

विभाग DEPT: Board Secretariat
Merchant Banking Division
Telefax 040-23230883; Tel.No.040-23252371
E-mail: mbd@andhrabank.co.in;

Lr.No. 666/25/P.181/264

Date: 09.08.2017

The Bombay Stock Exchange Limited
25th Floor, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001.

Scrip : 532418
System: ANDBKDM

Dear Sirs,

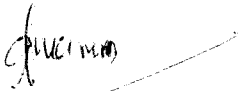
Sub: Allotment of Equity Shares to Government of India on preferential basis-
Submission of Disclosures

Further to our letter no. 666/25/P.181/261 dated 09.08.2017 informing about allotment of 19,16,37,630 equity shares to Government of India on 05.08.2017 on preferential basis, we submit herewith the following information/ disclosure/forms:

1. Disclosure in terms of Regulation 29(1) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
2. Disclosure in terms of Regulation 7(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;and
3. SEBI Exemption Certificate under Regulation 11(5) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; and
4. Disclosure in terms of Regulation 7(2) of the SEBI (Prohibition of Insider Trading Regulations, 2015.

This is for your information.

Yours faithfully,


(Y. Amarnath)
Company Secretary

Encl: as above



Format for disclosures under Regulation 29(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Name of the Target Company (TC)	ANDHRA BANK		
Name(s) of the acquirer and Persons Acting in Concert (PAC) with the acquirer	Government of India		
Whether the acquirer belongs to Promoter/Promoter group	Yes		
Name(s) of the Stock Exchange(s) where the shares of TC are Listed	The National Stock Exchange of India Limited and The Bombay Stock Exchange Limited		
Details of the acquisition of Shares /Voting Rights/holding of the Acquires and PAC	Number	% w.r.t. total share / voting capital wherever applicable	% w.r.t. total diluted share / voting capital of the TC(*)
<u>Before the acquisition under consideration, holding of:</u>			
a) Shares carrying voting rights	417310282	61.2643%	
b) Shares in the nature of encumbrance (pledge / lien / non disposal undertaking / others)	NOT APPLICABLE		
c) Voting rights (VR) otherwise than by shares			
d) Warrants / convertible securities / any other instrument that entitles the acquirer to receive shares carrying voting rights in the T C (specify holding in each category)			
e) Total (a+b+c+d)			
<u>Details of acquisition/sale</u>			
a) Shares carrying voting rights acquired/sold	191637630	8.5051%	
b) VRs acquired /sold otherwise than by shares	NOT APPLICABLE		
c) Warrants/convertible securities/any other instrument that entitles the acquirer to receive shares carrying voting rights in the TC (specify holding in each category) acquired/sold			
d) Shares encumbered / invoked / released by the acquirer			
e) Total (a+b+c+d)			

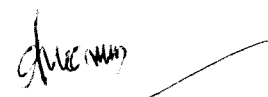


After the acquisition / sale, holding of:			
a) Shares carrying voting rights	608947912	69.7694%	
b) VRs otherwise than by shares			
c) Warrants / convertible securities / any other instrument that entitles the acquirer to receive shares carrying voting rights in the TC (specify holding in each category) after acquisition.	NOT APPLICABLE		
d) Total (a+b+c+d)			
Mode of acquisition / sale (e.g. open market / off-market / public issue / rights issue / preferential allotment / inter-se transfer etc).	PREFERENTIAL ALLOTMENT		
Date of acquisition / sale of shares / VR or date of receipt of intimation of allotment of shares, whichever is applicable	DATE OF ALLOTMENT: 05.08.2017		
Equity share capital / total voting capital of the TC before the said acquisition / sale.	TOTAL PAID UP CAPITAL OF THE BANK BEFORE THE CURRENT ISSUE: RS.681,16,34,920/-		
Equity share capital / total voting capital of the TC after the said acquisition / sale.	TOTAL PAID UP CAPITAL OF THE BANK AFTER THE CURRENT ISSUE: RS. 872,80,11,220/-		
Total diluted share/voting capital of the TC after the said acquisition/sale.	NOT APPLICABLE		

(*) Diluted share/voting capital means the total number of shares in the TC assuming full conversion of the outstanding convertible securities/warrants into equity shares of the TC.

On behalf of Government of India:

Signature of the Issuer/Authorised Signatory


 (Y. Amarnath)
 Company Secretary
 Andhra Bank
 Merchant Banking Division
 Head Office : Hyderabad



Place: HYDERABAD
Date: 09/08/2017

ఆంధ్రబ్యాంక్

(భారత ప్రభుత్వ సంస్థ)

आन्ध्रा बैंक

(भारत सरकार का उपक्रम)

Andhra Bank

(A Govt. of India Undertaking)

आन्ध्रा बैंक

प्रधान कार्यालय

"डॉ. पट्टाभि भवन"

5-9-11, सैफाबाद

हैदराबाद - 500 004

Andhra Bank

Head Office

"Dr. Pattabhi Bhavan"

5-9-11, Saifabad,

Hyderabad - 500 004

Format for informing details of acquisition to stock exchanges by Target Company in terms of Regulation 7(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Name of Target Company (Reporting Company) .. ANDHRA BANK

Date of Reporting	09.08.2017				
Name of stock exchanges where shares of Reporting Company are listed.	1. The National Stock Exchange Of India Limited 2. Bombay Stock Exchange Limited				
Details of acquisition as informed u/r 7(1)					
Name of Acquirer(s)	Date of acquisition/ date of receipt of intimation of allotment by acquirer.	Mode of acquisition (market purchases/ inter-se transfer/public / rights/ preferential offer etc.)	No & % of shares -voting rights acquired	Shareholding of acquirers stated at (A) before acquisition (In terms of No. & % of shares/Voting Rights)	Shareholding of acquirer(s) stated at (A) after acquisition (In terms of No. & % of shares/Voting Rights)
(A)	(B)	(C)	(D)	(E)	(F)
Government of India	05.08.2017 / 05.08.2017	Preferential Offer	19,16,37,630 SHARES & 8.5051%	41,73,10,282 SHARES & 61.2643%	60,89,47,912 SHARES & 69.7694%

Signed by authorised signatory

Place : Hyderabad

Date : 09.08.2017



Applicability of this reporting

7(1) Any acquirer, who acquires shares or voting rights which (taken together with shares or voting rights, if any, held by him) would entitle him to more than five percent shares or voting rights in a company, in any manner whatsoever, shall disclose the aggregate of his shareholding or voting rights in that company, to the company.

7(3) Every company, whose shares are acquired in a manner referred to in sub-regulation (1), shall disclose to all the stock exchanges on which the shares of the said company are listed the aggregate number of shares held by each of such persons referred above within seven days of receipt of information under sub-regulation (1).

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
CORAM: S. RAMAN, WHOLE TIME MEMBER

ORDER

UNDER REGULATION 11(5) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011.

IN THE MATTER OF PROPOSED ACQUISITION OF SHARES AND VOTING RIGHTS IN ANDHRA BANK.

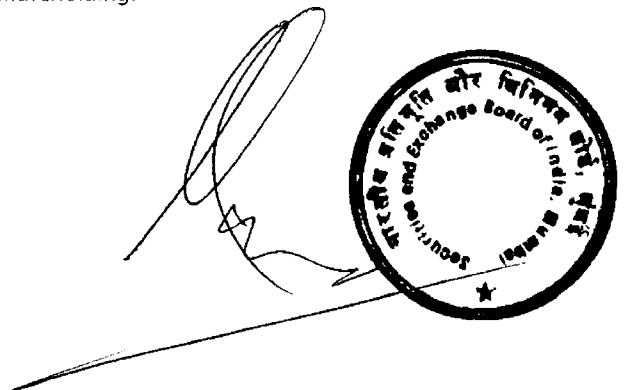
Background –

- 1.1 Andhra Bank (“Target Company”) is a Public Sector Bank having its Registered Office at Dr. Pattabhi Bhavan, 5–9–11, Saifabad, Hyderabad–500004. The shares of the Target Company are listed on Bombay Stock Exchange Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”).
- 1.2 The Target Company filed an application dated April 29, 2017 (received at SEBI on May 11, 2017) (“Application”), on behalf of its Promoter i.e. the Government of India (“Proposed Acquirer”) seeking exemption from the applicability of Regulation 3(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“Takeover Regulations”).
- 1.3 Regulation 3(2) of the Takeover Regulations, states –

“3. Substantial acquisition of shares or voting rights.

(2). No acquirer, who together with persons acting in concert with him, has acquired and holds in accordance with these regulations shares or voting rights in a target company entitling them to exercise twenty-five per cent or more of the voting rights in the target company but less than the maximum permissible non-public shareholding, shall acquire within any financial year additional shares or voting rights in such target company entitling them to exercise more than five per cent of the voting rights, unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations:

Provided that such acquirer shall not be entitled to acquire or enter into any agreement to acquire shares or voting rights exceeding such number of shares as would take the aggregate shareholding pursuant to the acquisition above the maximum permissible non-public shareholding.”



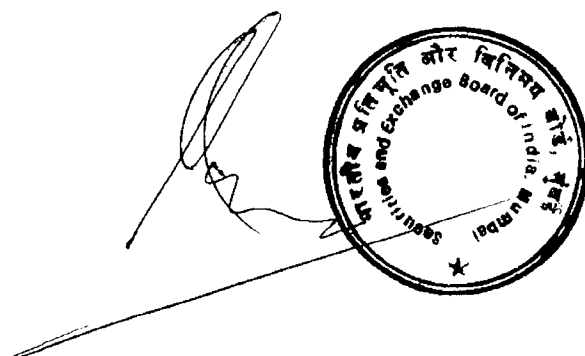
The image shows a handwritten signature in black ink, which is somewhat stylized and loops around. To the right of the signature is a circular official stamp. The stamp contains the text 'SEBI' at the top, 'Securities and Exchange Board of India, Mumbai' around the perimeter, and a small star at the bottom. The stamp is partially overlapping the signature.

1.4 From the aforesaid Application, the following is noted –

- A. Vide a letter dated March 16, 2017, the Government of India proposed an infusion of capital in the Target Company, amounting to ₹1100 Crores.
- B. The aforementioned amount of ₹1100 Crores will be infused through a proposed preferential allotment of 19,16,37,630 equity shares in favour of the Proposed Acquirer/Promoter i.e. the Government of India (“Proposed Acquisition”).
- C. At the Board Meeting of the Target Company held on March 27, 2017, the Board of Directors approved raising of additional equity capital to the extent of ₹1100 Crores by way of issue of equity shares on a preferential basis to the Proposed Acquirer/Promoter.
- D. An Extra-Ordinary General Meeting (“EGM”) of shareholders in the Target Company was held on May 6, 2017, wherein necessary special resolution was passed for issue and allotment of shares to the Proposed Acquirer/Promoter on preferential basis. The issue price per equity share has been arrived at ₹57.40, in accordance with Regulation 76(1) of (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“ICDR Regulations”). Based on the issue size of ₹1100 Crores and issue price of ₹57.40, the total number of equity shares to be allotted to the Proposed Acquirer/Promoter is 19,16,37,630 of face value ₹10 each.
- E. The shareholding pattern in the Target Company (i) as on March 31, 2017 and (ii) subsequent to the proposed acquisition, is provided as under –

TABLE I – SHAREHOLDING IN THE TARGET COMPANY (SOURCE: BSE WEBSITE)		
CATEGORY	AS ON 31.03.2017	SUBSEQUENT TO PROPOSED ALLOTMENT
	NO. OF SHARES AND %	NO. OF SHARES AND %
A. PROMOTER AND PROMOTER GROUP	41,73,10,282 [61.26%]	60,89,47,912 [69.76%]
B. MUTUAL FUNDS/ FOREIGN PORTFOLIO INVESTORS/ FINANCIAL INSTITUTIONS/ BANKS/INSURANCE COMPANIES/ LIFE INSURANCE CORPORATION OF INDIA/ OTHER PUBLIC SHAREHOLDERS	26,38,53,210 [38.74%]	26,38,53,210 [30.24%]
C. GRAND TOTAL (A + B)	68,11,63,492 [100%]	87,28,01,122 [100%]

- i. From Table I, it is observed that as on March 31, 2017, the Proposed Acquirer/Promoter i.e. the Government of India, held 41,73,10,282 equity shares (61.26%) in the Target Company.



ii. Subsequent to the proposed acquisition i.e. preferential allotment of 19,16,37,630 equity shares, the Proposed Acquirer/Promoter will hold 60,89,47,912 equity shares (69.76%) in the Target Company.

F. The resultant change in shareholding on account of the allotment indicated at paragraph E(iii) above, is likely to increase the concentration of the Proposed Acquirer/Promoter/Government shareholding in the Target Company by 8.50% during the Financial Year 2017–18 i.e. more than 5%, thereby attracting the provisions of Regulation 3(2) of the Takeover Regulations.

G. The details pertaining to the Board of Directors of the Target Company as on the date of the Application, is provided as under –

TABLE II – BOARD OF DIRECTORS OF THE TARGET COMPANY (SOURCE: APPLICATION)		
SR. NO.	NAME	STATUS
1.	MR. SURESH N PATEL	MANAGING DIRECTOR & CEO
2.	MR. S. K. KALRA	EXECUTIVE DIRECTOR
3.	MR. AJIT KUMAR RATH	EXECUTIVE DIRECTOR
4.	MS. ANJANA DUBE	GOVERNMENT NOMINEE DIRECTOR
5.	MR. E. E. KARTHAK	RESERVE BANK OF INDIA NOMINEE DIRECTOR
6.	MR. A. KRISHNAKUMAR	SHAREHOLDER DIRECTOR
7.	MR. G. SIVAKUMAR	SHAREHOLDER DIRECTOR

H. Submissions made by the Target Company on behalf of the Proposed Acquirer/Promoter for exemption from the provisions of Regulation 3(2) of the Takeover Regulations.

In its Application on behalf of the Proposed Acquirer/Promoter, the Target Company submitted as under –

a. "Government of India desires that all public sector banks should be adequately capitalized to keep growth capital over and above the minimum norms of BASEL III. Accordingly, Government has decided to allocate capital in (Target Company) as follows:

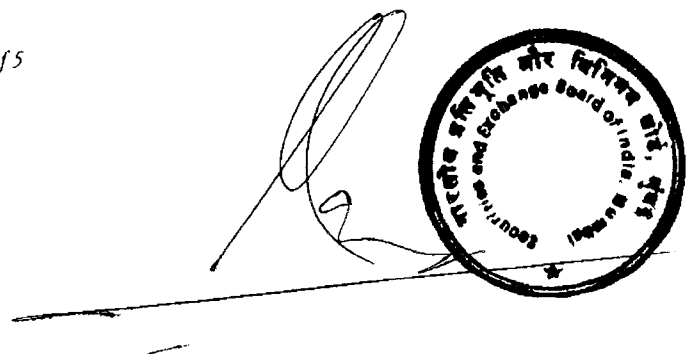
Date	Proposed Fresh Allotment of Share	Accumulated Shares of GOI	% of Holding	Remarks
31.03.2017		41,73,10,282	61.26	Opening Balance
Proposed Issue	19,16,37,630	60,89,47,912	69.76	Proposed to be issued after the ensuing EGM scheduled to be held on 06.05.2017

b. Our Bank's CET – I (Common equity capital) under BASEL III as on 31.03.2016 was 7.77%, Tier I at 1.04% and CRAR at 11.58%.

- c. *This infusion of equity by Government of India would also give additional leverage to the Bank to raise further equity capital from the public by way of Rights/FPO or from Qualified Institutional Placement (QIP/GDR) at a later date as and when the need arises, subject to necessary approvals from the Government of India and other regulatory authorities.*
- d. *Government of India would be acquiring more than 5% of total voting rights during the fresh proposed acquisition. Hence, this may attract the provisions of Regulation 3(2) of the Takeover Regulations, (which) requires than an acquirer obtaining more than 5% of the total voting rights to do so in an Open Offer to acquire shares from other shareholders. We wish to seek exemption from the applicability of this requirement under proviso of Regulation 11 of the aforesaid Regulations."*

Findings –

- 2.1 I have considered the Application made by the Target Company on behalf of the Proposed Acquirer/Promoter alongwith other relevant material available on record. In this regard, I note –
- i. The shareholding of the Proposed Acquirer/Promoter in the Target Company as on March 31, 2017, was 61.26% (41,73,10,282 equity shares).
 - ii. The change in shareholding on account of the allotment of 19,16,37,630 equity shares by way of the proposed preferential allotment, will result in an increase in the Proposed Acquirer/Promoter's shareholding in the Target Company by 8.50% during the Financial Year 2017–18 i.e. more than 5%, thereby attracting the provisions of Regulation 3(2) of the Takeover Regulations.
 - iii. The proposed acquisition is necessitated on account of the Government of India's objective that all Public Sector Banks are adequately capitalized for ensuring compliance with BASEL III norms.
 - iv. There will be no change in control of the Target Company pursuant to the proposed acquisition as the change will only be in the manner of holding the shares by the Proposed Acquirer/Promoter. Further, there will be no change in the number of equity shares held in the Target Company, by the public shareholders, pursuant to the proposed transactions.
- 2.2 The infusion of additional capital by the Proposed Acquirer/Promoter will enable the Target Company to maintain a capital over and above the minimum requirement mandated under BASEL III norms and will also provide the Target Company with additional leverage for raising further equity capital at a later date, as and when the need arises. Accordingly, I am of the considered view that exemption as




sought for in the Application made by the Target Company, be granted to the Proposed Acquirer/Promoter, subject to certain conditions as ordered herein below.

Order –

- 3.1 I, in exercise of the powers conferred upon me under Section 19 of the Securities and Exchange Board of India Act, 1992 ("SEBI Act") read with Regulation 11(5) of the Takeover Regulations, hereby grant exemption to the Proposed Acquirer, viz. **the Government of India**, from complying with the requirements of Regulation 3(2) of the Takeover Regulations with respect to the proposed acquisition of 8.50% equity shares during the Financial Year 2017–18, in the Target Company viz. **Andhra Bank**, by way of the proposed preferential allotment as mentioned in the Application.
- 3.2 The exemption so granted is subject to the following conditions:
- i. The proposed acquisition shall be in accordance with the relevant provisions of the Companies Act, 2013 and any other applicable law.
 - ii. The Government of India/Target Company shall ensure compliance with the statements and disclosures made in the Application.
 - iii. The statements/averments made or facts and figures mentioned in the Application by the Proposed Acquirer/Promoter are true and correct.
- 3.3 The exemption granted above is limited to the requirements of making open offer under the Takeover Regulations and shall not be construed as exemption from the disclosure requirements under Chapter V of the Takeover Regulations; compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015; Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable Acts, Rules and Regulations.
- 3.4 The Application dated April 29, 2017 (received at SEBI on May 11, 2017), filed by Target Company on behalf of the Proposed Acquirer/Promoter, is accordingly disposed of.

Place: Mumbai
Date: May 17, 2017


S. RAMAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA



FORM C

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7(2) read with Regulation 6(2)]

Name of the Bank: **Andhra Bank**
ISIN of the Bank: **INE434A01013**

Details of change in holding of securities of Promoter, Employee or Director of a listed company and such other persons as mentioned in Regulation 6(2)

Sl. No.	Name, PAN No., CIN/DIN & Address of Promoter / Employee / Director with Contact Nos	Category of (Promoters /KMP /Directors /immediate Relatives /Others etc.)	Securities held prior to acquisition/ disposal		Securities acquired/ Disposed	% of Shareholding		Date of allotment Advice/ acquisition of shares/ sale of shares/ shares specify	Date of Intimation to Bank	Mode of Acquisition	Trading in derivatives	Exchange on which trade was executed			
			Type of Security	No.		Pre Transaction	Post Transaction						From	To	
1	Government of India (Promoter)	2	Equity	3	4	5	6	7	8	9	10	11	12	13	14
		Promoter	Equity	417310282	Equity	191637630	61.2643%	69.7694%	05.08.2017	05.08.2017	Preferential Issue	N.A	N.A	N.A	N.A

191637630 equity shares are allotted to Government of India on preferential basis, the pre and post shareholding of Government of India in the Bank is as follows: -

Pre Allotment		Post Allotment	
No of shares held	% of pre-allotment paid-up capital	No of shares held	% of pre-allotment paid-up capital
417310282	61.2643%	608947912	69.7694%

On behalf of Government of India:

Signature of the Issuer/Authorised Signatory

(Y. Amarnath)
Company Secretary
Andhra Bank
Merchant Banking Division
Hyderabad



Place: HYDERABAD
Date: 09/08/2017