, 2019
Ms. Meera Swarup (DIN: 07459492)	20.08.19	-	Appointed as Government Nominee Director on the Board w.e.f. August 20, 2019 vide GoI's notification dated August 8, 2019
Shri Samuel Joseph Jebaraj (DIN: 02262530)	20.09.2019	-	Appointed as DMD of the Bank by Board at its meeting held on September 19, 2019 for the period of 3 years with effect from w.e.f. from the date of his taking charge. Shri Samuel Joseph took charge on September 20, 2019
Shri Suresh Kishinchand Khatanhar, DMD DIN: : 03022106	15.01.2020	-	Appointed as DMD of the Bank by Board at its meeting held on January 15, 2020 for the period of 3 years with effect from w.e.f. from the date of his taking charge. Shri Suresh Khatanhar took charge on January 15, 2020

F. **Details regarding the auditors of the Bank:**

i. **Details of the current auditors:**

Sr. No.	Name	Address	Auditor since
1.	M/s K S Aiyar & Co Chartered Accountants	F -7, Laxmi Mills, Shakti Miils Lane (Off Dr E Moses Road), Mahalaxmi, Mumbai - 400 011	December 22, 2017
2.	M/s. JLN US & Co Chartered Accountants	M-19-20-21, Metro Tower A, Atlantis K – 10, Opp Vadodara Central, Sarabhai Main Road, Vadodara 390 007, Gujarat	December 22, 2017
3.	M/s. M P Chitale & Co Chartered Accountants	Hamam House, 1st Floor Ambalal Doshi Marg, Fort,Mumbai - 400 001	December 31, 2018

ii. **Details of change in auditors since last three years:**

Sr. No.	Name	Address	Date of Appointment/ Resignation	Auditor of the Bank since (in case of resignation)	Remarks
1.	M/s Choksi & Choksi LLP	15/17, Raghavji B Bldg, Gowalia Tank, Off Kemps Corner, Mumbai – 400036	Date of Appointment: October 16, 2015 Date of Expiry of Term: October 31, 2017	NA	Completion of Audit Tenure
2.	M/s Mukund M Chitale & Co	Kapur House, Second floor, Paranjape B-scheme Road No.1, Vile Parle (East), Mumbai 400 057	Date of Appointment: October 16, 2015 Date of Expiry of Term: November 14, 2018	NA	Completion of Audit Tenure

G. **Details of borrowings of the Bank as on December 31, 2019:**

i. **Details of Secured Loan Facilities:**

(₹ in Crore)

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount outstanding	Repayment Date /Schedule	Security
SIDBI	Refinance	200	200	17-Nov-2020	Refinance availed against exposure in lending to Micro & Small Enterprises
MUDRA	Refinance	35	11	01-Dec-2020	Refinance availed against exposure in lending Micro/Small business entities
CCIL	REPO	10,028.83	10,028.83	01-Jan-2020	REPO

(Amt. in USD)

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date	Security
SIDBI	Borrowing	1,72,74,275.00	1,72,74,275.00	14-Jun-24	Transaction Documents
SIDBI	Borrowing	2,18,591.30	1,00,187.67	15-Jan-25	Transaction Documents
SIDBI	Borrowing	85,81,232.06	39,33,064.38	15-Jan-25	Transaction Documents

Outstanding as on December 31, 2019 is equivalent to ***INR 152.10 Crore****, converted at FEDAI closing rates for the month ended December 31, 2019.*

ii. Details of Unsecured Loan Facilities:

(₹ in Crore)

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Last Repayment Date/ Schedule
Notice Borrowing from Banks	Notice Money - Borrowing	-	35.75	09-01-2020
Call Borrowing from banks	Call Money - Borrowing	-	362.45	01-01-2020

iii. Details of Unsecured Bonds (Public Issue):

NIL

iv. Outstanding Issues of Omni Bonds privately placed (Unsecured):

(₹ in Crore)

S. No.	ISIN	Issue name/ Type	Date of Allotment	Tenor (years)	Amount mobilized	Coupon rate (% p.a.)	Put/ Call option	Rating at the time of issue
FY 2007-08								
1	INE008A08N67	IDBI Omni Bonds 2007 Sr.VII	23-Sep-07	15	4.20	10.07	None	LAA+ by ICRA, AA+/Stable by CRISIL, AA+ (Ind) by FITCH
FY 2008-09								
1	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
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	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
3	INE008A08S39	IDBI Omni Bonds 2009-10 Perpetual Tier I Series IX	29-Jan-10	Perpetual	306.20	9.25 #	Call - 29.01.20	AA/Stable by CRISIL, & LAA by ICRA
4	INE008A08S47	IDBI Omni Bonds 2009-10 Upper Tier II Series X	3-Feb-10	15	501.20	8.65 #	Call - 03.02.20	AA/Stable by CRISIL, & LAA/Stable by ICRA
5	INE008A08S54	IDBI Omni Bonds 2009-10 Perpetual Tier I Series XI	10-Mar-10	Perpetual	550.00	9.65 #	Call - 10.03.20	AA/Stable by CRISIL, & LAA by ICRA
6	INE008A08S62	IDBI Omni Bonds 2009-10 Tier II Sr.XII	23-Mar-10	10	600.00	9.05	None	AA+/Stable by CRISIL, LAA+/Stable by ICRA &

S. No.	ISIN	Issue name/ Type	Date of Allotment	Tenor (years)	Amount mobilized	Coupon rate (% p.a.)	Put/ Call option	Rating at the time of issue
								AA+(ind) by FITCH
FY 2010-11								
1	INE008A08S70	IDBI Omni Bonds Perpetual Tier I 2010-11 Sr. I	22-Jun-10	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-Jul-10	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-Sep-10	10	40.00	8.63	None	
4	INE008A08T20	IDBI Omni Bonds Tier II 2010-11 Sr.IV	20-Jan-11	15	856.10	9.04 @	Call - 20.01.21	
5	INE008A08T46	IDBI Omni Bonds Upper Tier II 2010-11 Sr.V	25-Mar-11	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-Aug-11	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-Nov-11	10	250.00	9.72	None	
3	INE008A08T87*	IDBI Omni Bonds Tier II 2011-12 Sr.III	30-Nov-11	10	500.00	9.70	None	
4	INE008A08T95*	IDBI Omni Bonds Tier II 2011-12 Sr.IV	13-Dec-11	10	600.00	9.45	None	
5	INE008A08U27*	IDBI Omni Bonds 2011-12 Sr.V	13-Mar-12	10	300.00	9.33	None	AA+/Stable by ICRA
6	INE008A08U19*	IDBI Omni Bonds Tier II 2011-12 Sr.VI	15-Mar-12	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-May-12	10	250.00	9.03	None	AA+/ Stable by ICRA
2	INE008A08U43	IDBI Omni Bonds Tier II 2012-13 Sr.II	25-Oct-12	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-Dec-12	15	505.00	8.99	Call - 13.12.22	AA+/Stable by ICRA & AA+/Stable by CRISIL

S. No.	ISIN	Issue name/ Type	Date of Allotment	Tenor (years)	Amount mobilized	Coupon rate (% p.a.)	Put/ Call option	Rating at the time of issue
4	INE008A08U68	IDBI Omni Bonds 2012-13 Sr.IV	26-Dec-12	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-Sep-14	10	1000.00	9.27	None	AA+/Stable by CRISIL/ India Rating, AA+/ Negative by ICRA
2	INE008A08U92	Omni 2014-2015 Infrastructure Bond Series III	21-Jan-15	10	3000.00	8.725	None	AA+/Stable by CRISIL/ India Rating, AA+/ Negative by ICRA
FY 2015-16								
1	INE008A08V00	Omni Tier 2 2015-2016 Series I	31-Dec-15	15	1000.00	8.62	Call – 31-12-25	AA+/Stable by India Rating, AA+/ Negative by CRISIL/ ICRA
2	INE008A08V18	Omni Tier 2 2015-2016 Series II	2-Jan-16	10	900.00	8.62	None	AA+/Stable by India Rating, AA+/ Negative by CRISIL/ ICRA
3	INE008A08V26	Omni Infrastructure Bond 2015-2016 Series III	9-Feb-16	10	1000.00	8.80	None	AA+/Stable by India Rating, AA+/ Negative by CRISIL/ 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 Limited. The trusteeship for all other issues is with SBICAP Trustee Company Limited
All above Omni Bonds Series are listed on BSE & NSE.

v. <u>List of Top Ten Debenture Holders as on December 31, 2019:</u>

Sr. No	Name of Debenture Holders	Address	Pin Code	Amount (in ₹ Crore)
1	CBT EPFO	Standard Chartered Bank, CRESCENZO, Securities Services, 3rd Floor C-38/39 G-Block, BKC Bandra (East), Mumbai	400051	9079.90

Sr. No	Name of Debenture Holders	Address	Pin Code	Amount (in ₹ Crore)
2	Life Insurance Corporation of India	Investment Department, 6th Floor, West Wing, Central Office, Yogakshema, Jeevan Bima Marg, Mumbai	400021	3040.00
3	Coal Mines Provident Fund Organisation	(9277)- State Bank Of India Securities Services Br,E.P.F.O Sect IInd Floor, Mumbai Main Br, Mumbai	400023	1117.00
4	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	400054	329.30
5	Oil And Natural Gas Corporation Limited Employees Contributory Provident Fund	Tel Bhawan, Dehradun	248003	289.80
6	The State Bank of India Employees Provident Fund	The State Bank of India, Securities Services Branch, Mumbai Main Branch Building, 2nd Floor, Mumbai Samachar Marg, Fort, Mumbai	400054	250.00
7	ICICI Prudential child care Fund(Gift Plan)	HDFC Bank Ltd. Custody Services, Lodha I, Think Techno Campus, Off Flr 8, Next to Kanjurmarg Station, Kanjurmarg E, Mumbai	400042	181.00
8	Postal Life insurance fund a/c UTI AMC	HDFC Bank Ltd. Custody Services, Lodha I, Think Techno Campus, Off Flr 8, Next to Kanjurmarg Station, Kanjurmarg E, Mumbai	400042	150.70
9	Indian Overseas Bank Employees Pension Fund	IOB Employees Pension Fund, 762 Anna Salai, central office, Chennai	600002	97.00
10	National Thermal Power Corporation Limited Employee	NTPC Bhawan, Scope Complex, Delhi	110003	85.30

vi. 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 the Bank.

vii. Details of Certificate of Deposits / Commercial Papers:

The data is Nil as on December 31, 2019 since the Bank has not issued any commercial papers or certificate of deposit which is outstanding as on December 31, 2019.

viii. **Details of rest of the borrowing:**

Details of Foreign Currency Bonds / Borrowings:

(USD Million)

S No.	Lender / Paying Agent	Agreement / Drawal Date	Amount Drawn	Outstanding	Last date of Repayment	Rate of Interest (%) p.a.	Security
1	Bond Issuance	23.10.2014	350	350	23.04.2020	4.125	Unsecured
2	Bond Issuance	30.11.2015	350	350	30.11.2020	4.25	Unsecured
3	SIDBI Refinance Loan	09.03.2017	75	75	15.12.2024	6ML+165 bps	Transaction Documents
4	Exim Dollar Refinance Loan	20.02.2018	400	244.30	20.02.2023	6ML+212 bps	Transaction Documents
5	Banks	26.09.2019	99.85	99.85	13.07.2020	2.53	Unsecured

Total FC outstanding as on December 31, 2019 is equivalent to ***INR 7,988.71 crore****, converted at FEDAI closing rates for the month ended December 31, 2019.*

ix. **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, loan from any bank or financial institution and other financial indebtedness including corporate guarantee issued by the Bank in past 5 (five) years:**

Nil

x. **Details of any outstanding borrowings taken / debt securities issued where taken/ issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:**

There are no outstanding debt securities of the Bank, 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

Details of Promoter Holding in the Bank as on December 31, 2019:

S. No.	Name of the shareholders	Total No of Equity shares	No of shares in demat form	Total shareholding (%)	No of shares pledged	% of shares pledged with respect to shares owned
1	Life Insurance Corporation of India (Promoter with Management control)	5294102939	3904073649	51.00	Nil	Nil
2	Government of India (Co-Promoter without Management control)	4889871903	3594165335	47.11	Nil	Nil

I. Abridged version of Audited Consolidated and Standalone Financial Information for last three years and auditor qualifications

a. **Standalone**

Statement of Profit & Loss:

(₹ in Crore)

Particulars	2018-19 (Audited)	2017-18 (Audited)	2016-17 (Audited)
INCOME			
Interest earned	22071.24	23026.53	27791.37
Other income	3300.30	7013.58	4007.83

Particulars	2018-19 (Audited)	2017-18 (Audited)	2016-17 (Audited)
Total Revenue	**25371.54**	**30040.11**	**31799.20**
EXPENDITURE			
Interest expended	16165.62	17386.21	22039.71
Operating Expenses	5153.79	4744.69	5140.81
Provisions & Contingencies	19168.42	16147.13	9776.82
Total Expenses	**40487.83**	**38278.03**	**36957.34**
PROFIT			
Net Profit/(Loss) for the year	(15116.29)	(8237.92)	(5158.14)
Profit /(Loss)brought forward	(17164.01)	(8492.39)	(2827.28)
Total	**(32280.30)**	**(16730.31)**	**(7985.42)**
APPROPRIATIONS			
Transfer to/(from) Statutory Reserve	-	(544.60)	-
Transfer to Capital Reserve	232.62	978.30	506.97
Transfer to General Reserve	-	-	-
Transfer to Special Reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961	-	-	-
Proposed Dividend	-	-	-
Interim Dividend	-	-	-
Dividend on ESOPs	-	-	-
Dividend distribution tax	-	-	-
Balance carried over to balance sheet	(32512.92)	(17164.01)	(8492.39)
TOTAL	**(32280.30)**	**(16730.31)**	**(7985.42)**
Earnings per Share (₹) (Face Value ₹10/share)			
Basic	(30.48)	(34.45)	(25.05)
Diluted	(30.48)	(34.45)	(25.05)

Statement of Assets & Liabilities:

(₹ in Crore)

Particulars	2018-19 (Audited)	2017-18 (Audited)	2016-17 (Audited)
CAPITAL & LIABILITIES			
Capital	7736.29	3083.86	2058.81
Reserves and surplus	29875.40	18125.87	20504.83
Deposits	227371.72	247931.61	268538.10
Borrowings	45287.72	63185.53	56363.97
Other liabilities and provisions	10013.36	17758.85	14408.76
TOTAL	**320284.49**	**350085.72**	**361874.47**
ASSETS			
Cash and balances with RBI	12730.47	13163.68	13346.92
Balances with banks and money at call and short notice	8503.23	20522.40	19337.16
Investments	93072.63	91606.06	92934.41
Advances	146790.44	171739.95	190825.93
Fixed Assets	8230.99	6770.98	7348.28
Other Assets	50956.73	46282.65	38081.27
TOTAL	**320284.49**	**350085.72**	**361874.47**
Contingent Liabilities	140854.29	198016.17	185982.32
Bills for collection	9634.77	9300.58	15948.81

Cash Flow Statement

(₹ in Crore)

Particulars	2018-19 (Audited)	2017-18 (Audited)	2016-17 (Audited)
A. Cash Flow from Operating Activities			
Net profit before tax and extra-ordinary items	**(22827.16)**	**(12592.53)**	**(8618.02)**
Adjustments for non cash items ;			
(Profit) / Loss on sale of Fixed Assets (Net)	72.56	(516.68)	0.53
Depreciation (Net of Revaluation Reserve)	366.44	372.73	358.94
Provisions/Write off of Loans/ Investments and other provisions	26886.80	20497.36	13197.14
Profit/ (Loss) on revaluation of Investments	-	4.70	40.24
Transfer to General Reserve	-	-	190.08
	4498.64	**7765.58**	**5168.91**
Adjustments for (increase)/ decrease in Operating assets:			
Investments	(3076.50)	(892.72)	(1447.50)
Advances	961.70	(277.64)	13123.67
Other Assets	2658.19	(3187.99)	1462.72
Refund/ (payment) of taxes	(936.08)	(938.56)	(663.62)
Adjustments for (increase)/ decrease in Operating liabilities:			
Borrowings	(17897.80)	6821.55	(14227.67)
Deposits	(20559.89)	(20606.48)	2818.26
Other liabilities and provisions	161.09	(1268.47)	1399.78
Refund/ (payment) of taxes	-	-	-
Net Cash used in/generated from Operating activities	**(34190.65)**	**(12584.73)**	**7634.55**
B. **Cash Flow from Investing Activities**			
Purchase (net of sale) of fixed assets	114.11	721.74	(451.02)
Net cash used in / raised from Investing activities	**114.11**	**721.74**	**(451.02)**
C. **Cash Flow from Financing Activities**			
Issue of Equity Shares	21624.15	4984.00	-
Share Application Money pending allotment	-	7881.00	1900.00
Dividend and dividend tax paid	-	-	-
Net cash used in/ raised from financial activities	**21624.15**	**12865.00**	**1900.00**
Net Increase/ (Decrease) in Cash & Cash Equivalents	(12452.39)	1002.01	9083.54
Opening Cash & Cash equivalents	33686.09	32684.08	23600.54
Closing Cash & Cash equivalents	**21233.70**	**33686.09**	**32684.08**
Note to Cash Flow Statement			
Cash and Cash equivalents included in the cash flow statement comprise the following balance Sheet items :			
Cash & Balances with RBI	12730.47	13163.69	13346.92
Balances with banks & money at call and short	8503.23	20522.40	19337.16
Total	**21233.70**	**33686.09**	**32684.08**

b. Consolidated Statement of Profit & Loss:

(₹ in Crore)

Particulars	2018-19 (Audited)	2017-18 (Audited)	2016-17 (Audited)
INCOME			
Interest earned	22102.10	23046.25	27805.38
Other income	3535.33	7248.06	4207.42
Total Revenue	**25637.42**	**30294.31**	**32012.81**

Particulars	2018-19 (Audited)	2017-18 (Audited)	2016-17 (Audited)
EXPENDITURE			
Interest expended	16162.46	17376.20	22019.44
Operating Expenses	5258.46	4892.00	5243.15
Provisions & Contingencies	19229.48	16183.21	9819.67
Total Expenses	**40650.40**	**38451.42**	**37082.26**
PROFIT			
Net Profit/(Loss) for the year	(15012.97)	(8157.11)	(5069.45)
Less : Share of Loss in Associate			
Add : Share of Profit in Associate	43.21	41.22	72.55
Less : Minority Interest	16.99	16.51	19.01
Group Profit	(14986.76)	(8132.40)	(5015.90)
Profit brought forward	(17148.54)	(8571.29)	(3029.84
Total	**(32135.30)**	**(16703.69)**	**(8045.75)**
APPROPRIATIONS			
Transfer to/(from) Statutory Reserve	-	(544.60)	-
Transfer to Capital Reserve	232.62	978.30	506.97
Transfer to General Reserve	2.05	1.99	4.20
Transfer to Special Reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961	-	-	-
Proposed Dividend	-	-	-
Interim Dividend	1.37	5.47	-
Dividend on ESOPs	-	-	-
Dividend distribution tax	0.34	3.70	2.94
Balance carried over to balance sheet	(32371.67)	(17148.54)	(8559.86)
TOTAL	**(32135.30)**	**(16703.69)**	**(8045.75)**
Earnings per Share (₹) (Face Value ₹10/share)			
Basic	(30.22)	(34.00)	(24.36)
Diluted	(30.22)	(34.00)	(24.36)

Statement of Assets & Liabilities:

(₹ in Crore)

Particulars	2018-19 (Audited)	2017-18 (Audited)	2016-17 (Audited)
CAPITAL AND LIABILITIES			
Capital	7736.29	3083.86	2058.82
Reserves and surplus	30610.41	18824.09	21203.50
Minority Interest	96.98	85.96	70.57
Deposits	227190.11	247776.57	268215.68
Borrowings	45287.72	63185.53	56363.98
Other liabilities and provisions	10189.88	17952.86	14575.42
TOTAL	**321111.40**	**350908.87**	**362487.97**
ASSETS			
Cash and balances with RBI	12731.70	13169.20	13349.63
Balances with banks and money at call and short notice	8572.22	20611.87	19382.68
Investments	93327.73	91847.68	93074.87
Advances	146790.44	171739.95	190825.93
Fixed Assets	8309.91	6852.93	7433.23
Other Assets	51379.40	46687.24	38421.63
TOTAL	**321111.40**	**350908.87**	**362487.97**
Contingent Liabilities	140905.10	198045.74	186090.22
Bills for collection	9634.77	9300.58	15948.82

Cash Flow Statement:

(₹ in Crore)

Particulars	2018-19 (Audited)	2017-18 (Audited)	2016-17 (Audited)
A. Cash Flow from Operating Activities			
Net profit/(Loss) before tax and extra-ordinary items	**(22691.08)**	**(12495.13)**	**(8498.24)**
Adjustments for non cash items ;			
(Profit) / Loss on sale of Fixed Assets (Net)	72.71	(516.69)	0.53
Transfer to General Reserve			189.68
Depreciation (Net of Revaluation Reserve)	369.94	376.81	362.23
Provisions/Write off of Loans/ Investments and other provisions	26523.92	20516.84	13208.90
Profit/ (Loss) on revaluation of Investments	(1.11)	3.11	38.46
Adjustments for (increase)/ decrease in Operating assets:			
Investments	(2748.74)	(1042.13)	(1477.50)
Advances	944.95	(283.74)	13122.19
Other Assets	2625.31	(3238.84)	1405.36
Refund/ (Payment) of Taxes	(970.12)	(986.80)	(698.17)
Adjustments for increase/(decrease) in Operating liabilities:			
Borrowings	(17897.80)	6821.55	(14227.67)
Deposits	(20586.46)	(20439.11)	3128.29
Other liabilities and provisions	143.67	(1230.17)	(1445.84)
Refund/ (payment) of taxes			
Net Cash used in/generated from Operating activities	**(34214.80)**	**(12514.30)**	**7999.90**
B.			
Additional consideration for Acquisition of Subsidiary			
Purchase (net of sale) of fixed assets	115.53	720.17	(464.14)
Net cash used in / raised from Investing activities	**115.53**	**720.17**	**(464.14)**
C.			
Issue of Equity Shares	21624.15	4984.00	-
Share Application money pending allotment	-	7881.00	1900.00
Dividend and dividend tax paid	(2.03)	(22.11)	(11.43)
Net cash used in/ raised from financial activities	21622.12	12842.89	1888.57
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS	(12477.15)	1048.76	9424.32
OPENING CASH & CASH EQUIVALENTS	33781.07	32732.31	23307.99
CLOSING CASH & CASH EQUIVALENTS	21303.92	33781.07	32732.31
Cash and Cash equivalents included in the cash flow statement comprise the following balance Sheet items :			
Cash & Balances with RBI	12731.70	13169.20	13349.63
Balances with banks & money at call and short notice	8572.22	20611.87	19382.68
Total	**21303.92**	**33781.07**	**32732.31**

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 /(Loss) before Tax	Profit/(Loss) after Tax
FY 2016-17	(8618.02)	(5158.14)
FY 2017-18	(12592.53)	(8237.92)
FY 2018-19	(22827.16)	(15116.29)

d. **Dividends declared by the Bank in respect of the said three financial years; interest coverage ratio for the last three years (cash profit after tax plus interest paid / interest paid):**

	Dividend Declared (₹ in Crore)	Interest coverage ratio
FY 2016-17	NIL	2.01
FY 2017-18	NIL	2.97
FY 2018-19	NIL	2.21

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 of the Bank in the last three years.

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

Statement of Profit & Loss:

(₹ in Crore)

Particulars	September 30, 2019 (Standalone-Reviewed)	September 30, 2019 (Consolidated-Reviewed)
INCOME		
Interest earned	10289. 45	10303. 32
Other income	1865. 49	1904. 16
Total Revenue	**12154. 94**	**12207. 47**
EXPENDITURE		
Interest expended	7200. 25	7197. 11
Operating Expenses	2994. 31	3048. 33
Provisions & Contingencies	9220. 07	9230. 22
Total Expenses	**19414. 62**	**19475. 66**
PROFIT		
Net Profit/(Loss) for the year	**(7259. 68)**	**(7268. 19)**
Less : Share of Loss in Associate	NA	NA
Add : Share of Profit in Associate	NA	7.18
Less : Minority Interest	NA	9.15
Group Profit	**(7259. 68)**	**(7270. 15)**
Earnings per Share (₹) (Face Value ₹10/share)		
Basic	(9.38)	(9.40)
Diluted	(9.38)	(9.40)
Gross NPA (%)	29.43	
Net NPA (%)	5.97	
Tier I Capital Adequacy Ratio (%)	9.52	9.68
Tier II Capital Adequacy Ratio (%)	2.46	2.45

Statement of Assets & Liabilities:

(₹ in Crore)

Particulars	September 30, 2019 (Standalone-Reviewed)	September 30, 2019 (Consolidated-Reviewed)
CAPITAL & LIABILITIES		
Capital	7736.29	7736.29

Particulars	September 30, 2019 (Standalone-Reviewed)	September 30, 2019 (Consolidated-Reviewed)
Reserves and surplus	22615.72	23354.13
Minority Interest	0.00	102.03
Deposits	231829.52	231697.26
Borrowings	30205.67	30205.67
Other liabilities and provisions	21275.47	21361.69
TOTAL	**313662.67**	**314457.07**
ASSETS		
Cash and balances with RBI	22496.23	22496.48
Balances with banks and money at call and short notice	7784.02	7844.47
Investments	88781.37	89027.56
Advances	132717.93	132717.93
Fixed Assets	8191.11	8271.08
Other Assets	53692.01	54099.55
TOTAL	**313662.67**	**314457.07**

K. Any 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 Bonds.

None.

L. Name of the Bond Trustee

SBICAP Trustee Company Limited has given its consent to the Bank for its appointment under regulation 4(4) of the SEBI Listing Regulations to act as Bond Trustee for the Issue.

M. Detailed 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. Copy of the consent letter from the Bond Trustee:

Please refer to Annexure II to the Disclosure Document.

P. Names of all the recognised stock exchanges where the Bonds are proposed to be listed:

NSE and BSE.

Designated Stock Exchange – NSE.

Q. Other details:

i. Debenture Redemption Reserve**:**

In accordance with Rule 18(7)(b)(i) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, "no debenture redemption reserve 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:

a. The Issue is made in accordance with Form PAS-4 prescribed under Section 42 of Companies Act, 2013 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, each as amended.

b. SEBI Listing Regulations and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued vide Circular no. SEBI/LAD-NRO/GN/2015-16/013 dated September 02, 2015, as amended from time to time.

c. RBI circular on Basel III capital regulations vide Master Circular no. RBI/2015 -16/ 58 DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 as amended from time to time.

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. 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 submission of the completed application form. Future modifications/additions in the power of attorney or authority should also be notified with the Registrar to the Issue along with necessary documentary proof.

3. **Permanent Account Number ("PAN") of the Applicant**

All the applicants should mention their PAN allotted under the IT 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. The 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 judgment regarding their eligibility to invest in the Issue.

a. Mutual Funds;

b. Public Financial Institutions as defined under the Companies Act, 2013, as amended.

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 Body Corporate(s) 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.

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, RBI 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 of association and articles of association/constitutional documents;
- Resolution authorising investment along with operating instructions;
- Certified true copy of the power of attorney/authority to make application
- Specimen signatures of the authorized signatories duly certified by an appropriate authority.
- Certificate issued by the assessing officer under Section 197(1) of IT Act for investors seeking exemption from tax deduction at source ("**TDS**") 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 remitted according to process mentioned in "how to apply" section.

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 under "how to apply" section to the credit of "virtual account pertaining to the issue" maintained by India Clearing Corporation Limited ("**ICCL**").

9. **Submission of Completed Application Forms**

Applications duly completed and accompanied by remittance particulars of application money (by RTGS) must be lodged, while the Issue under private placement of the Bond is open, with Domestic Resources Department ("**DRD**") at Head Office.

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 the basis of their respective Bids in BSE-Bond (EBP), 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 allotments shall be accepted once the Issue is fully subscribed.

Allotment to the bidders shall be done on the basis of "Yield-time priority" in the following manner:

a) allotment shall be done first on "yield priority" basis;

b) where two or more bids are at the same yield, then the allotment shall be done on "time -priority" basis;

c) where two or more bids have the same yield and time, then allotment shall be done on " pro-rata" basis.

12. **Multiple Bid**

Investors are permitted to place multiple bids on the EBP platform in line with EBP Guidelines vide SEBI EBP Circular. However, Investors should refer to the Operational Guidelines prevailing as on the date of the bid.

13. **Right to accept or reject applications**

The Bank reserves 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 1 (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;

g. 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.

14. **Right to further issue under the ISINs**

The Issuer reserves right to effect multiple issuances under the same ISIN with reference to SEBI Circular CIR/IMD/DF-1/ 67 /2017 dated June 30, 2017 as amended ("**First ISIN Circular**") and SEBI Circular CIR/DDHS/P/59/2018 dated March 28, 2018, as amended or any other applicable laws or regulations from time to time ("**Second ISIN Circular**", together with the First ISIN Circular, the "**ISIN Circulars**").

The Issue can be made either by way of creation of a fresh ISIN or by way of issuance under the existing ISIN at premium, par or discount as the case may be in line with the ISIN Circulars.

15. **Interest in case of delay in dispatch of Allotment letter/Refund orders**

The Bank agrees that:

a. As far as possible, allotment of Bonds shall be made within 60 (sixty) days of the Issue Closing Date;

b. The Bank shall pay interest @12% per annum from the expiry of the sixtieth day, if the allotment letters/refunds orders have not been dispatched to the applicant or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 60 (sixty) days of the Issue Closing Date

16. **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

i. IDBI Capital Market Services Limited

IDBI Capital Markets & Securities Limited, a wholly owned subsidiary of IDBI Bank was started as a broking and distribution company in 1993. Subsequently in 1999 it started Primary Dealership activities which remained as the major business till the business was hived off as a separate company IDBI Gilts in 2007.

Presently, ICMS is engaged in the businesses of merchant banking, stock broking, distribution of financial products, corporate advisory services, debt arranging and undertaking, portfolio management of pension / PF funds and research services. It offers a wide range of capital market services to institutional, corporate and retail clients. The company's operations are under three business segments viz., Investment Banking Group, Institutional Equities Group and Retail Broking Group. The Investment Banking Group consists of four sub verticals viz., Capital Market, Corporate Advisory, M&A/PE and AIF Advisory.

The name of the company was changed from IDBI Capital Market Services Ltd to IDBI Capital Markets & Securities Ltd with effect from June 6, 2016 in order to increase the visibility in the market and to convey the spectrum of services provided by the company.

The summary of the balance sheet and profit & loss account of ICMS are given below:

Balance Sheet

(₹ in Crore)

	As of March 31,		
	2017	**2018**	**2019**
Paid-up Capital	128.10	128.10	128.10
Reserves and Surplus	187.27	186.56	186.82
Current Liabilities	27.69	37.90	38.51
Total Liabilities	343.06	352.56	353.43
Non Current Assets	93.13	93.55	90.92

	As of March 31,		
	2017	2018	2019
Current Assets	249.93	259.01	262.51
Total Assets	343.06	352.56	353.43

Profit and Loss Account

	For the year ended March 31,		
	2017	2018	2019
Total Income	84.75	95.57	96.70
Total Expenditure	82.03	75.55	96.49
Profit/(loss) before tax	2.72	20.02	0.21
Profit/(loss) after tax	2.32	11.62	0.26

ii. IDBI Intech Limited

IDBI Intech Ltd. (Intech), a company incorporated in March 2000, is a wholly owned subsidiary of IDBI Bank. Intech has been providing IT related services to IDBI Bank Ltd. and its subsidiaries & Associates companies. The End-to-End IT Services provided by Intech to the Bank it include development and customisation of IT products, management of Data Centre, Disaster Recovery (DR) and Near DR Sites, IT Consultancy Services etc.

For adhering to the world class quality standards, Intech has obtained ISO 9001 Certification for its operations. It has facilitated IDBI Bank in getting the ISO 27001 certificate for its Data Centre.

During the Financial Year 2018-19, Intech has delivered various IT projects to its clients. Some of the specific initiatives have been enumerated below

- i-Recon Solutions - A end to end reconciliation solution which provide three way reconciliation along with settlement and dispute management of channel transactions covering ATM and payment systems etc. This solution has been developed on latest technology utilizing big data concept and is PA-DSS certified.

- i-RTMS (Real Time Monitoring System) – This application has been developed for transactions and message scanning facility for identification of suspicious transactions on real time basis. The application is flexible enough to scan the transactions and message on pre-defined rules as per client requirement.

- i-Vault – his solution is developed to manage the entry and retrieval of Aadhar number is highly secure manner as per UIDAI guidelines. i-Vault provides user interface to obtain Aadhar numbers as input, encrypt it and store secularly in a vault.

- Major portion of business of the company comes from IDBI Bank and its subsidiaries. Apart from that the other major clients of the company includes Central Bank of India, Allahabad Bank, Oriental Bank of Commerce, Equity Bank Ltd, Kenya, Tamilnad Mercantile Bank Limited and Reserve Bank of India.

The summary of the balance sheet and profit & loss account of IIL are given below:

Balance Sheet

(₹ in Crore)

Particulars (As on March 31)	2017	2018	2019
Paid-up Capital	13.13	13.13	13.13
Reserves & Surplus	32.94	34.37	43.21
Non Current Liabilities	0.05	0.06	0.32
Current Liabilities	3.49	7.74	6.36
Total Liabilities	49.61	55.30	63.02
Non Current Assets	8.30	8.80	16.38
Current Assets	41.31	46.50	46.64
Total Assets	49.61	55.30	63.02

Profit and Loss Account

Particulars (For the year ended March 31)	2017	2018	2019
Total Income	81.21	80.31	91.26
Total Expenditure	59.82	75.68	78.65
Profit Before Tax (PBT)	21.39	4.63	12.61
Profit After Tax (PAT)	13.95	3.01	8.84

iii. 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 2018, IAML's paid up capital was ₹200 crore (the Bank has contributed ₹133.34 crore and ICMS has contributed ₹66.66 crore).

IAML currently manages 22 schemes wherein it has 5 debt schemes, 12 equity schemes, 1 liquid fund scheme, 2 hybrid schemes, 1 gold exchange traded fund and 1 gold fund. IAML's Average Assets Under Management (AAUM) for the FY 2019 was ₹ 9764 crore as against AAUM of ₹ 10,770 crores for the FY 2018.

The summary of the balance sheet and profit & loss account of IAML are given below:

Balance Sheet

(₹ in crore)

	As on March 31		
	2017	**2018**	**2019**
Paid up capital	200.00	200.00	200.00
Reserves and Surplus	(95.57)	(87.56)	(91.91)
Deferred tax Liability	0.00	0.00	0.00
Long term provisions	0.41	0.29	0.31
Current Liabilities	11.26	13.72	8.94
Total Liabilities	116.10	126.45	117.34
Non Current Assets	69.12	31.31	32.61
Deferred Tax Asset	14.88	27.71	14.73
Current Assets	32.10	67.43	70.00
Total Assets	116.10	126.45	117.34

Profit and Loss Account

	For the year ended March 31		
	2017	**2018**	**2019**
Total Income	65.06	83.39	64.84
Total Expenditure	63.50	74.48	57.42
Profit/(loss) before Tax	1.56	8.91	7.42
Profit/(loss) after Tax	7.25	8.01	(4.34)

iv. 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 ₹ 0.20 crore and authorised capital of ₹ 0.50 crore. IMTCL acts as the trustee of IDBI Mutual Fund. As required by the SEBI Mutual Fund Regulation 1996, the trustee ensures that all the activities of the Mutual Fund are within the regulatory frame work.

The summary of the balance sheet and profit & loss account of IMTCL are given below:

Balance Sheet

(₹ in crore)

	As on March 31		
	2017	2018	2019
Paid up capital	0.20	0.20	0.20
Reserves and Surplus	1.00	1.22	1.27
Current Liabilities	0.05	0.14	0.21
Total Liabilities	1.25	1.56	1.68
Non Current Assets	0.04	1.42	1.52
Current Assets	1.21	0.14	0.16
Total Assets…	1.25	1.56	1.68

Profit and Loss Account

	For the year ended March 31		
	2017	2018	2019
Total Income	0.66	0.82	0.82
Total Expenditure	0.48	0.52	0.75
Profit/(loss) before Tax	0.18	0.30	0.07
Profit/(loss) after Tax	0.12	0.22	0.05

v. IDBI Trusteeship Services Limited

IDBI Trusteeship Services Limited (ITSL) became a subsidiary of IDBI 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 favor of ITSL and it acts upon instructions from those lenders, (iii) securitization 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 utilization 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.

The summary of the balance sheet and profit & loss account of ITSL are given below:

Balance sheet

(₹ in crore)

	As on March 31		
	2017	2018	2019
Paid-up Capital	6.03	6.03	6.03
Reserves and Surplus	145.55	167.46	201.34
Non Current Liabilities	1.67	1.76	1.56
Current Liabilities	23.14	3.28	3.34
Total Liabilities	176.39	178.53	212.27
Non Current Assets	51.97	145.38	141.86
Current assets	124.42	33.15	70.41
Total assets	176.69	178.53	212.27

Profit and Loss Account

	For the year Ended 31st March		
	2017	2018	2019
Total Income	76.18	70.42	68.58
Total Expenditure	11.92	14.40	16.37
Profit/(loss) before tax	64.26	55.72	52.68
Profit/(loss) after tax	41.96	36.45	37.51

vi. **IDBI Federal Life Insurance Company Limited**

IDBI Federal Life Insurance Company Limited (IDBI Federal), a joint venture life insurance company was incorporated on January 22, 2007 under the Companies Act. It was formed in association with Ageas Insurance International (Ageas) and Federal Bank Ltd (Federal Bank) with shareholding of 48% by IDBI Bank and 26% each, by Federal Bank and Ageas. IDBI Federal 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 December 19, 2007.

IDBI Federal is one of India's growing life insurance companies and offers a diverse range of wealth management, protection and retirement solutions to individual and corporate customers.

The company continues to bring in new products for individual and group customers. With new products launched, the product portfolio offers a balanced mix of financial protection, savings and market linked investment plans for customers' diverse needs across different life-stages. 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 has banc assurance partnerships with IDBI Bank and Federal Bank. IDBI Federal also distributes its products through its own network of agents. IDBI Federal's network comprises of 65 branches across the country with over 14,395 advisors. Through a nationwide network of 3,100 branches of IDBI Bank and Federal Bank and a sizeable network of advisors and partners, IDBI Federal Life Insurance has achieved presence across the length and breadth of the country.

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

(₹ in Crore)

	As of 31st March		
	2017	2018	2019
Paid up Capital	800.00	800.00	800.00
Credit/(Debit) Fair Value Change Account	0.03	-1.70	0.23
Reserves & Surplus	0.00	0.00	112.62
Policy Liabilities	3629.73	4485.92	5538.17
Provision for Linked Liabilities	1901.29	2311.70	2666.89
Funds for Discontinued Liabilities	24.90	41.12	80.80
Funds for Future Appropriation	-	38.74	27.29
Total Liabilities	6355.95	7675.78	9226.00
Investment	3937.53	4911.06	6016.36
Assets held to cover Linked Liabilities	1926.19	2352.82	2747.70
Net Fixed Assets	147.05	143.83	137.48
Net Current Assets	224.08	247.91	324.46
Debit Balance in Profit & Loss Account	121.09	20.15	0
Total Assets	6355.95	7675.78	9226.00

Profit & Loss Account

	Financial Year ended March 31		
	2017	2018	2019
Net Premium Earned	1,553.96	1772.17	1918.49
Operating Expenses*	257.9	271.7	301.52
Contribution from Shareholder Account	2.2	-	-
Profit/(Loss) after Tax	52.06	100.94	132.77
Assets under Management	6,090.00	7,503.00	9107.00

* Operating expenses are Expenses related to insurance business as shown in Revenue Account and thus exclude expenses other than those related to the insurance business (Inclusive of Service tax / GST on charges)

Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last three years immediately preceding the year of circulation of the Offer Letter in case of subsidiaries of Bank. 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 all of its subsidiaries of Bank. – NIL

T. Key Managerial Personnel as on January 15, 2020

Sr.No.	Name, Designation, Age & Qualifications	Address	Associated with Issuer since
1.	Shri Rakesh Sharma, Designation: MD & CEO Age: 61 Qualification: Post Graduate in Economics, CAIIB DIN : 06846594	IDBI Bank Limited, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai- 400005	October 10, 2018
2.	Shri Samuel Joseph Jebaraj Designation: DMD, Age: 51 Qualification: BE (Hons), MBA DIN: 02262530	IDBI Bank Limited, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai- 400005	September 20, 2019
3.	Shri Suresh Kishinchand Khatanhar Designation: DMD, Age: 56 Qualification: M. Com, ICWA, CAIIB DIN: 03022106	IDBI Bank Limited, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai- 400005	January 15, 2020
4.	Shri Ajay Sharma, Designation: CFO & ED, Age: 58 Qualification:M.Com., MBA, ICWAI (Inter), CAIIB	IDBI Bank Limited, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai- 400005	July 3, 2017
5.	Shri Pawan Agrawal, Designation: Company Secretary, Age: 57 Qualification: B.Com., FCS	IDBI Bank Limited, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai- 400005	May 18, 2011

V. DISCLOSURES 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 Issue 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, Life Insurance Corporation of India (Promoter with Management control) and Government of India (Co-Promoter without Management control), hold 51% (fifty one percent) and 47.11% (forty six point four six percent) of shares of the Bank respectively ("**Promoters**").

(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 the Bank.

ii. Details of any litigation or legal action pending or taken by any Ministry or Department of the Government of India or a statutory authority against any promoter of the Bank 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.

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

Remuneration and perquisites of the Managing Director ("MD") & Chief Executive Officer ("CEO") and Deputy Managing Directors ("DMD") who are appointed by Government of India were also fixed by Government of India. Post acquisition of 51% controlling stake by LIC, remuneration and perquisites of the MD & CEO and DMDs are approved by RBI as per Section 35B of the Banking Regulation Act, 1949. The details of remuneration paid to MD & CEO and DMD are given in the following Table:

Elements of Remuneration of MD, CEO and DMD:

Salary & Allowances	FY 2018-19	FY 2017-18	FY 2016-17
(As per Govt. Orders/ RBI approval as applicable)	Shri Rakesh Sharma, MD & CEO – Pay ₹ 2,24,400/- p.m. and applicable DA (presently 9%) ₹ 20,196/- Total ₹ 2,44,596/- Shri K. P Nair, DMD - Pay ₹ 1,87,600/- p.m. and DA @ 9% ₹ 16,884/- Total ₹ 2,04,484/-. Shri G. M. Yadwadkar, DMD - Pay ₹ 1,87,600/- p.m. and DA @ 9% ₹ 16,884/- Total ₹ 2,04,484/-.	Shri Mahesh Kumar Jain, MD & CEO - Pay ₹ 2,17,900/- p.m. and DA @ 5% ₹ 10,895/- Total ₹ 2,28,795/-. Shri K. P Nair, DMD - Pay ₹ 1,82,100/- p.m. and DA @ 5% ₹9,105/- Total ₹ 1,91.205/-. Shri G. M. Yadwadkar, DMD - Pay ₹ 1,82,100/- p.m. and DA @ 5% ₹ 9,105/- Total ₹ 1,91,205/-.	Shri Kishor Kharat, MD & CEO [w.e.f 14.08.15] - Pay ₹ 2,05,400/- p.m. and DA @ 2% ₹ 4,108/- Total ₹ 2,09,508/-. Shri K. P. Nair, DMD [w.e.f.15.09.16]- Pay ₹ 1,76,800/- p.m. and DA @ 2% ₹ 3,536/- Total ₹ 1,80,336/-. Shri G. M. Yadwadkar, DMD [w.e.f. 15.09.16] – Pay ₹ 1,76,800/- p.m. and DA @ 2% ₹ 3,536/- Total ₹ 1,80,336/-. Shri B. K. Batra, DMD [till 31.07.16] - Pay ₹ 71,030/- p.m. and DA @ 125% ₹88,787.5/ Total ₹1,59,817.5/-.
Current Salary & Allowances (As per RBI approval): **FY 2019-20**	Shri Rakesh Sharma, MD & CEO – Pay ₹ 2,24,400/- p.m. and applicable DA (presently 9%) ₹ 20,196/- Total ₹ 2,44,596/- Shri Samuel Joseph Jebaraj, DMD - Pay ₹ 1,87,600/- p.m. and DA @ 9% ₹ 16,884/- Total ₹ 2,04,484/-. Shri Suresh Kishinchand Khatanhar, DMD - Pay ₹ 1,87,600/- p.m. and DA @ 9% ₹ 16,884/- Total ₹ 2,04,484/-.		
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.		

Salary & Allowances	FY 2018-19	FY 2017-18	FY 2016-17
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 MD & CEO/DMD.		
Tenure:	Shri Rakesh Sharma – Earlier appointed as MD & CEO vide Government of India’s Notification F.No.4/2/2015-BO.I dated October 05, 2018 for a period of six months with effect from the date of assumption of office or until further orders, whichever is earlier. Shri Rakesh Sharma assumed the charge as MD & CEO of IDBI Bank w.e.f. October 10, 2018. Consequent upon the acquisition of 51% controlling stake, LIC, vide its letter dated January 18, 2019, conveyed that Shri Rakesh Sharma will continue as MD & CEO till such time as LIC makes fresh nomination of MD & CEO on the Board of IDBI Bank. Subsequently, LIC, vide its letter dated February 13, 2019 nominated Shri Rakesh Sharma as MD & CEO of IDBI Bank for the fresh term of 3 years, under Article 116(1)(ii) of the Articles of Association of the Bank. The Board approved the appointment of Shri Rakesh Sharma w.e.f. March 19, 2019 after receipt of RBI approval. The approval of shareholders was obtained at the 15th AGM of the Bank held on August 20, 2019. Shri Samuel Joseph Jebaraj - Appointed as DMD by the Board at its meeting held on September 19, 2019 for a period of 3 years w.e.f. the date of taking over the charge of the post on such remuneration and terms & conditions as specified in the RBI letter dated September 4, 2019. Shri Suresh Kishinchand Khatanhar - Appointed as DMD by the Board at its meeting held on January 15, 2020 for a period of 3 years w.e.f. the date of taking over the charge of the post on such remuneration and terms & conditions as specified in the RBI letter dated January 9, 2020.		

There have been no pecuniary relationships/transactions of non-executive directors. All the Non-Executive Directors except Government Nominee Directors were paid only the sitting fees for each Board/ Committee Meeting attended by them. The rates of sitting fees were revised from ₹ 20,000/- per meeting of the Board, the EC and the ACB and ₹ 10,000/- per meeting for other Board committee meetings to ₹ 40,000/- per meeting of Board [plus ₹ 10,000/- per meeting for chairing the meetings] and ₹ 20,000/- per meeting of all Board committee meetings [plus ₹ 5,000/- per meeting for chairing the meetings] w.e.f. February 25, 2019. Apart from the remuneration to MD & CEO and DMDs and sitting fees to the Non-Executive Directors as above, no other remuneration was paid to the Directors, except the expenditure upon their travel, stay and transport incurred by them for attending the meetings.

Details of Sitting Fees paid to Non-Executive Directors during last three financial years are as under:

FY 2019-20 (till 31.12.19)		FY 2018-19		FY 2017-18		FY 2016-17	
Name of the Director	**Sitting fees paid (₹)**	**Name of the Director**	**Sitting fees paid for FY 2018-19 (₹)**	**Name of the Director**	**Sitting fees paid for FY 2017-18 (₹)**	**Name of the Director**	**Sitting fees paid for FY 2016-17 (₹)**
Shri M R Kumar	2,00,000	Shri S. Ravi (upto 12.05.2018)	90,000	Shri S. Ravi	14,00,000	Shri S. Ravi	13,40,000
Shri Gyan Prakash Joshi	9,35,000	Shri Ninad Karpe (upto 11.05.2018)	50,000	Shri Ninad Karpe	11,60,000	Shri Ninad Karpe	12,35,000
Dr. Ashima Goyal	7,55,000	Shri Gyan Prakash Joshi	11,70,000	Shri Gyan Prakash Joshi	8,60,000	Shri Pankaj Vats	5,40,000
Shri B. B. Joshi	8,70,000	Dr. Ashima Goyal	6,85,000	Dr. Ashima Goyal (w.e.f. 28.04.2017)	5,50,000	Shri Gyan Prakash Joshi	6,70,000
Shri Samaresh Parida	8,65,000	Shri B. B. Joshi	13,55,000	Shri Bhuwanchandra B. Joshi (w.e.f. 09.10.2017)	2,00,000	Ms. Neeru Abrol (w.e.f. 29.07.2016)	3,20,000
Shri N. Jambunathan	9,15,000	Shri Samaresh Parida (w.e.f. -19.05.2018)	6,80,000	Ms. Neeru Abrol (upto 18.07.2017)	1,90,000		
Shri Rajesh Kandwal	7,00,000	Shri N. Jambunathan (w.e.f. -19.05.2018)	9,90,000				
Shri Deepak Singhal	10,05,000	Shri Rajesh Kandwal (w.e.f. – 21.01.2019)	1,40,000				
Shri Sanjay Kallapur	8,20,000	Shri Deepak Singhal (w.e.f. – 28.02.2019)	80,000				
		Shri Sanjay Kallapur (w.e.f. – 05.03.2019)	40,000				

iv. Related Party Transactions

a. Subsidiaries:

IDBI Capital Market Services Limited

IDBI Intech Limited

IDBI MF Trustee Company Limited

IDBI Asset Management Company Limited

IDBI Trusteeship Services Limited

b. Jointly controlled entity:

IDBI Federal Life Insurance Company Limited

c. Key Management personnel of the Bank :

Shri Rakesh Sharma, MD & CEO (w.e.f. October 10, 2018)

Shri Samuel Josheph, DMD (w.e.f. September 20, 2019)

Shri Suresh Khatanhar, DMD (w.e.f. January 15, 2020)

Shri Ajay Sharma, CFO & ED (w.e.f. July 3, 2017)

Shri Pawan Agrawal, Company Secretary (w.e.f. May 18, 2011)

d. Parties with whom transactions 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 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:

Particulars	Total		
	2018-19 *	2017-18 **	2016-17
Deposits Received	357.02	6	6.08
Other Liabilities/ Deposits O/s	557.80	44.52	38.60
Maximum amount of deposits outstanding during the year	810.71	44.59	38.60
Investments	700.57	384.00	384.00
Advances given	0.86	0.00	0.00
Advances outstanding	-	0.00	0.00
Maximum amount of advance due during the year	0.86	0.00	0.00
Interest paid on advances	0.00	0.00	0.00
Interest accrued on advances	-	0.00	0.00
Interest on Deposits	6.51	5.37	5.11
Remuneration	1.53	0.00	0.00
Other Expenditure	61.26	0.00	0.00
Other income	55.31	62.60	60.24
Share of profit/-loss during the year	149.25	48.45	24.99

* For FY 2018-19, Our Bank's status has changed to Non State Controlled Enterprises. Figures include promoter/Holding company, Subsidiaries, JV, Associates & Key Management personnel.

** For FY 2017-18 & FY 2016-17 figures includes only Joint Venture (IDBI Federal Life Insurance Co Ltd.

v. Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of issue 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, 2013 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:**

Name of the Authority	Description	No. of Instances	Amount (₹ lakhs)
RBI	Total amount of all penalties/compensation levied by RBI during the period pertaining to Income Recognition and Asset Classification (IRAC) norms, Non Compliance of KYC/AML guidelines prescribed by RBI, Non implementation of additional layer of Approval for transactions exceeding a particularly internally decided threshold as per RBI directions dated February 20,2018.	3	420.00
Banking Ombudsman	Total amount of all penalties/compensation levied by Banking Ombudsman during the period pertaining Non Receipt of Original property documents ATM disputes, loss of cheque in transit etc.	30	18.93
RBI(Currency Chest related)	Total amount of all penalties levied by RBI during the period pertaining to currency chests on account of (i) Soiled Notes (ii) Shortage of cash (iii) Counterfeit Notes etc.	42	3.54

The RBI and SEBI have taken action against the Bank as under:

(1) RBI related:

a. During FY 2005-06, RBI levied a penalty of ₹5 lakh for non-adherence to Know Your Customer ("**KYC**") norms.

b. During FY 2006-07, RBI levied a penalty of ₹5 lakh for not adhering to norms relating to KYC and IPO financing.

c. During FY 2013-14, RBI levied a penalty of ₹10 million for violation of RBI instructions on KYC and AML guidelines.

d. RBI has levied a penalty of ₹15 lakh for violation of the provisions of Banking Regulation Act, 1949 in respect of Deccan Chronicle Holdings Limited vide its order dated July 25, 2014.

e. During FY2018-19 Reserve Bank of India had imposed penalty of (i) ₹ 3 crore on the Bank for non-compliance with the directions issued by RBI on Income Recognition and Asset Classification (IRAC) norms on April 9,2018, (ii) ₹ 20 lakh for non-compliance with regulatory directions of RBI on Know Your Customer (KYC)/ Anti Money Laundering (AML) standards on February 4, 2019 and (iii) ₹ 1 crore for contravention of regulatory directions of RBI on time bound implementation and strengthening of SWIFT related operational controls on February 25, 2019.

(2) SEBI related

a. Issues inherited from erstwhile IDBI Bank Limited since merged with the Bank (formerly Industrial Development Bank of India Limited)

During the period 2003-05, SEBI investigated into the irregularities in the IPOs of Infrastructure Development Finance Company ("**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 Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") passed an ex-parte interim order dated April 27, 2006 and issued directions, prohibiting them from dealing in the securities market till further orders and not to open fresh DEMAT accounts. The Bank made written submissions and requested SEBI to vacate the show cause notice ("**SCN**"). Based on submissions, SEBI on June 28, 2006 vacated the SCNShow Cause Notice and permitted the 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. The 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 November 21, 2006, imposed the disgorgement liabilities on joint & several basis on NSDL and its DPs including the Bank to the tune of ₹ 90,02,18,451.80 (Rupees Ninety Crores Two Lakhs Eighteen Thousand Four Hundred Fifty One And Eight Paise) (the Bank's share was to the extent of ₹ 85,88,825.28 (Rupees Eighty Five Lakhs Eighty Eight Thousand Eight Hundred Twenty Five and Twenty Eight Paise). The Bank preferred an appeal under section 15T of SEBI Act with Securities Appellate Tribunal ("**SAT**") for quashing and setting aside the same, which was initially heard on January 11, 2007 when SAT stayed the operation. Final hearing took place on November 22, 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.

b. Issues inherited from erstwhile United Western Bank Limited ("**eUWB**") since merged with the Bank (formerly Industrial Development Bank of India Limited)

On December 13, 2004, eUWB received a SCN from SEBI with respect to its Vile Parle branch proposing the issuance of a warning for the alleged violation of SEBI (Bankers to Issue) Regulations, 1994. The violation occurred in the course of the public issue of M/s. Anik Ship Breaking Company Limited and consisted of the alleged debiting of certain stockinvests into an account other than to the specific deposit account indicated in the stockinvests. The said SCN has been duly replied on December 30, 2004 and eUWB had sought exoneration on the grounds that the account to which the stock invests were debited were related to the deposit account, which was indicated and there was no mala-fide intention on the part of eUWB. SEBI on May 25, 2009 passed final order advising the Bank to be careful and cautious in the conduct of its business as a banker to an issue and adhere to and comply with all relevant statutory provisions while carrying out intermediation activities in the securities markets.

c. Issues related to acquisition of equity shares of Welspun India Limited ("**WIL**") by the Bank

The Bank had acquired 50 lakh number of equity shares of WIL on April 22, 2010 through the Qualified Institutional Placement ("**QIP**") route, resulting in acquiring 5.64% (five point six four percent) of the company's then paid up capital. In terms of SEBI's Takeover & Prohibition of Insider Trading ("**PIT**") Regulations, the 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 April 27, 2010, while KSE claimed that it had not received any disclosure notice. The 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 the 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 1 (one) day in receipt of the disclosure notices by BSE & NSE and has imposed a penalty of ₹2,00,000/- (Rupees Two Lakhs) vide its order dated February 26, 2014 on the Bank in the matter.

There are no restrictions whatsoever on the operations of the Bank imposed either by any court of law or by any regulatory, statutory or supervisory authorities.

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

There are 15 fraud cases with involved amount of ₹50 crore and above aggregating total amount of ₹2897.88 crore which were reported by Bank to RBI during the period 01.04.2016 to 31.03.2019.

Brief details of these cases are as under:

a) Borrower was sanctioned various facilities (Term loan and Working Capital Loan) amounting to ₹295.99 crore and the business relations were satisfactory till June 2010. Due to deterioration of the company's financial performance the account was downgraded in September 2013 with retrospective effect from 05.08.2010. Forensic audit of the accounts of the company was carried out which pointed out irregularities mainly pertaining to accounting entries. The findings of Forensic Audit report highlight that the type and nature of transactions entered into and the accounting treatment of assets by the company seems to be fraudulent. The fraud amount involved is ₹234.73 crore.

b) Borrower was enjoying Working Capital facilities with IDBI Bank since 2012 under consortium arrangement. IDBI Bank categorized the account as Red Flag on 18.11.2016. Forensic Auditor was appointed by the consortium on 26.10.2016 which pointed out diversion of funds, misappropriation and mis-representation of facts, fake invoices/lorry receipts, etc. A lenders meet was held by lead bank on 31.07.2018, wherein it was informed to the members that the lead bank had categorized the account as fraud on 24.07.2018. Based on the outcome of the lenders meet, individual banks were advised to take the matter with their respective authorities for declaring the account as fraud. The fraud amount involved is ₹73.57 crore.

c) The company was initially sanctioned a Term Loan of ₹1 crore in November 2005 for setting up a passenger car dealership. The company did not avail the full limit and prepaid ₹0.50 crore with prepayment premium. In February 2006, the company was sanctioned Cash Credit limit of ₹3 crore. In March 2006, the borrower was also sanctioned an adhoc limit of ₹2 crore. In September 2009, limit was enhanced to ₹45 crore and further to ₹55 crore in August 2010. As the company was unable to pay and continue the limits due to drop in margins and lower sales, a restructuring proposal was sanctioned in September 2012. However, borrower failed to honor its liabilities under this restructured package and the account was downgraded to NPA on 29.01.2014. During the course of investigation, it was found that the company submitted forged financial statements to the Bank during FY 2010, FY 2011 and FY 2012. The fraud amount involved is ₹58.54 crore.

d) Company was sanctioned working capital facilities to the extent of ₹35 crore in September 2009 under consortium banking arrangement. The limits were renewed in October 2010 and enhanced to ₹75 crore. Subsequently, additional limits of ₹35 crore were sanctioned in June 2011. On account of delay in realization of receivables from its principal contractors / employers, the company started defaulting in meeting its repayment obligation to the lenders. Other lenders have filed separate cases with CBI. In view of this, and taking cognizance of the stock audit report for the period ended 31.08.2012, it appeared that there was diversion of funds by the company with malafide and fraudulent intention. The fraud amount involved is ₹61.32 crore.

e) IDBI Bank had sanctioned Working Capital facilities aggregating ₹730 crore to the company under consortium banking arrangement. Company was engaged in production of edible oils, vanaspati and processing of other agri-products. The company and edible oil industry at large, faced international economic downturn coupled with fall in commodity prices during FY2015 – FY2016. In order to offset lower exports in soya meal and lecithin, the company ventured into castor trading business. The unexpected steep fall and sustained low prices of castor, unfavourable global demand factors and market environment adversely impacted the performance of the company's castor business and significantly contributed to the adverse performance of the company. The company suffered substantial losses on account of sale of inventories at low rates and mark-to-market losses in the year ended 31.03.2016. Forensic auditors have observed that company had taken substantial exposure to 56 companies which were identified as Connected Parties of the company and found that transactions entered into with these companies were questionable. The fraud amount involved is ₹464.97 crore.

f) Company procured its working capital from a consortium of banks and long term funds through multiple banking arrangements. IDBI Bank had sanctioned Working Capital facilities of ₹58.46 crore to the company. After the account became NPA on 31.03.2015, Special Investigative Audit (SIA) was got conducted by the lead bank, which pointed out irregularities viz. manipulation of financial statements and potential linkages amongst vendors and companies' directors and key management personnel. The fraud amount involved is ₹52.40 crore.

g) Company was primarily engaged in the manufacture of handcrafted gold & fusion jewellery. IDBI Bank had sanctioned Working Capital facilities of ₹100 crore on 24.02.2009 to the company under consortium banking arrangement, which were renewed from time to time and last renewal was for ₹77.52 crore on 28.03.2014. The company had suddenly declared net loss ₹1048 crore in Quarter 2 of FY 2014 and the account was classified as NPA on 30.01.2014. The lead bank appointed forensic auditor who submitted its report on 18.03.2014. The report did not clearly indicate any element of fraud or any misdeed or any criminal breach of law. The lead bank in July 2015 requested CBI to carry out further investigation to ascertain the fraud angle as certain suspicious transactions were observed. CBI, vide its letter dated 29.12.2015 confirmed diversion of funds and fraudulent transactions. The fraud amount involved is ₹78.34 crore.

h) Company has availed working capital facilities from a consortium of lenders. IDBI Bank sanctioned aggregate assistance of ₹250 crore to company consisting of working capital facility, term loans and Vendor Bill discounting facility. Due to irregular cash flows to meet its debt obligations the account turned NPA on 01.05.2016. Special investigation was carried out on the basis of which the account was classified as Red Flagged account on 18.11.2016. Meanwhile, RBI letter was received on 27.12.2016 to investigate the operations in the account for fraud. Based on the forensic audit report dated 24.10.2017, major discrepancies were observed in the functioning and presentation of financial statements of the company and account was declared as fraud. The fraud amount involved is ₹183.17 crore.

i) Working Capital limit of ₹295 crore was sanctioned to company on 12.01.2010 by IDBI Bank under consortium banking arrangement, which was subsequently increased to ₹559.75 crore. Account turned NPA on 31.12.2015. Subsequently, Forensic Auditor was appointed in March 2016, and the forensic audit report which revealed that Company had diverted funds to its associate companies. The fraud amount involved is ₹451.26 crore.

j) Borrowers availed Fish Tank loans aggregating ₹114.87 crore (140 accounts), during FY 2010 and FY 2011. All the Fish Tank loans were sanctioned on individual names. The accounts turned NPA during the years 2014-16. During that period in some other fish tank loans, it was observed that there was no primary activity/fish cultivation. Accordingly, Bank conducted a review and internal investigation of the entire fish tank loan portfolio which revealed that the loans were availed by providing fake / fabricated documents. On checking of survey numbers, it was observed that the owners' names for the given survey numbers were not matching. The fraud amount involved is ₹116.20 crore.

k) Company was sanctioned cash credit facilities amounting to ₹70.20 crore in the year 2008 by IDBI Bank under consortium banking arrangement. In view of liquidity problems faced by the company during FY2013 & FY2014, a restructuring package under the Corporate Debt Restructuring mechanism was granted on 27.11.2014. The company was not able to come out of the liquidity problems even after implementation of the restructuring package and its account turned NPA with the lead bank on 31.03.2016. On 08.09.2016, the lead bank informed that they had received a letter dated 09.04.2016 from Customs Department that about 330 bills were suspected to be forged. It was decided to conduct a forensic audit of the transactions of the company. The Forensic Audit report identified some transactions with related/third parties and 330 export bills discounted through lead bank were suspected to be fraud. Although as per forensic audit, no specific incident of fraudulent transactions routed through IDBI Bank was detected, as per RBI guidelines, since 83.87% lenders had consented to declare the account as fraud, the account was declared as fraud by IDBI Bank. The fraud amount involved is ₹112.60 crore.

l) Company was sanctioned working capital facilities of ₹20 crore on 05.06.2007 and External Commercial Borrowing assistance of USD 6 million (₹27 crore approximately.) on 27.01.2011 under consortium banking arrangement. As company was facing liquidity constraints in FY2013, it approached banks for restructuring of its liabilities. A restructuring package was approved under Corporate Debt Restructuring mechanism on 07.03.2013. Despite restructuring, the company continued to face liquidity problems and restructuring package failed. CBI carried out a preliminary enquiry in the account to verify disbursement sanctioned by another consortium bank. CBI report dated 28.01. 2016 revealed that disbursements aggregating to ₹8.84 crore were paid to equipment suppliers which were fictitious and non-existent companies. The fraud amount involved is ₹68.69 crore.

m) Company was engaged in the manufacture of various products in pharmaceutical sector. IDBI Bank had sanctioned financial assistance (Term loan and Working Capital facilities) of ₹114 crore to the company under consortium banking arrangement. A restructuring package under Corporate Debt Restructuring mechanism was granted to the company on 31.12.2012. However, promoters contribution was not infused. The lead bank got forensic audit of the account conducted and, based on the findings, declared the account as fraud on account of siphoning and diversion of funds by the company and lodged an FIR with CBI. Following this, RBI vide its letter dated 25.05.2015 advised IDBI Bank to classify the account as Red Flagged Account. Bank decided to declare the account of company as fraud. The fraud amount involved is ₹64.78 crore.

n) In October 2009, company was sanctioned a short term loan of ₹150 crore for a period of 6 months to meet critical obligations to overseas vendors and other service providers. Subsequently, in November 2009, Bank sanctioned Corporate Loan of ₹750 crore to the company for meeting pressing creditors. Company was irregular in servicing interest on both the loans. In view of this, Bank recalled its loans on 13.05 2010. After issue of recall notice, company repaid the short term loan of ₹150 crore. However, it continued to default in servicing the Corporate Loan of ₹750 crore. During December 2010, a consortium of 17 Banks restructured their loans. As part of the restructuring package, an additional term loan of ₹920 crore (IDBI Banks share of ₹110.92 crore) was also sanctioned. Post restructuring, the company posted a net loss of ₹1176 crore during 9 months period ended December 2011. The account was classified as NPA with effect from 30.09.2010. On 12.02.2013, the lenders decided to initiate legal action against the company and its guarantors. Both CBI and ED have registered suo moto complaint against company. Bank declared account as fraud in line with the extant RBI guidelines. The fraud amount involved is ₹808 crore.

o) Fish Tank loans of ₹69.46 crore (87 accounts) were sanctioned by branches during FY 2011 and FY 2012. It was observed that guarantors, committed fraud by creating and submitting fake, unregistered lease documents of lands belonging to Government forests, showing Fish tank activities in such lands and availing loans with the help of such fake documents. The disbursed amount was misappropriated for purposes other than fish cultivation by transferring the amounts to savings account of one of the guarantors. There is possible connivance with the valuers for providing aggressive valuation report of collateral properties as the collateral properties are seen devalued by 66%. Fake/fraudulent high net-worth statement of borrowers were provided to justify higher quantum of loans. The fraud amount involved is ₹69.31crore.

For all the above cases necessary action including filing of police / CBI complaints and recovery of amount is being taken in terms of the regulatory guidelines.

VI. ISSUE DETAILS

A. Date of passing of board resolution authorizing the offer of Bonds

March 19, 2019

B. Date of passing of resolution in the general meeting, authorizing the offer of Bonds

Not Applicable

C. 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.

D. Price at which the Bonds are being offered including the premium, if any, along with justification of the price:

₹10,00,000 (Rupees Ten Lakhs Only) per Bond to be offered at par, with no premium

E. Name and address of the valuer who performed valuation of the Bonds

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

F. Amount intended to be raised by way of proposed offer of Bonds

₹ 500 Crore through private placement with an option to retain over-subscription up to ₹ 1000 crore.

G. Terms of raising Bonds

Unsecured, Non-convertible, Redeemable, Subordinated RBI Basel III compliant Tier 2 Bonds in dematerialized form for inclusion in Tier 2 capital of the Bank.

H. Relevant date with reference to which the price has been arrived at

Not applicable

I. The class or classes of persons to whom the allotment is proposed to be made

To be determined on the Deemed Date of Allotment

J. Intention of promoters/directors or key managerial personnel to subscribe to the Issue

Not applicable

K. Change in control, if any, in the Bank that would occur consequent to the Issue

Not applicable

L. Number of persons to whom allotment on preferential basis/private placement/rights issue has already been made during the year in terms of number of securities as well as price

Not applicable

M. The justification for the allotment proposed to be made for consideration other than in cash together with the valuation report of the registered valuer

Not applicable

N. 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 and as amended from time to time. 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.

O. Paid-in status

Fully paid-in.

P. Amount

₹ 500 crore (Rupees Five Hundred Crore Only) with an option to retain over-subscription up to ₹ 1000 crore (Rupees One Thousand Crore Only)

Q. Maturity period

The maturity period of the bonds shall be 10 (ten) years and there are no step-ups or other incentives to redeem.

R. Discount

The Bonds shall be subjected to a progressive discount for capital adequacy purposes of the Bank in accordance with the RBI Basel III Guidelines.

S. Rate of Interest

The Bonds are being issued with a fixed rate of interest. For the Bond issuance, a fixed rate of interest as given in the Summary Term Sheet would be applicable.

T. 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 5 (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 the Bank demonstrates to RBI that its capital position is well above the minimum capital requirements after the call option is exercised.

U. Loss Absorption Features

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

V. Status of Bondholders/Seniority of Claim

The claims in respect of the Bonds will rank:

a. superior to the claims of investors in instruments eligible for inclusion in Tier 1 capital;

b. 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;

c. 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;

d. paripassu without preference amongst themselves and other debt instruments classifying as Tier 2 Capital in terms of Basel III Guidelines; and 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.

W. Purchase/ funding of the Bonds by the Bank

Neither the Bank nor any related party over which the Bank exercises control or significant influence (as defined under relevant Ind AS) 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.

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

1. 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**") stipulated below.

2. PONV Trigger

   The PONV Trigger event is the earlier of:

   a. a decision that a full and 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 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. As such, the contractual terms and conditions of the Bonds shall not provide for any residual claims on the Issuer which are senior to ordinary shares of the Bank, following a PONV Trigger Event and when write-off is undertaken.

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

A Non-Viable Bank

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 permanent write-off in combination with or without other measures as considered appropriate by the RBI.

Restoring Viability

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.

Y. Minimum Subscription

1 (One) Bond and in multiples of 1(one) Bond thereafter.

Z. Face Value, Issue Price, Effective Yield for Bondholders

Each Bond has a face value of ₹10,00,000 (Rupees Ten Lakhs Only) and is issued at par i.e. for ₹10,00,000 (Rupees Ten Lakhs Only). The effective yield for the investors shall be the same as the Coupon Rate on the Bonds.

AA. 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 RTGS for the full value of Bonds applied for.

Face Value per Bond	Minimum Application for	Amount Payable on Application per Bond
₹10,00,000/-	1 (One) Bond and in multiples of 1 (one) Bond thereafter	₹10,00,000/-

BB. Computation of Interest

Interest for each of the Interest Periods, including Interest on Application Money, shall be computed on a 365 (three hundred and sixty five) 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 (three hundred and sixty six) days-a-year basis i.e. Actual/Actual.

CC. 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/call option date of the Bond, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day with accrued interest till the date of redemption payment.

DD. 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 days to the due date/s of payment of interest or repayment of face value (both dates exclusive).

EE. Payment of Coupon

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

FF. Redemption of the Bonds

The Bonds will be redeemed on the date as mentioned under the head 'Date of Redemption' under key terms in the Summary 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 49 of the Summary Term Sheet. If the Bondholders fail to redeem their Bonds on the redemption date, the Bank shall not be liable to pay any interest or compensation beyond the date of redemption of the Bonds.

GG. Depository Arrangements

The Bank has entered into depository arrangements for dematerialization of Bonds with NSDL and CDSL. Investors will hold the Bonds in dematerialized form only and deal with the same as per the provisions of the Depositories Act. Investors should indicate the necessary details in the application form.

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

a. Tripartite agreement dated March 1, 2012 between the Bank, NSDL and the Registrar, KFin Technologies Pvt Ltd (Erstwhile Karvy Computershare Private Limited).

b. Tripartite agreement dated February 21, 2012 between the Bank, CDSL and the Registrar, KFin Technologies Pvt Ltd (Erstwhile Karvy Computershare Private Limited).

HH. Procedure for allotment of Bonds in Demat form

a. Bondholder(s) should have a beneficiary account with any DPs of NSDL or CDSL.

b. For allotment of Bonds in dematerialized form, the beneficiary account number and depository participants ID ("**DP 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.

c. 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 DPs.

d. 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 the Bank 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 the Bank.

e. Bondholders may please note that the Bonds in DEMAT form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL.

II. 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 to the Issue about the rightful owners of the Bonds for payment of interest and principal amount on due dates.

JJ. Tax Deduction at Source

As per clause (ix) of Section 193 of IT Act, 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, as amended. 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 IT Act at the time of credit or payment of interest on the Bonds. The interest income is taxable in the hands of the recipient.

KK. 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, tax on long term capital gain arising on transfer of listed securities will be 10% (ten percent) 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 IT Act.

Bondholders 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 IT Act.

LL. 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 Bondholder as mentioned and subject to the provisions of the IT Act.

MM. 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 the Bank and upon furnishing such indemnity, as may be deemed adequate and upon payment of any expenses incurred by the Bank in connection thereof, 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 Limited (Issue and Management of Bonds) Rules, 2004.

NN. 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% (fifty percent) in nominal value of the Bonds held and outstanding under the respective schemes from those present and voting.

OO. 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 Bond Trustee.

PP. 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 language national daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the Bank is situated. 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.

QQ. Register of Bondholders

The register of Bondholders containing necessary particulars will be maintained by the Bank/Registrar to the Issue at their registered office/ head office ("**Register of Bondholders**").

RR. Registrars

KFin Technologies Private Limited 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 Registrars at their address given below. All requests for registration of transfer along with appropriate documents should also be sent to the Registrars.

KFin Technologies Private Limited
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

SS. 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.

TT. 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 Bonds on time.

c. The Bank shall co-operate with the Rating Agencies in providing true and adequate information.

UU. How to apply

As per revised SEBI guidelines all private placement of debt securities are required to be made through Electronic Bidding Platform ("**EBP**") of stock exchanges. This being a private placement issue for ₹ Five Hundred Crores with an option to retain over subscription upto ₹ One Thousand Crores only, all the applicant have to place their respective Bids on EBP platform of BSE. All eligible investors should refer the operating guidelines for issuance of debt securities on private placement basis through an electronic book mechanism as available on the website of BSE.

a) Bidding Mechanism:

Bid Timings	• The placing of Bids/Orders by Participants will take place from 10:15 a.m. to 11:15 a.m. on dates specified in Summary Term Sheet. • The bidding window shall be open for the period as specified by the Bank in the bidding announcement / issue set-up. • Any change in bidding time and/ or date by the Bank shall be intimated to participants. • Bidding timing may be extended at Bank discretion only. • Bid entry can be done by entering coupon/ price in basis points i.e. rate/ price can be entered upto four decimal places.
Bid Modification	• Allowed during the bidding period • In last 10 minutes of the bidding period revision is allowed only to improve the coupon / yield and upward revision in terms of bid amount
Bid Cancellation	• Allowed during the bidding period • No cancellation of bids is permitted in the last 10 minutes of the bidding period
Multiple Bids	• Investors are permitted to place multiple bids on the EBP platform in line with EBP Guidelines vide SEBI EBP Circular. • However, Investors should refer to the Operational Guidelines prevailing as on the date of the bid.

Bank shall within one hour of close of bidding window accept or reject the bids. Once bids are accepted by the Bank provisional allocation will be made to eligible investors/bidders.

b) Issue Withdrawal:

Withdrawal of the Issue:	Bank, at its discretion, may withdraw from the issue process as per the following conditions: • Bank is unable to receive the bids up to base issue size. • Bidder has defaulted on payment towards the allotment, within stipulated timeframe, due to which the issuer is unable to fulfil the base issue size. • Cut off yield in the issue is higher than the estimated cut off yield disclosed to BSE BOND, where the base issue size is fully subscribed. In the event of the issue getting withdrawn due to the above conditions, the Issuer will initiate refund of the application money, if any, received from the investors on next day from the date of withdrawal of the issue i.e. on T+1 basis.
Restriction on usage	If the Bank has withdrawn the issue apart from any of the above

of any EBP:	conditions, the issuer will not be able to use any of the platforms provided by any EBP for the period of 7 (seven) days from the date of such withdrawal.

c) Funds Settlement Mechanism:

The participants must ensure transfer of the funds through NEFT/RTGS; to the designated Bank account of India Clearing Corporation Ltd ("**ICCL**") by 10.30 am on next day i.e. on T+1 basis where "T" being the date of bidding on electronic bidding platform of BSE i.e. BSE-Bond.

The designated bank accounts of ICCL are as under:

The designated Bank Account of ICCL	
Bank	**HDFC Bank Ltd**
Beneficiary Name	INDIAN CLEARING CORPORATION LIMITED
Account Number	ICCLEB
IFSC Code	HDFC0000060

The bidders, who have been provisionally allocated, shall remit the funds to above said ICCL account latest by 10.30 a.m. on T+1 date. Once the amount is remitted by all the bidders, the "FINAL ALLOCATION" will be made by the Bank.

The participants must ensure that funds transfer should be made from their same bank account which was updated by them in BSE Bond bidding platform (EBP) while placing the bids. In the event of mismatch in the bank account details between the one updated on bidding platform and the bank account from which payment is made by the participants, the payment would be rejected.

d) Security Settlement Mechanism:

On completion of final allocation, Bank shall request to the depositories through Registrar of the issue to execute the Credit Corporate Action ("**CCA**"). On receipt of confirmation from depositories for completing said CCA, the ICCL would remit the funds to the following designated account of the Bank.

Account Name	IDBI Bank Limited
Account Number	0126102000003230
IFSC Code	IBKL0000126
Address	IDBI Bank Ltd., IDBI Tower, Cuffe Parade, Mumbai – 400005
Narration	Application Money for " 9.50 % IDBI Omni Tier 2 Bond 2019-20 Series I"

e) Filling in Application Process:

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 completed 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. The original Applications Forms (along with all necessary documents as mentioned on point no "5" under section "Application process" of this Disclosure Document), Payment proof and other necessary documents should be sent to the Head Office of the Bank on the same day.

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 applicant's 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 PAN allotted under the IT Act 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.

VV. Proposed time schedule for which the Offer Letter is valid:

The time schedule for the offer is as follows:

Issue Opening Date: February 03, 2020

Issue Closing Date: February 03, 2020

Deemed Date of Allotment: February 03, 2020

WW. 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.

XX. 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.

YY. Principal terms of assets charged as security:

Not applicable as the Bonds issued are unsecured.

ZZ. The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Bank and its future operations:

Nil

AAA. Any default in annual filing of the Bank under the Companies Act, 2013 or the rules made thereunder.

Nil

BBB. Appointment of Bond Trustee.

The Bank has appointed the Bond 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 Bond 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 Bond Trustee in relation thereto. The Bond Trustee may refuse to take any action upon the instructions of the Bondholders under the trustee agreement unless suitably indemnified.

CCC. Events of Default

As specified in the Bond trust deed. It is clarified that any non-payment of interest and/or principal on account of Basel III Guidelines, loss absorbency and other events of the Summary Term Sheet shall not be deemed to be an event of default. The Bondholder(s) shall have no rights to accelerate the repayment of the future scheduled payments (coupon or principal) except in bankruptcy and liquidation of the Issuer.

DDD. 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 Paragraph 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 Paragraph 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

i. Letter appointing Registrar to the Issue and agreement entered into between the Bank and the Registrar to the Issue.

ii. Letter appointing Bond Trustee and Bond trust deed.

B. Documents

i. Board resolution dated March 19, 2019, authorizing issue of Bonds offered under terms of this Disclosure Document.

ii. 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 the Bank held on June 30, 2014.

iii. Letter of consent from the Bond Trustee for acting as trustees for and on behalf of the Bondholder(s).

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

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

vi. Letter from Rating Agencies conveying the credit rating for the Bonds.

vii. Tripartite agreement between the Bank, NSDL and Registrar to the Issue.

viii. Tripartite agreement between the Bank, CDSL and Registrar to the Issue.

EEE. Cash Flows for each bond of ₹10,00,000/- (Rupees Ten Lakhs) each with assuming Deemed date of allotment as February 03, 2020 & Coupon rate of 9.50% p.a. Payable annually

Scheduled Date	Day	Coupon (%)	No. of days in Coupon Period	Amount (in ₹)	Actual Date of Payment
Feb 3, 2021	Wednesday	9.50	366*	95,000	Feb 3, 2021
Feb 3, 2022	Thursday	9.50	365	95,000	Feb 3, 2022
Feb 3, 2023	Friday	9.50	365	95,000	Feb 3, 2023
Feb 3, 2024	Saturday	9.50	365	95,000	Feb 3, 2024
Feb 3, 2025	Monday	9.50	366*	95,000	Feb 3, 2025
Feb 3, 2026	Tuesday	9.50	365	95,000	Feb 3, 2026
Feb 3, 2027	Wednesday	9.50	365	95,000	Feb 3, 2027
Feb 3, 2028	Thursday	9.50	365	95,000	Feb 3, 2028
Feb 3, 2029	Saturday	9.50	366*	95,000	Feb 3, 2029
Feb 3, 2030	Sunday	9.50	364	94,740 #	Feb 2, 2030

** Effect of leap year*

 # Accrued coupon till the date of redemption i.e. February 2, 2030 would be paid (as February 3, 2030 being Sunday).

The above cash flows are given till the date of maturity. In case the call option is exercised by the Bank, there would not be any cash flows after the date of exercise of such call option.

FFF. Summary Term Sheet for the issue of Bonds (as defined below) pursuant to Basel III Guidelines

1.	Security Name	9.50% IDBI Omni Tier 2 Bond 2019-20 Series I
2.	Issuer	IDBI Bank Limited
3.	Issue Size	₹ 500 crore (Rupees Five Hundred Crore) with green shoe option to retain oversubscription up to ₹ 1000 Crore(Rupees One Thousand Crore)
4.	Option to retain oversubscription (amount)	The Bank can retain oversubscription up to ₹ 1000 Crore over and above the issue size of ₹ 500 Crores
5.	Objects of the Issue / Details of the utilization of the proceeds	Augmenting Tier 2 capital (as the term is defined in the RBI Basel III Guidelines) and overall 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 of Association and Articles of Association.
6.	Type of Instrument	Unsecured, subordinated, non-convertible, redeemable Basel III compliant bonds which will qualify as Tier 2 capital (as the term is defined in the Basel III Guidelines) (the "**Bonds**").
7.	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.
8.	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 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.
9.	Listing (including name of stock exchange(s) where it will be listed)	Proposed to be listed on the relevant debt segment of BSE/NSE.

10.	Tenor	Redeemable after 10 years from the deemed date of allotment
11.	Redemption / Maturity Date	February 03, 2030
12.	Face Value	₹10,00,000/- (Rupees Ten Lakh) per Bond
13.	Convertibility	Non-convertible
14.	Redemption Amount	Subject to Condition 49 of the Summary Term Sheet (Permanent principal write-down on PONV Trigger Event) the redemption amount would be ₹10,00,000/- per Bond.
15.	Redemption Premium / Discount	Not Applicable.
16.	Credit Rating of the Bonds	"CRISIL A+/Stable" (A plus with stable outlook) from CRISIL "CARE A+; Stable" (A plus; Outlook: Stable) from CARE
17.	Mode of Issue	Private placement.
18.	Type of Bidding	Closed
19.	Manner of Allotment	Uniform Yield
20.	Security (where applicable including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the Bondholders over and above the Coupon Rate, as specified in the Bond trust deed and disclosed in the Offer Document)	Unsecured.
21.	Coupon Rate	9.50% p.a.
22.	Step Up/Step Down Coupon Rate	Not Applicable
23.	Coupon Reset Process	Not Applicable.
24.	Coupon Type	Fixed.
25.	Coupon Payment Frequency	Coupon will be payable annually in arrear, subject to Condition 49 of the Summary Term Sheet (Permanent principal write-down on PONV Trigger Event).
26.	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.
27.	Interest on application money	Interest at the Coupon Rate (subject to deduction of Income-tax under the provisions of the IT Act, 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. TDS will be deducted at the applicable rate on Interest on application money.
28.	Issue Price	At par i.e. ₹ 10,00,000 (Rupees Ten Lakh Only) per Bond.
29.	Record Date	Reference date for payment of coupon or of principal which shall be the date falling 15 (fifteen) days prior to the relevant Coupon Payment Date, Issuer Call 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.
30.	Computation of Interest / Day Count Basis	Actual/ Actual.
31.	Put Option	No Put Option available.
32.	Put Date	Not applicable
33.	Put Price	Not applicable
34.	Put Notification Date	Not applicable
35.	Call Date	In accordance with Condition 37 of the Summary Term Sheet
36.	Call Price	Subject to Condition 49 of the Summary Term Sheet (Permanent principal write-down on PONV Trigger Event) the redemption amount would be ₹10,00,000 (Rupees Ten Lakh Only) per Bond.
37.	Call Option	
(i)	Issuer Call	The Issuer may at its sole discretion, subject to Condition 38 (Conditions for call) having been satisfied and having notified the Bond Trustee not less than 21 (twenty one) calendar days prior to the date of exercise of such Issuer Call (which notice shall specify the date fixed for exercise of the Issuer Call (the "**Issuer Call Date**"), may exercise a call on the outstanding Bonds. The Issuer Call, which is discretionary, may or may not be exercised on the 5^{th} (fifth) anniversary from the Deemed Date of Allotment i.e. the fifth Coupon Payment Date or on any Coupon Payment Date thereafter.

(ii)	Tax Call or Variation	If a Tax Event (as described below) has occurred and continuing, then the Issuer may, subject to Condition 38 (Conditions for call) having been satisfied and having notified the Bond Trustee not less than 21 (twenty one) 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.
(iii)	Regulatory Call or Variation	If a Regulatory Event (as described below) has occurred and continuing, then the Issuer may, subject to Condition 38 (Conditions for call) having been satisfied and having notified the Trustee not less than 21 (twenty one) 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.
(iv)	Call Notification Time	21 (twenty one) calendar days prior to the date of exercise of Call
38.	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 (Department of Banking Regulation) 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.
39.	Depository	NSDL and CDSL
40.	Events of Default	As specified in the Bond trust deed.

		It is clarified that any non-payment of interest and/or principal on account of Basel III Guidelines, loss absorbency and other events of the Summary Term Sheet shall not be deemed to be an event of default. The Bondholder shall have no rights to accelerate the repayment of the future scheduled payments (coupon or principal) except in bankruptcy and liquidation of the Issuer.
41.	Cross Default	Not Applicable
42.	Issuance mode	Only in dematerialized form
43.	Trading mode	Only in dematerialized form
44.	Issue Schedule : Bid Open/Close Date Issue Opening Date Issue Closing Date	 January 31, 2020 February 03, 2020 February 03, 2020
45.	Pay-In-Date	February 03, 2020
46.	Deemed Date of Allotment	February 03, 2020
47.	Minimum Application and in multiples of Debt securities thereafter	1 Bond and in multiples of 1 Bond thereafter
48.	Settlement	Payment of interest and repayment of principal shall be made by way of credit through direct credit/ NECS/ RTGS/ NEFT mechanism.
49.	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/co-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. 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 Bank goes into liquidation before instrument have been written-down, these instruments will absorb losses in accordance with the order of seniority indicated in the Disclosure Document and as per usual legal provisions governing priority of charges. If the Bank goes into liquidation after the instrument has been written-down, the holders of these instruments will have no claim on the proceeds of liquidation. 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. *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.* Criteria to Determine the PONV: The above framework will be invoked when the Bank is adjudged by RBI to be approaching the point of non viability, or has already reached the point of non-viability, but in the views of RBI: (i) there is a possibility that a timely intervention in form of capital support,

		with or without other supporting interventions, is likely to rescue the bank; and (ii) if left unattended, the weaknesses would inflict financial losses on the bank and, thus, cause decline in its common equity level. RBI would follow a two-stage approach to determine the non-viability of the Bank. The Stage 1 assessment would consist of purely objective and quantifiable criteria to indicate that there is a prima facie case of the Bank approaching non-viability and, therefore, a closer examination of the Issuer's financial situation is warranted. The Stage 2 assessment would consist of supplementary subjective criteria which, in conjunction with the Stage 1 information, would help in determining whether the Bank is about to become non-viable. These criteria would be evaluated together and not in isolation. Once the PONV is confirmed, the next step would be to decide whether rescue of the Bank would be through write-off alone or write-off in conjunction with a public sector injection of funds. The PONV Trigger Event will be evaluated both at consolidated and solo level and breach at either level will trigger write-off.
50.	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.
51.	Order of claim of Tier 2 instruments at the event of gone concern situation	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 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.
52.	Transaction Documents	The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the issue: Letter appointing Bond Trustees to the Bondholders. Bond trustee agreement; Bond trust deed; Rating agreement with Rating Agencies; Tripartite agreement between the Issuer, Registrar to the Issue and NSDL for issue of Bonds in dematerialized form; Tripartite agreement between the Issuer, Registrar to the Issue and CDSL for issue of Bonds in dematerialized form; Letter appointing Registrar to the Issue and agreement entered into between the Issuer and the Registrar. Listing Agreement with NSE & BSE.
53.	Conditions precedent to subscription of Bonds	The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following: Credit rating letter(s) from the aforesaid Rating Agencies not being more than 1 (one) month old from the Issue Opening Date; Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s);

		Letter to NSE & BSE for seeking its In-principle approval for listing and trading of Bonds.
54.	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 on T+1 day (Deemed Date of Allotment), where "T" being the date of bidding on electronic bidding platform of BSE i.e. BSE-Bond. (ii) Make listing application to NSE/BSE within 15 (fifteen) 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 Listing 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% (one per cent) per annum over the Coupon Rate commencing on the expiry of 30 (thirty) days from the Deemed Date of Allotment until the listing of the Bonds.) (iii) In case the Issuer fails to obtain listing permission, it shall refund through verifiable means the entire monies within 7 (seven) days of receipt of intimation from stock exchange, and if any such money is not repaid within 8^{th} day, Bank is liable to repay that money with interest @ 15% per annum. Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Disclosure Document.
55.	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.
56.	Business Day Convention	Should any of the dates, other than the Coupon Payment Date including the Deemed Date of Allotment, Issuer Call Date, Tax Call Date or Regulatory Call Date as defined in this Disclosure Document, 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.
57.	Re-capitalization	Nothing contained in this Summary Term Sheet or in any transaction documents shall hinder re-capitalization by the Issuer.
58.	Default Interest Rate	In case of default in payment of Coupon and/or principal redemption on the due dates, additional interest of 2% (two per cent) per annum over the Coupon Rate shall be payable by the Issuer for the defaulting period.

i. OTHER GENERAL TERMS

1.	Eligible Investors	a. Mutual Funds; b. Public Financial Institutions as defined under the Companies Act, 2013, as amended. 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; j. Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures, etc.; and 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 Tier 2 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.	Bond Trustee	SBICAP Trustee Company Ltd.
6.	Role and Responsibilities of Bond Trustee	The Bond Trustee shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Bond Trustee by the Bondholders and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Bond Trustee. The Bond Trustee shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Listing Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (to the extent such regulation apply to the Bonds), as amended from time to time, the Bond trust deed, the Bond trustee agreement, the Disclosure Document and all other related Transaction Documents, with due care, diligence and loyalty.
7.	Delay in execution of Bond trust deed	In case of delay in execution of Bond trust deed by the Issuer within the period stipulated in sub-regulation (1) of Regulation 15 of SEBI Listing Regulations, penal interest of 2% (two per cent) per annum over the Coupon

IDBI BANK

		Rate will be payable by the Issuer from the expiry of the stipulated time period for the execution of Bond trust deed till the time bond trust deed is executed.
8.	Registrar & Transfer Agents	M/s. KFin Technologies Private Limited

ii. LEAD ARRANGERS TO THE ISSUE

There is no arranger for the issue.

VII. DECLARATION:

a. The Bank has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

b. The compliance with the Companies 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 19, 2019 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made there under 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.

(Shri Christopher Jebakumar)
General Manager

Date: January 31, 2020

Place: Mumbai

Regd. Office:
IDBI Tower,
Mumbai-5
IDBI BANK LIMITED

Attachments:-
Copy of Board Resolution
Copy of Shareholders' Resolution

आईडीबीआई बैंक लिमिटेड
पंजीकृत कार्यालय : आईडीबीआई टॉवर,
डब्ल्यूटीसी कॉम्प्लेक्स, कफ परेड,
मुंबई - 400 005.
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फैक्स : (+91 22) 2218 0411
वेबसाइट : www.idbi.com

IDBI Bank Limited
Regd. Office : IDBI Tower,
WTC Complex, Cuffe Parade,
Mumbai - 400 005.
TEL.: (+91 22) 6655 3355, 2218 9111
FAX : (+91 22) 2218 0411
Website : www.idbi.com

Extracts from Minutes of 160th Meeting of the Board of Directors
held at 02.30 P.M. on Tuesday, March 19, 2019
in the Board Room, IDBI Tower, Cuffe Parade, Mumbai

1-II(i) Progress in Capital Infusion – Long Term Borrowing Plan for FY 2019-20

The Board deliberated on the Memorandum IBL. B.No.288/ 2018-19 dated March 05, 2019 seeking

(i) To consider and approve Rupee Bond borrowings limit of ₹ 4,000 crore to be borrowed in one or more tranches comprising of Basel III compliant Tier II Bonds and Senior Bonds (hereinafter referred as 'Rupee Bonds') by way of private placement during FY 2019-20.

(ii) To review and take note of long term foreign currency borrowing plan up to USD 500 mln during FY 2019-20 through bilateral loan/ MTN bonds.

After deliberations, the Board approved the proposal and passed the following resolutions :

"RESOLVED

That the contents of the Memorandum IBL.B.No.288/ 2018-19 dated March 05, 2019, be and are hereby noted and the Rupee Bond Borrowing limit of ₹ 4,000 crore for FY 2019-20 to be borrowed in one or more tranches comprising of Basel III compliant Tier II Bonds and Senior Bonds (not more than ₹ 1000 crore) by way of private placement during FY 2019-20, as contained in the Memorandum IBL.B.No.288/ 2018-19 dated March 05, 2019, be and is hereby approved."

"RESOLVED FURTHER

That the MD & CEO or in his absence Deputy Managing Director, be and is hereby authorized to finalize issue amounts, all the terms and conditions of individual tranches, including issuance of Rupee Bonds in dematerialized form, timing of issue, structure of instruments, interest

आईडीबीआई बैंक लि. IDBI BANK LTD. BOARD DEPT. प्रधान कार्यालय HEAD OFFICE rates, tenor of the bonds, fees/expenses to be incurred on the issue and appointment of Lead Arrangers/Co-Lead Arrangers."

"RESOLVED FURTHER

That the Executive Director, the Chief General Manager and the General Manager in charge of Domestic Resources Department be and are hereby authorized severally to finalize and file the Disclosure Document (including any updation thereof), on behalf of the Board of Directors, with Stock Exchanges for each individual tranche of Rupee Bonds issued in terms of aforesaid resolution and to carry out such other acts, deeds and things as may be required thereof including amending, varying, modifying the same as may be considered desirable or expedient and for the purpose aforesaid to give such undertakings, declarations, affidavits, certificates, consents, authorities as may be required from time to time for issuing and listing of bonds under the Borrowing Plan."

"RESOLVED FURTHER

That the Common Seal of the Bank, if required to be affixed on any agreement, undertaking, deed or other document or writings, the same be affixed in the presence of any two Directors or any one Director and Company Secretary or Authorised Personnel who shall sign the same in token thereof (in accordance with Section 165 (b) of Articles of Association of IDBI Bank Limited)."

सत्यापित सत्य प्रतिलिपि
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(पवन अग्रवाल/Pawan Agrawal)
म.प्र. एवं कं.स./GM & CS
आईडीबीआई बैंक लिमिटेड/IDBI Bank Limited
मुंबई/Mumbai

IDBI BANK
CIN: L65190MH2004GOI148838

आईडीबीआई बैंक लिमिटेड
पंजीकृत कार्यालय : आईडीबीआई टॉवर,
डब्ल्यूटीसी कॉम्प्लेक्स, कफ परेड,
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Explanatory Statement as required under Section 102 of the Companies Act, 2013 in respect of the special resolution under Section 180(1)(c) of the Companies Act, 2013, passed by the Shareholders at the 10th AGM held on June 30, 2014

Upon incorporation of IDBI Ltd. (presently IDBI Bank Ltd.) as a Govt. Company w.e.f September 27, 2004 under the Companies Act, 1956, a Special Resolution was passed at the Bank's Extra Ordinary General Meeting held on September 30, 2004 under Section 293(1)(d) of the Companies Act, 1956 specifying the limit of ₹ 1,25,000 crore upto which monies may be borrowed by the Board of Directors of IDBI Bank. Ministry of Corporate Affairs (MCA), Govt. of India has notified Section 180 of the Companies Act, 2013 w.e.f. September 12, 2013 thus replacing the old Section 293(1)(d) of the Companies Act, 1956 with the said new Section 180 w.e.f. the aforesaid date. Further, vide a notification issued by MCA on March 25, 2014, it has been clarified that any Special Resolution passed by a company under old Section 293(1)(d) shall remain valid only upto a period of one year w.e.f the date of September 12, 2013 on which new Section 180 was notified by MCA. This has necessitated the passing of fresh Special Resolution specifying the borrowing powers of the Board under Section 180 of the Companies Act, 2013. The special resolution contained at Item No.5 of the AGM Notice is, hence, proposed to be passed to specify a fresh limit of ₹ 1,25,000 crore upto which monies may be borrowed by the Board of Directors of IDBI Bank. It may be noted that no Director or Key Managerial Personnel of IDBI Bank or their relative is, whether directly or indirectly, concerned or interested, financial or otherwise, in the passing of aforesaid Special Resolution.

सत्यापित सत्य प्रतिलिपि
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(पवन अग्रवाल/Pawan Agrawal)
म.प्र. एवं कं.स./GM & CS
आईडीबीआई बैंक लिमिटेड/IDBI Bank Limited
मुंबई/Mumbai

IDBI BANK

CIN: L65190MH2004GOI148838

आईडीबीआई बैंक लिमिटेड
पंजीकृत कार्यालय : आईडीबीआई टॉवर,
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Copy of special resolution passed by the shareholders under Section 180 (1)(c) of the Companies Act, 2013 at the 10th Annual General Meeting of IDBI Bank Ltd. held on June 30, 2014

"RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors under Section 180(1)(c) of the Companies Act, 2013 to borrow any sum or sums of money from time to time, notwithstanding that the money or moneys so borrowed together with the moneys already borrowed by IDBI Bank (apart from the temporary loans obtained from IDBI Bank's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of IDBI Bank and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however that the total amount so borrowed shall not exceed ₹ 1,25,000 crore (Rupees One Lakh Twenty Five Thousand Crore only).

सत्यापित सत्य प्रतिलिपि
CERTIFIED TRUE COPY

(पवन अग्रवाल/Pawan Agrawal)
म.प्र. एवं कं.स./GM & CS
आईडीबीआई बैंक लिमिटेड/IDBI Bank Limited
मुंबई/Mumbai

Ratings

CRISIL
An S&P Global Company

CONFIDENTIAL

IDBIBNK/237325/BOND/17122019/1
January 30, 2020

Mr. Ajay Sharma
Executive Director and Chief Financial Officer
IDBI Bank Limited
IDBI Tower, WTC Complex,
Cuffe Parade
Mumbai 400005
Tel 022 66552217

Dear Mr. Ajay Sharma,

Re CRISIL Rating for the Rs.2000 Crore Tier-II Bonds (Under Basel III) of IDBI Bank Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.
Please refer to our rating letters dated December 17, 2019 bearing Ref. no: IDBIBNK/237325/BOND/17122019

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding*
1	Tier-II Bonds (Under Basel III)	2000	CRISIL A+/Stable

*This rating was also outstanding and valid on January 28, 2020.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Ajit Velonie
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

Ratings

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IDBIBNK/237325/BOND/17122019
December 17, 2019

Mr. Ajay Sharma
Executive Director and Chief Financial Officer
IDBI Bank Limited
IDBI Tower, WTC Complex,
Cuffe Parade
Mumbai 400005
Tel 022 66552217

Dear Mr. Ajay Sharma,

Re CRISIL Rating for the Rs.2000 Crore Tier-II Bonds (Under Basel III) of IDBI Bank Limited

We refer to your request for a rating for the captioned Debt instrument.

CRISIL has, after due consideration, assigned a **"CRISIL A+/Stable"** (pronounced as CRISIL A plus rating with Stable outlook) rating to the captioned debt instrument. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

Further, in view of your decision to accept the CRISIL Rating, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Ajit Velonie
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

Ratings

CRISIL
An S&P Global Company

Rating Rationale

December 17, 2019 | Mumbai

IDBI Bank Limited

'CRISIL A+/Stable' assigned to Tier II Bonds (Under Basel III)

Rating Action

Rs.2000 Crore Tier II Bonds (Under Basel III)	CRISIL A+/Stable (Assigned)
Rs.2000 Crore Tier II Bonds (Under Basel III)	CRISIL A+/Stable (Reaffirmed)
Infrastructure Bonds Aggregating Rs.2000 Crore	CRISIL A+/Stable (Reaffirmed)
Infrastructure Bonds Aggregating Rs.8000 Crore	CRISIL A+/Stable (Reaffirmed)
Rs.3000 Crore Tier II Bonds (Under Basel III)	CRISIL A+/Stable (Reaffirmed)
Senior/Lower Tier-II Bonds Aggregating Rs.5000 Crore (Under Basel II)	CRISIL A+/Stable (Reaffirmed)
Lower Tier-II Bonds Aggregating Rs.8739.18 Crore (Under Basel II) (Reduced from Rs.9041.68 Crore)	CRISIL A+/Stable (Reaffirmed)
Omni Bonds Aggregating Rs.13682.6 Crore (Reduced from Rs.15479.50 Crore)	CRISIL A+/Stable (Reaffirmed)
Flexi Bonds Aggregating Rs.339.12 Crore (Reduced from Rs.465.96 Crore)	CRISIL A+/Stable (Reaffirmed)
Upper Tier-II Bonds Aggregating Rs.2001.20 Crore (Under Basel II) (Reduced from Rs.3636.20 Crore)	CRISIL A-/Stable (Reaffirmed)
Tier-I Perpetual Bonds Aggregating Rs.2708.8 Crore (Under Basel II)	CRISIL A-/Stable (Reaffirmed)
Fixed Deposit Programme	FAA/Stable (Reaffirmed)
Rs.40000 Crore Certificates of Deposit Programme	CRISIL A1+ (Reaffirmed)

1 crore = 10 million
Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL has assigned its **'CRISIL A+/Stable'** rating to the Rs 2000 crore Tier- II bonds (under Basel III) of IDBI Bank Limited (IDBI Bank). The ratings on the Bank's other debt instruments are reaffirmed at 'CRISIL A+/CRISIL A-/FAA/Stable/CRISIL A1+'.

CRISIL has withdrawn its rating on bonds of Rs. 3861.24 crore (See Annexure 'Details of Rating Withdrawn' for details) in line with its withdrawal policy.

The rating continues to factor in expectation of strong support from LIC and Government of India (GoI), both on an ongoing basis and in the event of distress. The ratings also factor in the Bank's established market position, supported by a large asset base. These rating strengths are partially offset by weak asset quality and earnings profile.

LIC had, on January 21, 2019, completed acquisition of 51% controlling stake in IDBI Bank, infusing total capital of Rs 21,624 crore in the Bank. Post the acquisition, GoI stake stood at 47.11%. Given that LIC is a 100% GoI-owned entity and has supported the GoI in its recapitalisation programmes for public sector banks in the past, CRISIL believes that GoI will continue to be involved in matters relating to IDBI Bank.

In September 2019, the Bank received capital infusion of Rs 9,300 crore by LIC and GoI which helped it improve the capital ratios and bring it back above the regulatory requirement. Post the capital infusion the bank has managed to correct all prompt corrective action (PCA) criteria except profitability. Coming out of which will help it normalize its banking operations with approval from RBI.

The bank has established market position, supported by a large asset base. However over the years its book has been de-growing mainly on account of increasing NPA and capital constrain. As on September 30, 2019, advances of Rs 132,718 crore accounted for around 1.3% of the banking system advances.

The bank reported CET1, Tier 1 and overall capital adequacy ratios (as per Basel III) at 9.27%, 9.52% and 11.98%, respectively, as on September 30, 2019 compared to 3.87%,4.22% and 6.22%, respectively, as on September 30,2018 (below the regulatory requirement).

Banks' business performance remains weak. Gross non-performing assets (NPAs) and slippages remain elevated. Gross non-performing assets (NPAs) stood at 29.4% as on September 30, 2019, while slippages in the first half of fiscal 2020 were 9.1% (annualized). Net NPA for the bank has reduced to 5.97% as on September 30, 2019 compared to 17.3% as on September 30, 2018 mainly on account additional provisions made by the bank. As on September 30, 2019, SMA 2 exposure stood at Rs.6295 crore compared to Rs.2865 crore as on June 30, 2019.

The bank also made a loss of Rs 7260 crore in the first half of fiscal 2020 mainly on account of sharp increase in provisioning costs. Provision cover for NPAs (excluding technical write-offs), increased to around 85% as on September 30, 2019 from 55 % as on

September 30, 2018. Provisions for incremental slippages and ageing provisions will continue to impact profitability over the next few quarters. Ability to arrest further slippages and effect recoveries from existing NPAs, thereby improving profitability, will be a key determinant of the bank's ability to maintain a comfortable cushion over the regulatory capital ratios. This will remain a key rating monitorable.

Analytical Approach
For arriving at the ratings, CRISIL has factored in the support that the bank is expected to receive from GoI. Post completion of majority stake by LIC, its shareholding has increased to 51.0% and GoI's holding has come down to below 50%. Even post the acquisition, GoI and LIC together continue to hold over 90% stake in the bank. CRISIL believes that the acquisition does not impact the expectation of support from GoI for the Bank. LIC is a 100% GoI owned entity and has supported the GoI in its recapitalisation programmes for public sector banks (PSBs) in the past. Even in fiscal 2018, LIC had infused Rs 394 crore in IDBI Bank, while GoI infused Rs 12,471 crore. In September 2019, the Bank received capital infusion of Rs 9,300 crore by LIC and GoI which helped it improve the capital ratios and bring it back above the regulatory requirement. Hence, CRISIL believes that even if LIC is the majority shareholder, GoI will continue to be involved in matters relating to IDBI Bank. The stability of the banking sector is of prime importance to GoI, given the criticality of the sector to the economy, the strong public perception of sovereign backing for PSBs, and the severe implications of any PSB failure in terms of political fallout, systemic stability, and investor confidence in public sector institutions.

Key Rating Drivers & Detailed Description
Strengths:
*** Strong expectation of support from GoI**
The rating factors in an expectation of strong support from LIC and GoI, both on an ongoing basis and in the event of distress. LIC had, on January 21, 2019, completed acquisition of 51% controlling stake in IDBI Bank, infusing total capital of Rs 21624 crore in the bank. In September 2019, the Bank further received capital infusion of Rs 9,300 crore by LIC and GoI which helped it improve the capital ratios and bring it back above the regulatory requirement. Post the acquisition, GoI stake stood at 47.11%. Given that LIC is a 100% GoI-owned entity and has supported the GoI in its recapitalisation programmes for public sector banks in the past, CRISIL believes that GoI will continue to be involved in matters relating to IDBI Bank. The stability of the banking sector is of prime importance to GoI, given the criticality of the sector to the economy, the strong public perception of sovereign backing for PSBs, and the severe implications of any PSB failure in terms of political fallout, systemic stability, and investor confidence in public sector institutions.

CRISIL will, however, continue to monitor LIC's plans, likely over a 5-7 year period, to bring down its stake in IDBI Bank to below 51%

*** Established market position, supported by a large asset base**
The bank had an asset base of Rs 313,663 crore as on September 30, 2019. Advances of Rs 132,718 crore accounted for around 1.3% of the banking system advances. While the bank has been de-growing over the past few quarters, it is still among one of the large banks in India. Within the advances book, bank has reduced its corporate book exposure and increased its share of retail advances. As on September 30, 2019, share of retail book stood at 53% compared to 46% as on September 30, 2018.

Weaknesses:
*** Weak asset quality; continued pressure expected**
Asset quality has continued to deteriorate over the past few quarters as reflected in the increase in gross NPAs to 29.4% as on September 30, 2019 (27.47% as on March 31, 2019), from 27.95% as on March 31, 2018. While the increase in the gross NPA ratio is partly on account of de-growth in advances, absolute quantum has also increased over this period. Slippages to NPAs (as a percentage of opening net advances) remained high, at around 9.1% (annualised) in the first half of fiscal 2020 (10.6% in fiscal 2019 and 20.1% in fiscal 2018). As on September 30, 2019, SMA 2 exposure stood at Rs.6295 crore compared to Rs.2865 crore as on June 30, 2019. However, the net NPA for the bank has reduced to 5.97% as on September 30, 2019 compared to 17.3% as on September 30, 2018 mainly on account additional provisions made by the bank. Containing deterioration in asset quality, and hence profitability, remains a key monitorable.

*** Weak earnings profile**
The sharp deterioration in asset quality has significantly impacted profitability. Net loss and return on assets (annualised) stood at Rs 7260 crore and negative 4.6%, respectively, for the first half of fiscal 2020 (Rs 15116 crore and a negative 4.5%, respectively, for fiscal 2019). The net interest margin (NIM*; net interest income to average total assets) improved to 2.0% for the first half of fiscal 2020 as against 1.7% for corresponding period of previous year due to the impact of interest reversal on the NIM being offset by the decline in cost of deposits (5.0% in the first half of fiscal 2020); however, it still remains low.

The pre provisioning profit (PPOP) for the bank improved to Rs 1031 crore during the quarter ended September 30, 2019 as compared Rs 883 crore during the quarter ended September 30, 2018. Provisioning costs continue to remain high at 7.6% for the first half of fiscal 2020 (8.0% in fiscal 2019), and are expected to remain high over the next few quarters, given continued slippages and increasing provisioning requirements on stressed assets. The provisioning coverage ratio (PCR; excluding technical write offs) for the bank improved to 85% as on September 30, 2019 compared to 55% as on September 30,2018. Ability to contain further deterioration in asset quality and thereby return to profitability and manage earnings remains a key sensitivity factor.

Liquidity Strong
The Liquidity Coverage Ratio of the bank stood at 114.37% as on March 31, 2019. The bank's liquidity also benefits from access to systemic sources of funds, such as the liquidity adjustment facility from RBI and access to the call money market.

Outlook: Stable
CRISIL believes that IDBI Bank will continue to benefit from strong support from GoI and LIC

Rating Sensitivity factors
Upward Factors
* Bank turning profitable on a sustainable basis
* Maintaining CET I and overall CAR ratio above 9.0% and 12.5% respectively

Downward Factors

* Any change in stance of support from GoI or LIC
* Deterioration in asset quality with Net NPA ratio rising above 6.0%

About the Bank

Industrial Development Bank of India Ltd (IDBI) was constituted by GoI under the Industrial Development Bank of India Act, 1964, and was reconstituted as a banking company on October 1, 2004, to undertake commercial banking and development banking activities. The erstwhile IDBI Bank Ltd, IDBI's subsidiary, was merged with IDBI in 2005. In 2006, IDBI acquired United Western Bank. In 2008, it got its present name.

In fiscal 2019, net loss was Rs 15116 crore and total income (net of interest expense) Rs 9206 crore, against a net loss and total income (net of interest expenses) of Rs 8238 crore and Rs 12654 crore, respectively, in fiscal 2018. For the first half of fiscal 2020, net loss was Rs 7260 crore and total income (net of interest expense) Rs 4955 crore, against a net loss of Rs 6012 crore and total income (net of interest expense) of Rs 4389 crore in the first half of fiscal 2019.

Key Financial Indicators

As on / for the half year ended September 30		2019	2018
Total Assets	Rs crore	313663	325761
Total income	Rs crore	12155	12565
Loss	Rs crore	7260	6012
Gross NPA	%	29.43	31.78
Overall capital adequacy ratio	%	11.98	6.22
Return on assets (Annualised)	%	-4.6	-3.6

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Note on Tier-II Instruments (Under Basel III)

The distinguishing feature of Tier-II capital instruments under Basel III is the existence of the point of non-viability (PoNV) trigger, which may result in loss of principal to investors, and hence, to default on the instrument by the issuer. As per the Basel III guidelines, the PoNV trigger will be determined by RBI. CRISIL believes that the PoNV trigger is a remote possibility in the Indian context, given the robust regulatory and supervisory framework, and the systemic importance of the banking sector. The inherent risks associated with the PoNV feature have, nevertheless, been adequately factored into the rating on the instrument.

Note on Hybrid Instruments (Under Basel II)

Given that hybrid capital instruments (Tier-I perpetual bonds and Upper Tier-II bonds; under Basel II) have characteristics that set them apart from Lower Tier-II bonds (under Basel II), the ratings on the two instruments may not necessarily be identical. The factors that could trigger a default for hybrid instruments include: the bank breaching the regulatory minimum capital requirement, or the regulator's denial of permission to the bank to make payments of interest and principal if it reports losses. Hence, the transition from one rating category to another may be significantly sharper for these instruments than in the case of Lower Tier-II bonds; this is because debt servicing on hybrid instruments is far more sensitive to the bank's overall capital adequacy levels and profitability.

Annexure - Details of Instrument(s)

ISIN	Security Description	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs Crore)	Rating Outstanding with Outlook
NA	Tier II (Basel III)^	NA	NA	NA	2000	CRISIL A+/Stable
INE008A08N67	Omni Bond	23-Sep-07	10.07	23-Sep-22	4.2	CRISIL A+/Stable
INE008A08Q98	Omni Bond	14-Mar-09	11.25	14-Mar-29	2	CRISIL A+/Stable
INE008A08R30	Omni Bond	13-Jun-09	9.56	13-Jun-29	1	CRISIL A+/Stable
INE008A08R71	Omni Bond	26-Sep-09	9.67	26-Sep-29	2	CRISIL A+/Stable
INE008A08U68#	Bonds	26-Dec-12	9.4	Perpetual	850	CRISIL A+/Stable
INE008A08S62	Lower Tier II	23-Mar-10	9.05	23-Mar-20	600	CRISIL A+/Stable
INE008A08S88	Lower Tier II	08-Jul-10	8.57	08-Jul-25	302	CRISIL A+/Stable
INE008A08S96	Lower Tier II	29-Sep-10	8.63	29-Sep-20	40	CRISIL A+/Stable
INE008A08T20	Lower Tier II	20-Jan-11	9.04	20-Jan-26	856.1	CRISIL A+/Stable
INE008A08T61	Lower Tier II	04-Aug-11	9.38	04-Aug-21	484.4	CRISIL A+/Stable
INE008A08T79	Bond	26-Nov-11	9.72	26-Nov-21	250	CRISIL A+/Stable
INE008A08T87	Lower Tier II	30-Nov-11	9.7	30-Nov-21	500	CRISIL A+/Stable
INE008A08T95	Lower Tier II	13-Dec-11	9.45	13-Dec-21	600	CRISIL A+/Stable
INE008A08U19	Lower Tier II	15-Mar-12	9.25	15-Mar-22	1000	CRISIL A+/Stable
INE008A08U43	Lower Tier II	25-Oct-12	9.25	25-Oct-37	1000	CRISIL A+/Stable
INE008A08U50	Lower Tier II	13-Dec-12	8.99	13-Dec-27	505	CRISIL A+/Stable
INE008A08U76	Omni Bond	12-Sep-14	9.27	12-Sep-24	1000	CRISIL A+/Stable
INE008A08U92	Omni Bond	21-Jan-15	8.725	21-Jan-25	3000	CRISIL A+/Stable
INE008A08V26	Omni Bond	09-Feb-16	8.8	09-Feb-26	1000	CRISIL A+/Stable
INE008A08S47	Upper Tier II	03-Feb-10	8.65	03-Feb-25	501.2	CRISIL A-/Stable
INE008A08T46	Upper Tier II	25-Mar-11	9.4	25-Mar-26	1000	CRISIL A-/Stable
INE008A08S21	Tier I Perpetual	23-Dec-09	9.2	Perpetual	275.5	CRISIL A-/Stable
INE008A08S39	Tier I Perpetual	29-Jan-10	9.25	Perpetual	306.2	CRISIL A-/Stable
INE008A08S54	Tier I Perpetual	10-Mar-10	9.65	Perpetual	550	CRISIL A-/Stable

INE008A08S70	Tier I Perpetual	22-Jun-10	9.15	Perpetual	245.1	CRISIL A-/Stable
INE008A08V00	Tier II (Basel III)	31-Dec-15	8.62	31-Dec-30	1000	CRISIL A+/Stable
INE008A08V18	Tier II (Basel III)	02-Jan-16	8.62	02-Jan-26	900	CRISIL A+/Stable
NA	Bond*	NA	NA	NA	30696.2	CRISIL A+/Stable/CRISIL A-/Stable
NA	Fixed Deposit Programme	NA	NA	NA	NA	FAA/Stable
NA	Certificate of Deposit Programme	NA	NA	NA	40000	CRISIL A1+

**Unutilised/utilised and redeemed; awaiting third-party verification/details from company*
#Instruments were issued as Innovative Perpetual Debt instruments in December 2012. In 2013, they were derecognised as Tier I instruments and considered as senior bonds as per RBI instructions. Given that the features of the instrument are now akin to senior bonds, the rating is the same as that on senior bonds. The bank has an option to call the instrument in December 2022.
^Yet to be issued

Annexure - Details of Rating Withdrawn

ISIN	Name of Instrument	Allotment Date	Coupon rate (%)	Maturity Date	Issue size (Rs.crore)
INE008A08Q72	Omni Bond	15-Dec-08	11.3	15-Dec-18	1439.9
INE008A09885	Flexi Bond	12-Jan-04	7	12-Jan-19	107.45
INE008A08UA8	Omni Bond	12-Jan-04	7	12-Jan-19	25
INE008A08Q80	Omni Bond	26-Mar-09	9.5	26-Mar-99	332
INE008A08R14	Upper Tier II	31-Mar-09	9.5	31-Mar-24	350
INE008A09AM3	Flexi Bond	20-Apr-04	6.75	20-Apr-19	19.39
INE008A08R55	Upper Tier II	26-Jun-09	8.95	26-Jun-24	500
INE008A08R63	Upper Tier II	25-Sep-09	9	25-Sep-24	500
INE008A08R97	Upper Tier II	19-Nov-09	8.9	19-Nov-24	285
INE008A08S13	Tier II	23-Nov-09	8.53	23-Nov-19	302.5

Annexure - Rating History for last 3 Years

	Current			2019 (History)		2018		2017		2016		Start of 2016
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Certificate of Deposits	ST	40000.00	CRISIL A1+	07-01-19	CRISIL A1+	22-11-18	CRISIL A1+	21-08-17	CRISIL A1+	04-08-16	CRISIL A1+	CRISIL A1+
						16-08-18	CRISIL A1+	23-05-17	CRISIL A1+	02-02-16	CRISIL A1+	
						25-01-18	CRISIL A1+	04-05-17	CRISIL A1+			
Fixed Deposits	FD	0.00	FAA/Stable	07-01-19	FAA/Stable	22-11-18	FAA/Stable	21-08-17	FAA/Negative	04-08-16	FAAA/Negative	FAAA/Stable
						16-08-18	FAA/Stable	23-05-17	FAA/Watch Negative	10-03-16	FAAA/Negative	
						25-01-18	FAA/Stable	04-05-17	FAA+/Negative	02-02-16	FAAA/Stable	
Flexi Bonds	LT	339.12 17-12-19	CRISIL A+/Stable	07-01-19	CRISIL A+/Stable	22-11-18	CRISIL A+/Stable	21-08-17	CRISIL A+/Negative	04-08-16	CRISIL AA/Negative	CRISIL AA+/Negative
						16-08-18	CRISIL A+/Stable	23-05-17	CRISIL A+/Watch Negative	10-03-16	CRISIL AA/Negative	
						25-01-18	CRISIL A+/Stable	04-05-17	CRISIL AA-/Negative	02-02-16	CRISIL AA+/Negative	
Infrastructure Bonds	LT	10000.00 17-12-19	CRISIL A+/Stable	07-01-19	CRISIL A+/Stable	22-11-18	CRISIL A+/Stable	21-08-17	CRISIL A+/Negative	04-08-16	CRISIL AA/Negative	CRISIL AA+/Negative
						16-08-18	CRISIL A+/Stable	23-05-17	CRISIL A+/Watch Negative	10-03-16	CRISIL AA/Negative	
						25-01-18	CRISIL A+/Stable	04-05-17	CRISIL AA-/Negative	02-02-16	CRISIL AA+/Negative	
Lower Tier-II Bonds (under Basel II)	LT	13739.18 17-12-19	CRISIL A+/Stable	07-01-19	CRISIL A+/Stable	22-11-18	CRISIL A+/Stable	21-08-17	CRISIL A+/Negative	04-08-16	CRISIL AA/Negative	CRISIL AA+/Negative
						16-08-18	CRISIL A+/Stable	23-05-17	CRISIL A+/Watch Negative	10-03-16	CRISIL AA/Negative	
						25-01-18	CRISIL A+/Stable	04-05-17	CRISIL AA-/Negative	02-02-16	CRISIL AA+/Negative	
Omni Bonds	LT	13682.60 17-12-19	CRISIL A+/Stable	07-01-19	CRISIL A+/Stable	22-11-18	CRISIL A+/Stable	21-08-17	CRISIL A+/Negative	04-08-16	CRISIL AA/Negative	CRISIL AA+/Negative
						16-08-18	CRISIL A+/Stable	23-05-17	CRISIL A+/Watch Negative	10-03-16	CRISIL AA/Negative	
						25-01-18	CRISIL A+/Stable	04-05-17	CRISIL AA-/Negative	02-02-16	CRISIL AA+/Negative	
Perpetual Tier-I Bonds (under Basel II)	LT	2708.80 17-12-19	CRISIL A-/Stable	07-01-19	CRISIL A-/Stable	22-11-18	CRISIL A-/Watch Developing	21-08-17	CRISIL A/Negative	04-08-16	CRISIL AA-/Negative	CRISIL AA/Negative
						16-08-18	CRISIL A/Stable	23-05-17	CRISIL A/Watch Negative	10-03-16	CRISIL AA-/Negative	

						25-01-18	CRISIL A/Stable	04-05-17	CRISIL A+/Negative	02-02-16	CRISIL AA/Negative	
Tier I Bonds (Under Basel III)	LT		--		--	22-11-18	Withdrawal	21-08-17	CRISIL BBB+/Negative	04-08-16	CRISIL A/Negative	CRISIL AA-/Negative
						16-08-18	CRISIL BBB+/Negative	23-05-17	CRISIL BBB+/Watch Negative	10-03-16	CRISIL A/Negative	
						25-01-18	CRISIL BBB+/Negative	04-05-17	CRISIL A-/Negative	02-02-16	CRISIL AA-/Negative	
Tier II Bonds (Under Basel III)	LT	7000.00 17-12-19	CRISIL A+/Stable	07-01-19	CRISIL A+/Stable	22-11-18	CRISIL A+/Stable	21-08-17	CRISIL A+/Negative	04-08-16	CRISIL AA/Negative	--
						16-08-18	CRISIL A+/Stable	23-05-17	CRISIL A+/Watch Negative	10-03-16	CRISIL AA/Negative	
						25-01-18	CRISIL A+/Stable	04-05-17	CRISIL AA-/Negative	02-02-16	CRISIL AA+/Negative	
Upper Tier-II Bonds (under Basel II)	LT	2001.20 17-12-19	CRISIL A-/Stable	07-01-19	CRISIL A-/Stable	22-11-18	CRISIL A-/Watch Developing	21-08-17	CRISIL A/Negative	04-08-16	CRISIL AA-/Negative	CRISIL AA/Negative
						16-08-18	CRISIL A/Stable	23-05-17	CRISIL A/Watch Negative	10-03-16	CRISIL AA-/Negative	
						25-01-18	CRISIL A/Stable	04-05-17	CRISIL A+/Negative	02-02-16	CRISIL AA/Negative	

All amounts are in Rs.Cr.

Links to related criteria
Rating Criteria for Banks and Financial Institutions
CRISILs Criteria for rating short term debt
Criteria for Notching up Stand Alone Ratings of Entities Based on Government Support
Rating Criteria for Hybrid Capital instruments issued by banks under Basel II guidelines
Rating criteria for Basel III - compliant non-equity capital instruments

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Mr. Ajay Sharma
Executive Director & Chief Financial Officer
IDBI Bank Limited
IDBI Tower, WTC Complex,
Cuffe Parade.
Mumbai – 400 005.

January 28, 2020

Confidential

Dear Sir,

Validity of Credit rating for Tier II Bonds (Basel III) of Rs.2,000 Crore

In continuation with our rating letter no. **CARE/HO/RL/2019-20/3746** dated December 20, 2019 conveying the rating assigned to the proposed Tier II Bonds (Basel III) issue of Rs.2,000 crore, it is re-emphasised that the proposed Tier II Bonds (Basel III) issue needs to be raised within a period of 6 months of the said date of letter after which it needs to be revalidated.

Once the Tier II Bonds (Basel III) is placed, the rating is valid for the tenure of such instrument till redemption. Nevertheless, CARE reserves the right to undertake a review of the rating from time-to time, based on circumstances warranting such review.

Thanking You,

Yours Faithfully,

A. R. Urankar

(Abhijit Urankar)
Associate Director

Encl.: As above

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CARE Ratings
Professional Risk Opinion

CARE/HO/RR/2019-20/1855
Mr. Ajay Sharma
Executive Director & Chief Financial Officer
IDBI Bank Limited
IDBI Tower, WTC Complex,
Cuffe Parade.
Mumbai – 400 005.

December 24, 2019

Dear Sir,

Credit rating of proposed Basel III Tier II bonds and Certificate of Deposits

Please refer to our rating letters dated December 20, 2019 on the above subject.

2. The Brief Rationale for the Ratings is attached as an **Annexure-I**.

3. We request you to peruse the annexed documents and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,

[Bushra Shaikh]
Analyst
bushra.shaikh@careratings.com

[Aditya Acharekar]
Associate Director
aditya.acharekar@careratings.com

Encl.: As above

CARE Ratings
Professional Risk Opinion

CARE/HO/RL/2019-20/3746
Mr. Ajay Sharma
Executive Director & Chief Financial Officer
IDBI Bank Limited
IDBI Tower, WTC Complex,
Cuffe Parade.
Mumbai – 400 005.

December 20, 2019

Confidential

Dear Sir,

Credit rating for proposed Tier II Bonds (Basel III)

Please refer to your request for rating of proposed Tier II Bonds (Basel III) aggregating to Rs.2000 crore of your Bank.

The following ratings have been assigned by our Rating Committee to the below instrument proposed to be issued by IDBI Bank Limited:

Instrument	Amount (Rs. crore)	Rating[1]	Rating Action
Tier – II Bonds (Basel III)	2,000 (Rs. Two Thousand Crore only)	**CARE A+; Stable [A Plus ; Outlook: Stable]**	Assigned

2. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of **six months** from the date of our initial communication of rating to you (that is June 19, 2020).
3. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

4. Kindly arrange to submit to us a copy of each of the documents pertaining to bond issue, including the offer document and the trust deed.
5. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as **Annexure**. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.*

factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by December 20, 2019, we will proceed on the basis that you have no any comments to offer.

6. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
7. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
9. CARE ratings are not recommendations to buy, sell or hold any securities.
10. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours faithfully,

[Bushra Shaikh]
Analyst
bushra.shaikh@careratings.com

[Abhijit Urankar]
Associate Director
abhijit.urankar@careratings.com

IDBI Bank Limited

December 24, 2019

Ratings

Facilities/Instrument	Amount (Rs. crore)	Ratings[1]	Rating Action
Basel III Compliant Tier II Bonds	2,000 (Rupees Two Thousand Crore only)	CARE A+; Stable (Single A Plus; Outlook: Stable)	Assigned
Certificate of Deposits	10,000 (Rupees Ten Thousand Crore only)	CARE A1+ (A One Plus)	Assigned

Details of instruments/facilities in Anneuxre-1

Detailed Rationale & Key Rating Drivers

The rating of proposed issue of Lower Tier II bonds and Certificate of Deposits by IDBI Bank Limited factors in the continued government support during FY2019 as well as capital infusion by the Government of India (GoI) and Life Insurance Corporation (LIC) amounting to Rs.9,300 crore upto September 30, 2019 thereby improving the capital position of the bank significantly. The rating also factors in the robust franchise value of the bank and anticipated synergies from its parent, LIC along with a comfortable Provisioning Coverage Ratio of 91.25% as on September 30, 2019 and a strong CASA base. The ratings remain constrained on account of weak asset quality parameters and weak financial position of the bank. CARE also notes of the fact that the bank is under PCA framework of RBI, owing to negative RoA for the past 14 quarters.

Capitalisation levels, trend in profitability and asset quality as well as continued support from LIC and GoI, shall continue to remain as key rating sensitivities.

Key Update:

The Board of Directors underwent significant changes post LIC's acquisition of 51% stake in the bank. On March 13, 2019, Mr. M R Kumar was appointed as the Chairman of LIC. Subsequently, the board of the bank appointed Mr. Kumar as Non Executive Non Wholetime Chairman of IDBI Bank Ltd. for a period of three years or till such time he continues as the Chairman of LIC. At present, there are 13 members on the Board of Directors, out of which 2 are representatives from LIC. (including Mr. M.R. Kumar)

Rating Sensitivities

Positive Factors

- Return to profits with ROTA of 2% or more
- Robust capitalisation levels with CAR of 14% or more
- Exit from PCA framework

Negative Factors

- Sustained deterioration in asset quality with Net NPA of 9% or more
- Weaker capitalization leading to CAR falling below minimum regulatory requirement
- Reduction in support from GoI/LIC

Detailed description of the key rating drivers

Key Rating Strengths

Acquisition of majority shareholding by LIC, and continued support from GoI:

IDBI Bank's rating factors in the majority ownership, demonstrated and expected support by Government of India (GOI) through regular capital infusions upto FY19. During FY19, LIC infused a total equity capital of Rs.21,624 crore which helped the bank improve its capitalization ratios as on March 31, 2019. As on September 30, 2019, GOI held 47.11% while Life Insurance Corporation of India (LIC) held 51.00% stake. Post-acquisition, the bank is expected to leverage synergies with LIC in the area of cross selling home loans and banc assurance products, whereas IDBI shall extend cash management services to LIC.

Going forward, capital support from LIC would be crucial for IDBI Bank as the bank's profitability continues to remain weak on account of high provisions and the bank is yet to come out of the Prompt Corrective Action (PCA) framework. Government of India, Ministry of Finance, Department of Financial Services, vide letter dated December 17, 2019, has clarified that LIC being wholly owned by GoI, direct and indirect holding of GoI is 97.46% in the IDBI Bank and accordingly advised Central Government/ all Departments, State Government/ all Departments and Central/State Agencies/

[1]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

Institutions, to continue to consider IDBI Bank for grant of Government Business. The above will further strengthen CASA and overall business of the Bank.

Improvement in capitalization level post equity infusion
On account of regular capital infusion from LIC, the bank's capitalization at FYE19 was above the minimum regulatory requirement. LIC infused total equity capital of Rs.21,624 crore during FY19 to acquire the majority shareholding in the bank. Post-acquisition, GOI has become the second major shareholder at 46.46% shareholding (refers to period from April 01 to March 31). IDBI Bank reported Capital Adequacy Ratio (CAR) of 11.58% (Tier I CAR: 9.13%) and Common Equity Tier I Ratio (CET I Ratio) of 8.91% as on March 31, 2019.
During the quarter ending September 30, 2019, the Bank received Share Application Money of Rs.4,743 crore from Life Insurance Corporation of India and Rs.4,557 crore from Government of India in the form of recapitalization bonds aggregating to Rs.9,300 crore, which led to further improvement in its capitalization parameters with Overall CAR of 11.98% (Tier I CAR: 9.52%) and CET I Ratio of 9.27% as on September 30, 2019. Going forward continued capital support from LIC to maintain adequate capitalization would be a key rating sensitivity.

Detailed Capital Infusion Schedule by LIC in IDBI Bank over the past one year is as follows:

Date	Amt (Rs. In cr)
17-Sep-18	2,098
18-Dec-18	6,000
24-Dec-18	4,000
28-Dec-18	7,089
21-Jan-19	2,437
Sep-19*	9,300
Total	**30,924**

*Rs.4,557 crore was infused by the GoI in the form of recapitalization bonds. Going forward capital infusion in the bank will be in proportion to the respective shareholding of LIC and GoI.

Robust CASA deposit base
The bank has a moderate deposit franchise and its proportion of CASA deposits to total deposits stood at 44.87% as on September 30, 2019. (42.54% as on March 31, 2019). The growth in CASA base is primarily due to increase in Current deposit base from Rs.35,317 crore as on March 31, 2019 to Rs.43,157 crore as on September 30, 2019 owing to transfer of certain LIC accounts to IDBI as well as handling of government related trade transactions.
The proportion of bulk deposits to total deposits has declined to 21.84% as on September 30, 2019, from 32.29% as on September 30, 2018.

IDBI Bank Limited's CASA share has shown an upward trend in the past four quarters as depicted below.

	Sep-18	Mar-19	Jun-19	Sep-19
CASA Share	38.13	42.54	43.15	44.87

Key Rating Weakness
Weak asset quality
The bank reported fresh slippages of Rs.15,281 crore during FY19 as compared to slippages of Rs.35,605 crore during FY18, as a result of which the bank's Gross NPAs declined marginally to Rs.50,028 crore as on March 31, 2019 as compared to Rs.55,588 crore as on March 31, 2018. Also, at March 31, 2019, Gross NPA ratio stood at 27.47% (P.Y.: 27.95%) while Net NPA ratio declined to 10.11%, mainly on account of accelerated provisioning to come out of PCA (P.Y.: 16.69%). Accordingly, Net NPA to Net worth ratio registered a material decline from a high of 237.33% as on March 31, 2018 to 74.60% at September 30, 2019. However, during H1FY20, the fresh slippages moderated to Rs.5,545 crore during H1FY20 as compared to Rs.11,288 crore during H1FY19. Also, the rate of slippages per quarter seems to be moderating with **First Time NPAs** reduced by 41% to Rs.2,059 crore in Q2FY20 from Rs.3,489 crore in Q2FY19. The bank reported Gross NPA ratio of 29.43% and Net NPA ratio of 5.97% as on September 30, 2019 as against Gross NPA ratio of 31.78% and Net NPA ratio of 17.30% as on September 30, 2018. The bank reported Provision Coverage Ratio (PCR) of 91.25% as on September 30, 2019 from 68.72% as on September 30, 2018. As on September 30, 2019, around 73% of the portfolio of the bank was under NCLT and the Bank has made 99.61% provisioning on the outstanding gross principal of Rs.39,194 crore under NCLT. **Details of the fresh slippages are provided in the table below.**

Particulars	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19
Quarterly fresh slippages (Rs. Crore)	3489	2211	1781	3486	2059
Slippage Ratio (%)	2.68	1.69	1.36	2.64	1.64

Weak financial profile

As part of the restrictions placed on the Bank by RBI, they are prohibited from taking unsecured exposure, can invest only in investment grade credit and cannot take bulk deposits at high rates. As a result, the Bank saw further decline in its Net Advances to Rs.1,46,790 crore as on March 31, 2019 from Rs.1,71,740 crore as on March 31, 2018. However, its net interest income saw a marginal increase from Rs.5,640 crore during FY18 to Rs.5,906 crore during FY19 mainly on account of decline in it's borrowing cost as the Bank has reduced it's Borrowings from Rs.45,288 crore as on March 31, 2019 to Rs.30,206 crore as on September 30, 2019. The Bank reported a 53% decline in non-interest income from Rs.7,014 crore during FY18 as to Rs.3,300 crore during FY19 on account of a one-off profit in FY18, on sale of investments (as during FY18, IDBI Bank had sold its non-core assets amounting to Rs.3,352 crore) as well as fixed assets (Rs.517 crore on sale of office building). The profit on sale of non-core assets helped the bank report operating profit of Rs.7,909 crore during FY18 as compared to Rs.4,052 crore during FY19. For FY19, the bank reported net loss of Rs.15,116 crore, as against a loss of Rs.8,238 crore in FY18. Loss was mainly on account of increased provisioning which registered a y-o-y increase of 31.14%, as this facilitated reduction in Net NPA's which is one of the conditions to come out of PCA framework. We note that IDBI Bank has received Rs.2,282 crore in case of Essar Steel Limited account and about 45%-50% of principal outstanding in case of Prayagraj Power Generation Company Limited from NCLT in December 2019. As the Bank had made 100% provisioning in both the cases, the same would be reversed in future quarters and is expected to bolster the bottom line.

The Bank reported a net loss of Rs.3,459 crore for Q2FY20, as against a loss of Rs.3,602 crore for Q2FY19. The Bank made provisions for NPA during Q1FY20 to the tune of Rs.7,009 crore and provisions of Rs.3,545 crore during Q2FY20. As a result, total provisioning for H1FY20 stood at Rs.11,973 crore. Due to high provisioning, the Bank reported net loss of Rs.7,260 crore during H1FY20.

Post significant capital infusion by LIC, the bank has met all the major criteria for exiting the PCA framework related to capitalization, asset quality and leverage parameters. However, on account of continued losses the bank is in the threshold 3 of the PCA framework (i.e. Negative ROTA for consecutive four years) and would take some time to exit the PCA framework. Having said that, RBI in the past has made certain exceptions in view of anticipated improvement in financial parameters for some PCA bank

Moderate liquidity profile

The asset liability maturity (ALM) profile of the bank as on September 30, 2019 showed cumulative positive mismatches up to 3 months; however, due to reliance on bulk deposits which have short term maturities, the bank had negative cumulative mismatches post the 3 months buckets. The ability of the bank to roll over deposits on maturity and would be critical for maintaining liquidity profile of the bank.

Analytical approach: CARE has considered the standalone business and financial profile of IDBI Bank along with continued support from LIC & Government of India.

Liquidity Profile : Adequate

The liquidity profile of the bank is supported by its franchise and deposit base. The bank has liquidity coverage ratio stood comfortable at 134.15% for quarter ended September 30, 2019 (107.16% for quarter ended September 30, 2018) as against regulatory requirement of 100%. Total HQLA as on September 30, 2019 stood at Rs.65,774.22 crore vis-a-vis Rs.48,716.23 crore as on September 30, 2018. Further, the bank has maintained SLR investments of 26.66% amounting Rs.67544 crore as on September 30, 2019, which is 7.91% in excess of the regulatory minimum of 18.75% to cover any mismatches in the future. In addition, the bank has access to borrowing from RBI's Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) along with cash reserves with RBI which provide comfort in meeting any liquidity pressures.

Applicable Criteria

Criteria on assigning outlook to Credit Ratings
CARE's policy on default recognition
CARE's Rating Methodology for Banks
Financial Ratios-Financial Sector
Rating framework for Basel III instruments
Factor Linkages in Ratings

About IDBI Bank Ltd.

Industrial Development Bank of India (IDBI) was established under the IDBI Act, 1964 as a Development Financial Institution (DFI). Initially, IDBI was set up as a wholly-owned subsidiary of the RBI to provide credit and other facilities for the development of industry. However, The IDBI Act, 1964 was repealed and IDBI Ltd. was incorporated as Banking Company on September 27, 2004 under the Companies Act, 1956. Thereafter, IDBI Ltd. was merged with IDBI Bank Ltd. with effect from October 1, 2004.

During Q2FY20, the Bank received Share Application Money of Rs.4,743 crore from Life Insurance Corporation of India and Rs.4,557 crore from Government of India in the form of recapitalization bonds aggregating to Rs.9,300 crore. LIC infused total equity capital of Rs.21,624 crore during FY19 to acquire the majority shareholding of 51% in the bank. Post-acquisition, GOI has become the second major shareholder at 47.11% shareholding.
As on September 30, 2019, the Bank had a network of 1,887 plus branches pan India and 3,693 ATMs. As on date, IDBI Bank has five subsidiaries, viz., IDBI Asset Management Ltd (66.67 stake), IDBI Capital Markets and Securities Ltd (100%), IDBI Intech Ltd (100%), IDBI Trusteeship Services Ltd (54.7%) and IDBI MF Trustee Company Ltd. (100%). The Bank also has a JV, IDBI Federal Life Insurance Company Limited with the Bank holding 48% stake, and Ageas Insurance International holding 26%. The Bank's life insurance business comprises individual life and pension and group life, including non-participating, health and linked segments. As on November 22, 2019, the Bank entered into a Share Purchase Agreement with Muthoot Finance Limited for a consideration of Rs.215 crore towards purchase of IDBI Asset Management Limited (IAML) and IDBI MF Trustee Company Limited (IMTL). Out of this IDBI Bank would receive Rs.143.83 crore and the balance would be received by IDBI Capital Market & Securities (ICMS). The transaction is proposed to be completed by end of February 2020.

Brief Financials (Rs. Crore)	FY18 (A)	FY19 (A)
Total Income	30,041	25,372
PAT	(8,238)	(15,116)
Total Assets	3,33,301	2,93,887
Net NPA (%)	16.69	10.11
ROTA (%)	(2.42)	(4.82)

A: Audited Note: A: Audited. All ratios are as per CARE Calculations. Total Assets shown are net off Deferred Tax Assets, Revaluation Reserves and Intangible Assets.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Bonds-Tier II Bonds	NA	NA	Proposed	2000.00	CARE A+; Stable
Certificate Of Deposit	NA	NA	proposed	10000.00	CARE A1+

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Bonds-Lower Tier II	LT	-	-	-	-	-	1)Withdrawn (22-Mar-17) 2)CARE AA; Negative (29-Dec-16)
2.	Bonds-Lower Tier II	LT	-	-	1)Withdrawn (25-Apr-19)	1)CARE A; Stable (15-Mar-19)	1)CARE A; Stable (08-Feb-18) 2)CARE A; Negative (26-May-17)	1)CARE AA-; Negative (22-Mar-17) 2)CARE AA; Negative (29-Dec-16)
3.	Certificate Of Deposit	ST	10000.00	CARE A1+	-	-	-	-
4.	Bonds-Tier II Bonds	LT	2000.00	CARE A+; Stable	-	-	-	-

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

SBICAP Trustee

SBICAP Trustee Company Ltd.

Ref.no. 3449/ SBICTCL/DT/2019-20 **Date: 20th December 2019**

IDBI Bank Ltd
IDBI Tower, WTC Complex
Cuffe Parade
Mumbai – 400 005

Issue of Unsecured Redeemable Non-Convertible Subordinated Basel III compliant Tier 2 Bonds (in the nature of debentures) issue of upto maximum Rs. 4000 crore on Private placement basis by IDBI Bank Ltd ("Company")- (IDBI Omni Bond)

We, the undersigned, do hereby consent to act as a Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the 'Offer document /Private placement offer letter' to be filed by the Company with the Indian stock exchanges where the Bonds are proposed to be listed (the "Stock Exchanges") and any other document intended to be filed with Stock Exchanges, SEBI and other regulatory or statutory authority in respect of the Issue. The following details with respect to us may be disclosed.

Name	: SBICAP Trustee Company Limited
Address	: Apeejay House, 3, Dinshaw Wachha Road, Churchgate, Mumbai 400 020
Tel	: 022 43025555
Fax	: 022 22040465
E-mail	: corporate@sbicaptrustee.com
Investor Grievance e-mail:	investor.cell@sbicaptrustee.com
Website	: www.sbicaptrustee.com
Contact Person	: Ms. Savitri Yadav (Company Secretary & Compliance Officer) Tel No. 022 43025503

SEBI Registration Number: IND000000536

We confirm that we are registered with SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate. We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues. We further confirm that no enquiry/investigation is being conducted by SEBI on us.

We further confirm that we have not received any communication from SEBI prohibiting us from acting as the intermediary:

We confirm that we will immediately inform the Company of any change, additions or deletions in respect of the matters covered in this certificate till the date when the Bonds offered, issued and allotted pursuant to the Issue, are admitted for trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of Bonds on the Stock Exchanges.

We hereby authorise you to deliver this letter of consent to the Stock Exchanges and any other regulatory or statutory authority as required.

Sincerely,
For SBICAP Trustee Company Limited

Name: Harish Shetty
Designation: Senior Manager

KFINTECH

December 19, 2019

IDBI BANK LIMITED
IDBI TOWER
WTC COMPLEX COFFEE PARADE
MUMBAI – 400 005

Kind Atten: K. Kavita (D.G.M)

Sub: Consent to act as Registrar to the issue of IDBI Omni Bonds (2019-2020) in private placement.

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We hereby give our consent to act as registrar to the issue of your IDBI Omni Bonds (2019-2020) on Private Placement to be made in tranches to the extent of Rs.4000 Cr ores and are agreeable to the inclusion of our name as "Registrar to Issue" in the Disclosure Documents and/or applications to be made to the stock exchange's (or) Depositories in this regard.

Thanking youy,
for KFin Technologies Private Limited

K V S Gopalakrishna
Asst.Gen.Manager

CC : National securities Depository Limited,
Trade Work - Wing Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400013.

Central Depository Services India Limited,
Phiroze Jeejeebhoy Towers,
16th floor Dalal Street,
Mumbai – 400 001.