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TAMILNAD MERCANTILE BANK LIMITED

Our Bank was incorporated in the name of 'Nadar Bank Limited' on May 11, 1921 at Thoothukudi, Tamil Nadu as a limited company under the Indian Companies Act, 1913 pursuant to a certificate of incorporation issued by the erstwhile Assistant Registrar of Joint Stock, Palamcottah. Our Bank commenced its business on November 11, 1921 at Thoothukudi, Tamil Nadu. Subsequently, the name of our Bank was changed to 'Tamilnad Mercantile Bank Limited', with effect from November 27, 1962, pursuant to a letter of approval from the Government of India dated November 14, 1962 and a fresh certificate of incorporation dated July 17, 1968 was issued by the Assistant Registrar of Companies, Madras. For further details in relation to the changes in the registered office, see "History and Certain Corporate Matters" beginning on page 157 of the Prospectus dated September 8, 2022 ("Prospectus") filed with the Registrar of Companies, Tamil Nadu at Chennai ("RoC").
Registered and Corporate Office: No. 57, Victoria Extension Road, Thoothukudi - 628 002, Tamil Nadu, India; **Tel:** +91 461 2325136; **Contact Person:** Prakash Chandra Panda, Company Secretary and Compliance Officer; **Tel:** +91 461 2323666; **E-mail:** secretarial@tmbank.in; **Website:** www.tmb.in; **Corporate Identity Number:** U65110TN1921PLC001908

OUR BANK IS A PROFESSIONALLY MANAGED BANK AND DOES NOT HAVE AN IDENTIFIABLE PROMOTER

Our Bank has filed the Prospectus with the RoC and the Equity Shares are proposed to be listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") and the trading will commence on or about September 15, 2022.

BASIS OF ALLOTMENT

INITIAL PUBLIC OFFERING OF 15,840,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF TAMILNAD MERCANTILE BANK LIMITED ("BANK" OR "ISSUER") FOR CASH AT A PRICE OF ₹ 510 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 500 PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING TO ₹ 8,078.40 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF 15,840,000 EQUITY SHARES AGGREGATING TO ₹ 8,078.40 MILLION (THE "OFFER"). THE OFFER CONSTITUTED 10.00% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.

OFFER PRICE: ₹ 510 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH
ANCHOR INVESTOR OFFER PRICE: ₹510 PER EQUITY SHARE
THE OFFER PRICE IS 51.00 TIMES THE FACE VALUE OF THE EQUITY SHARES

Risks to Investors

- 37.73% of our paid-up Equity Share capital is subject to outstanding legal proceedings which are pending at various forums and 39.07% of our paid-up Equity Share capital (which includes 37.73% which is subject to legal proceedings) is not available for trading on listing.
- Directorate of Enforcement has initiated an inquiry against our Bank for violation of certain FEMA provisions and our Bank, certain present and past directors and other noticees are required to appear for personal hearing on September 15, 2022. Our business, reputation and financial results could be impacted by adverse results in legal proceedings against our Bank.
- We have regional concentration in southern India, especially Tamil Nadu. Any adverse change in the economic, political, or geographical conditions of Tamil Nadu and other states in which we operate can impact our results of operations.
- The Price/Earnings ratio based on diluted EPS for Fiscal 2022 for our Bank at higher end of the price band is 9.10 and Price/Earnings ratio of the average industry peer group is 11.85.
- The three BRLMs associated with the Offer have handled 49 public issues in the past three Fiscal Years, out of which 20 issues closed below the offer price on the listing date.

BID/OFFER PERIOD OPENED ON: MONDAY, SEPTEMBER 5, 2022
BID/OFFER PERIOD CLOSED ON: WEDNESDAY, SEPTEMBER 7, 2022
ANCHOR INVESTOR BID/OFFER PERIOD WAS: FRIDAY, SEPTEMBER 2, 2022

The Offer was made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75 % of the Offer was allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"), the "QIB Portion". Our Bank, in consultation with the Book Running Lead Managers, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion was available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion was available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds was less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion could have been added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Offer was available for allocation to Non-Institutional Bidders ("Non-Institutional Portion") of which one-third of the Non-Institutional Portion was available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Portion was available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Portion may have been allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not more than 10% of the Offer was available for allocation to Retail Individual Bidders ("Retail Portion") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders (except Anchor Investors) were required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of UPI Bidders using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts were blocked by the SCBs or by the Sponsor Bank(s) under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors were not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" beginning on page 326 of the Prospectus.

The bidding for Anchor Investors opened and closed on Friday, September 2, 2022. The Bank received 21 applications from 10 anchor investors for 73,23,680 equity shares. The Anchor investor price was finalized at ₹ 510 per Equity Share. A total of 71,28,000 shares were allocated under the Anchor Investor Portion aggregating to ₹ 3,635,280,000.

The Offer received 2,12,589 applications for 3,19,71,716 Equity Shares (prior to technical rejections) resulting in 2.0184 times subscription. The details of the applications received in the Offer from various categories are as under: (before technical rejections):

Sr. No.	Category	No. of Applications Applied	No. of Equity Shares	Equity Shares Reserved as per Prospectus	No. of times Subscribed	Amount (₹)
A.	Retail Individual Investors	2,07,704	99,95,720	15,84,000	6.3104	5,25,07,60,200.00
B.	HNI (Upto ₹10 lacs)	3,770	20,70,460	7,92,000	2.6142	1,08,69,73,356.00
C.	HNI (Above ₹10 lacs)	1,058	49,68,684	15,84,000	3.1368	2,60,86,17,340.00
D.	Qualified Institutional Bidders (excluding Anchor Investors)	36	76,13,172	47,52,000	1.6021	3,97,99,47,160.00
E.	Anchor Investors	21	73,23,680	71,28,000	1.0275	3,73,50,76,800.00
	Total	2,12,589	3,19,71,716	1,58,40,000	2.0184	16,66,13,74,856.00

Final Demand

A summary of the final demand as at different Bid prices is as under:

Bid price	No. of Equity Shares	% to Total	Cumulative Total	Cumulative % of Total
500	1,76,680	0.57	1,76,680	0.57
501	9,128	0.03	1,85,808	0.59
502	1,596	0.01	1,87,404	0.60
503	560	0.00	1,87,964	0.60
504	812	0.00	1,88,776	0.60
505	15,344	0.05	2,04,120	0.65
506	784	0.00	2,04,904	0.66
507	392	0.00	2,05,296	0.66
508	868	0.00	2,06,164	0.66
509	784	0.00	2,06,948	0.66
510	11,57,996	3.71	13,64,944	4.37
511	2,352	0.01	13,67,296	4.38
512	5,880	0.02	13,73,176	4.40
513	3,528	0.01	13,76,704	4.41
514	308	0.00	13,77,012	4.41
515	44,380	0.14	14,21,392	4.55
516	1,960	0.01	14,23,352	4.56
517	1,260	0.00	14,24,612	4.56
518	2,604	0.01	14,27,216	4.57
519	1,176	0.00	14,28,392	4.57
520	38,192	0.12	14,66,584	4.69
521	2,912	0.01	14,69,496	4.70
522	3,808	0.01	14,73,304	4.72
523	20,636	0.07	14,93,940	4.78
524	23,492	0.08	15,17,432	4.86
525	1,66,97,548	53.45	1,82,14,980	58.30
Cut-off	1,30,27,392	41.70	3,12,42,372	100.00
TOTAL	3,12,42,372	100.00		

The Basis of Allotment was finalized in consultation with the Designated Stock Exchange, being the BSE on September 12, 2022.

A. Allotment to Retail Individual Bidders (after technical rejections)

The Basis of Allotment to the Retail Individual Bidders, who have bid at the Cut-Off Price or at the Offer Price of ₹ 510 per Equity Share, was finalized in consultation with the BSE. This category has been subscribed to the extent of 6,0040 times. The total number of Equity Shares Allotted in Retail Portion is 15,84,000 Equity Shares to 56,571 successful Retail Individual Bidders. The category-wise details of the Basis of Allotment are as under: (Sample)

Category	No. of Applications Received	% of Total	Total No. of Equity Shares Applied	% to Total	No. of Equity Shares Allotted per Bidder	Ratio	Total No. of Equity Shares Allotted
28	1,59,737	80.57	44,72,636	47.03	28	117.410	12,76,212
56	17,073	8.61	9,56,088	10.05	28	117.410	1,36,416
84	5,434	2.74	4,56,456	4.80	28	87.305	43,400
112	4,444	1.74	3,85,728	4.06	28	87.305	27,524
140	2,695	1.36	3,77,300	3.97	28	87.305	21,532
168	1,109	0.56	1,86,312	1.96	28	87.305	8,848
196	1,679	0.85	3,29,084	3.46	28	87.305	13,412
224	507	0.26	1,13,568	1.19	28	87.305	4,060
252	253	0.13	63,756	0.67	28	72.253	2,016
280	1,377	0.69	3,85,560	4.05	28	87.305	11,004
308	203	0.10	62,524	0.66	28	58.203	1,624
336	253	0.13	85,008	0.89	28	72.253	2,016
364	4,489	2.26	16,33,996	17.18	28	87.305	35,868
392	6	0.00	2,352	0.02	28	2.6	56
10992 Allottees from Serial no 2 to 14 Additional (one) share						12:10992	12
TOTAL	1,98,259	100.00	95,10,368	100.00			15,84,000

B. Allotment to Non-Institutional Bidders (Upto ₹10 lacs) (after technical rejections)

The Basis of Allotment to the Non-Institutional Bidders, who have bid at the Offer Price of ₹ 510 per Equity Share or above, was finalized in consultation with the BSE. The Non-Institutional Portion has been subscribed to the extent of 2.5024 times. The total number of Equity Shares Allotted in this category is 7,92,000 Equity Shares to 2,020 successful Non-Institutional Bidders. The category-wise details of the Basis of Allotment are as under: (Sample)

Category	No. of Applications Received	% of Total	Total No. of Equity Shares Applied	% to Total	No. of Equity Shares Allotted per Bidder	Ratio	Total No. of Equity Shares Allotted	
392	2353	64.84	9,22,376	46.54	392	49:88	5,13,520	
420	237	6.53	99,540	5.02	392	132:237	51,744	
448	47	1.30	21,056	1.06	392	26:47	10,192	
476	51	1.41	24,276	1.22	392	28:51	10,976	
504	63	1.74	31,752	1.60	392	35:63	13,720	
532	9	0.25	4,788	0.24	392	5:9	1,960	
560	150	4.13	84,000	4.24	392	83:150	32,536	
588	43	1.18	25,284	1.28	392	24:43	9,408	
616	14	0.39	8,624	0.44	392	8:14	3,136	
644	5	0.14	3,220	0.16	392	3:5	1,176	
1,260	6	0.17	7,560	0.38	392	3:6	1,176	
1,316	6	0.17	7,896	0.40	392	3:6	1,176	
1,344	4	0.11	5,376	0.27	392	2:4	784	
1,400	16	0.44	22,400	1.13	392	9:16	3,528	
1,428	4	0.11	5,712	0.29	392	2:4	784	
1,484	3	0.08	4,452	0.22	392	2:3	784	
1,512	4	0.11	6,048	0.31	392	2:4	784	
1,540	1	0.03	1,540	0.08	392	1:1	392	
1,680	5	0.14	8,400	0.42	392	3:5	1,176	
1,708	3	0.08	5,124	0.26	392	2:3	784	
1,736	1	0.03	1,736	0.09	392	1:1	392	
1,764	1	0.03	1,764	0.09	392	1:1	392	
1,792	1	0.03	1,792	0.09	392	1:1	392	
1,820	2	0.06	3,640	0.18	392	1:2	392	
1,848	1	0.03	1,848	0.09	392	1:1	392	
1,876	8	0.22	15,008	0.76	392	4:8	1,568	
1,904	113	3.11	2,15,152	10.86	392	63:113	24,696	
All allottees from Category 420 to 1904 for 1 (one) additional share							160:710	160
TOTAL	3,629	100	19,81,924	100			7,92,000	

C. Allotment to Non-Institutional Bidders (Above ₹10 lacs)

The Basis of Allotment to the Non-Institutional Bidders, who have bid at the Offer Price of ₹ 510 per Equity Share or above, was finalized in consultation with the BSE. The Non-Institutional Portion has been subscribed to the extent of 3.0911 times. The total number of Equity Shares Allotted in this category is 15,84,000 Equity Shares to 1,039 successful Non-Institutional Bidders. The category-wise details of the Basis of Allotment are as under: (Sample)

Category	No. of Applications Received	% of Total	Total No. of Equity Shares Applied	% to Total	No. of Equity Shares Allotted per Bidder	Ratio	Total No. of Equity Shares Allotted	
1,932	750	72.18	14,49,000	29.59	795	1:1	5,96,250	
1 additional share for category 1932							513:750	513
1,960	30	2.89	58,800	1.20	803	1:1	24,090	
1,988	7	0.67	13,916	0.28	810	1:1	5,670	
2,016	21	2.02	42,336	0.86	818	1:1	17,178	
2,044	2	0.19	4,088	0.08	825	1:1	1,650	
2,100	15	1.44	31,500	0.64	840	1:1	12,600	
2,128	1	0.10	2,128	0.04	847	1:1	847	
2,184	1	0.10	2,184	0.04	862	1:1	862	
2,212	2	0.19	4,424	0.09	869	1:1	1,738	
4,760	10	0.96	47,600	0.97	1,537	1:1	15,370	
4,816	2	0.19	9,632	0.20	1,552	1:1	3,104	
4,984	2	0.19	9,968	0.20	1,596	1:1	3,192	
5,012	5	0.48	25,060	0.51	1,603	1:1	8,015	
5,320	1	0.10	5,320	0.11	1,684	1:1	1,684	
5,600	7	0.67	39,200	0.80	1,757	1:1	12,299	
5,712	3	0.29	17,136	0.35	1,787	1:1	5,361	
5,740	1	0.10	5,740	0.12	1,794	1:1	1,794	
5,796	1	0.10	5,796	0.12	1,809	1:1	1,809	
6,468	1	0.10	6,468	0.13	1,985	1:1	1,985	
57,120	2	0.19	1,14,240	2.33	15,262	1:1	30,524	
76,188	1	0.10	76,188	1.56	20,260	1:1	20,260	
76,216	1	0.10	76,216	1.56	20,268	1:1	20,268	
78,400	1	0.10	78,400	1.60	20,840	1:1	20,840	
95,200	1	0.10	95,200	1.94	25,244	1:1	25,244	
95,228	4	0.38	3,80,912	7.78	25,251	1:1	1,01,004	
1,42,968	1	0.10	1,42,968	2.92	37,765	1:1	37,765	
1,90,456	1	0.10	1,90,456	3.89	50,213	1:1	50,213	
5,00,024	1	0.10	5,00,024	10.21	1,31,360	1:1	1,31,360	
TOTAL	1,039	100	48,96,332	100			15,84,000	

D. Allotment to QIBs

Allotment to QIBs, who have Bid at the Offer Price of ₹ 510 per Equity Share or above, has been done on a proportionate basis in consultation with the BSE. This category has been subscribed to the extent of 1.60 times of QIB Portion. The total number of Equity Shares Allotted in the QIB Portion is 4,752,000 Equity Shares, which were allotted to 35 successful QIB Bidders. The category-wise details of