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BANK OF INDIA

Our Bank was incorporated on September 7, 1906 under the Act No. VI of 1882 of the Legislative Council of India as "Bank of India Limited". Subsequently, our Bank was constituted as 'Bank of India' under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 as amended ("**Banking Companies Act**") on July 19, 1969. For further details with respect to constitution of our Bank, please see section "*General Information*" on page 300.

Head Office: Star House C - 5, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.
Telephone: +91 22 6668 4444; **Website:** www.bankofindia.co.in, **Email:** headoffice.share@bankofindia.in; **Contact persons:** Rajesh Upadhya

Bank of India (the "**Issuer**" or the "**Bank**") is issuing 44,91,01,796 equity shares of face value ₹10 each (the "**Equity Shares**") at a price of ₹100.20 per Equity Share, including a premium of ₹90.20 per Equity Share (the "**Issue Price**"), aggregating up to ₹4,500 crore (the **"Issue"**). For further details, see "*Summary of the Issue*" on page 30.

THIS ISSUE IS IN ACCORDANCE WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), THE BANKING COMPANIES ACT, THE BANKING REGULATION ACT, 1949, AS AMENDED (THE "BANKING REGULATION ACT"), BANK OF INDIA (SHARES AND MEETINGS) REGULATIONS, 2007, AS AMENDED (THE "BANK OF INDIA REGULATIONS") AND THE NATIONALISED BANKS (MANAGEMENT AND MISCELLANEOUS PROVISIONS) SCHEME, 1970 (THE "NATIONALISED BANKS SCHEME")

THE ISSUE, AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS ("ELIGIBLE QIBs") AS DEFINED UNDER THE SEBI ICDR REGULATIONS IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO ELIGIBLE QIBs.

YOU ARE NOT AUTHORISED TO, AND MAY NOT (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENT, OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT, IN WHOLE OR IN PART, IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS. THIS PLACEMENT DOCUMENT WILL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBS WHOSE NAMES ARE RECORDED BY OUR BANK PRIOR TO MAKING AN INTIMATION TO SUBSCRIBE TO THE EQUITY SHARES.

INVESTMENTS IN EQUITY SHARES INVOLVE A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THIS ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "RISK FACTORS" ON PAGE 46 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS ISSUE. PROSPECTIVE INVESTORS OF THE EQUITY SHARES OFFERED SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR.

Invitations for subscription, offer and sale of the Equity Shares to be issued pursuant to this issue shall only be made pursuant to the Preliminary Placement Document together with the respective Application Form and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "*Issue Procedure*" on page 242. The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Bank to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any documents referred to in this Placement Document.

The information on the websites of our Bank, Subsidiaries, Joint Venture or Associates or any website directly or indirectly linked to the websites of our Bank, Subsidiaries or the website of the Book Running Lead Managers or their respective affiliates, does not form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

The outstanding Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE on December 4, 2023 was ₹ 109.20 and ₹ 109.20 per Equity Share, respectively. In-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("**SEBI Listing Regulations**") for listing of the Equity Shares have been received from BSE and NSE each on December 5, 2023. Applications to the Stock Exchanges will be made for obtaining listing and trading approvals for the Equity Shares offered through the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on BSE and NSE should not be taken as an indication of the merits of the business of our Bank or the Equity Shares.

A copy of the Preliminary Placement Document and this Placement Document have been delivered to the Stock Exchanges. This Placement Document will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. This Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges or any other statutory, regulatory or listing authority and is intended only for use by the Eligible QIBs. This Issue is meant only for Eligible QIBs on a private placement basis and is not an offer to the public or any other class of investors.

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

The Equity Shares offered in the Issue have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("Rule 144A") and referred to in this Placement Document as a "U.S. QIB") in transactions exempt from the registration requirements of the U.S. Securities Act, and (b) outside the United States in "offshore transactions" as defined in and in compliance with Regulation S ("Regulation S") under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Placement Document as "QIBs". For further information, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 258 and 268, respectively.

This Placement Document is dated December 8, 2023.

BOOK RUNNING LEAD MANAGERS

IDBI Capital Markets & Securities Limited	**BNP Paribas**	**DAM Capital Advisors Limited**	**IIFL Securities Limited**	**Nuvama Wealth Management Limited *(formerly known as Edelweiss Securities Limited)***	**SBI Capital Markets Limited**	**BOI Merchant Bankers Limited***

**BOI Merchant Bankers Limited, a subsidiary of our Bank, shall be involved only in marketing of the Issue in compliance with Regulation 21A of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended ("SEBI Merchant Bankers Regulations") and Regulation 174(2) of the SEBI ICDR Regulations.*

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NOTICE TO INVESTORS

Our Bank has furnished, and accepts full responsibility for, all of the information contained in this Placement Document and confirms that, to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Bank and the Equity Shares which is material in the context of the Issue. The statements contained in this Placement Document relating to our Bank and the Equity Shares are, in all material respects, true and accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Bank and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Bank. There are no other facts in relation to our Bank and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Bank has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. The information contained in this Placement Document has been provided by our Bank and other sources identified herein.

IDBI Capital Markets & Securities Limited, BNP Paribas, DAM Capital Advisors Limited, IIFL Securities Limited, Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited), SBI Capital Markets Limited and BOI Merchant Bankers Limited (collectively, the "**Book Running Lead Managers**" or the "**BRLMs**") have not separately verified the information contained in this Placement Document (financial, legal or otherwise). In compliance with Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 174(2) of the SEBI ICDR Regulations, BOI Merchant Bankers Limited will be involved only in the marketing of the Issue. Accordingly, neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by any of the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the Issue or the distribution of the Equity Shares. Each person receiving this Placement Document acknowledges that such person has not relied on either the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Bank and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Bank or by or on behalf of the Book Running Lead Managers. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including SEBI, the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-U.S. regulatory authority. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States, only to persons who are reasonable belived to be U.S QIBs in transactions exempt from the registration requirements of the U.S. Securities Actand (b) outside the United States in "offshore transactions (as defined in Regulation S in compliance with Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. The Equity Shares will be transferable only in accordance with the restrictions described under "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 258 and 268, respectively. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Placement Document as "QIBs".

The subscribers of the Equity Shares offered in the Issue will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 2, 6, 258 and 268, respectively.

The distribution of this Placement Document and the issuance of Equity Shares pursuant to the Issue may be restricted by law in certain jurisdictions. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by 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 offer or solicitation. No action has been taken by the Bank and the Book Running Lead Managers which would permit an issue of the Equity Shares offered in the Issue or the distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any other Issue-related materials in connection with the Issue may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" on page 258.

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

In making an investment decision, investors must rely on their own examination of our Bank and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Bank nor the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under applicable legal, investment or similar laws or regulations. Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Bank under Indian law, including Chapter VI of the SEBI ICDR Regulations and is not prohibited by SEBI or any other regulatory, statutory or judicial authority from buying, selling or dealing in securities.

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

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents. All references herein to "you" or "your" is to the prospective investors in the Issue.

NOTICE TO INVESTORS IN THE UNITED STATES

THE EQUITY SHARES HAVE NOT BEEN RECOMMENDED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER U.S. FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PLACEMENT DOCUMENT OR APPROVED OR DISAPPROVED THE EQUITY SHARES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE BANK AND THE TERMS OF THE OFFER, INCLUDING THE MERITS AND RISKS INVOLVED.

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR ANY OTHER APPLICABLE LAW OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION

REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO PERSONS REASONABLY BELIEVED TO BE U.S. QIBS IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND (B) OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" (AS DEFINED IN REGULATION S) IN COMPLIANCE WITH REGULATION S UNDER AND THE APPLICABLE LAWS OF THE JURISDICTIONS WHERE THOSE OFFERS AND SALES ARE MADE. THE EQUITY SHARES ARE TRANSFERABLE ONLY IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED UNDER THE SECTIONS "*SELLING RESTRICTIONS*" AND "*TRANSFER RESTRICTIONS*" ON PAGES 258 AND 268, RESPECTIVELY.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Placement Document has been prepared on the basis that all offers of Equity Shares in Member States of the European Economic Area ("**EEA**") (each a "**Member State**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of Equity Shares. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 of the European Parliament and Council EC (and amendments thereto). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Placement Document should only do so in circumstances in which no obligation arises for the Bank or any of the Book Running Lead Managers to produce a prospectus for such offer. None of the Bank or the Book Running Lead Managers have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Book Running Lead Managers which constitute the final placement of Equity Shares contemplated in this Placement Document.

Information to distributors

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Equity Shares the subject of the Offering have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the "**UK Target Market Assessment**"). Notwithstanding the UK Target Market Assessment, "distributors" (for the purposes of the UK Product Governance Requirements) should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

In the United Kingdom, this document is being distributed only to, and is directed only at, persons: (A) (i) who have professional experience in matters relating to investments and who are investment professionals falling within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the "**FSMA Order**"), (ii) falling within Article 49(2)(a) to (d) of the FSMA Order, and (iii) to whom it may otherwise lawfully be communicated; and (B) who are "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018 (all such persons together being referred to as "**relevant persons**"). This document must not be acted on or relied on in the United Kingdom, by persons who are not relevant persons. Any investment or investment activity to which the document relates is available only to, in the United Kingdom, relevant persons. The communication of this offering memorandum to any person who is not a relevant person is unauthorized and may contravene the Financial Services and Markets Act 2000, as amended.

NOTIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)

Singapore Securities and Futures Act Product Classification – the Bank has determined, and hereby notifies all relevant persons (as defined in Section 309A of the Securities and Futures Act (Chapter 289 of Singapore)) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAAN16: Notice on Recommendations on Investment Products).

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 258 and 268, respectively.

Any information about our Bank available on any website of the Stock Exchanges, our Bank or the BRLMs, other than this Placement Document, shall not constitute a part of this Placement Document and no investment decision should be made on the basis of such information.

REPRESENTATIONS BY INVESTORS

References herein to "you, "your" is to the prospective investors to the Issue.

By bidding for and/or subscribing to any Equity Share under the Issue, you are deemed to have represented, warranted to us and the Book Running Lead Managers, and acknowledged and agreed as follows:

a. your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Bank or Subsidiaries or Joint Venture or Associates that is not set forth in this Placement Document;

b. you are a "Qualified Institutional Buyer" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under the applicable laws and regulations of India and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allocated (as defined hereinafter) to you in accordance with Chapter VI of the SEBI ICDR Regulations, and undertake to comply with the SEBI ICDR Regulations and all other applicable laws, including in respect of reporting requirements in India, or making necessary filings, including with the RBI, if any, in connection with the Issue;

c. if you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges (additional restrictions apply if you are within the United States and certain other jurisdictions), see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 258 and 268, respectively;

d. you are aware that the Equity Shares have not been and will not be filed through a prospectus under the Companies Act, SEBI ICDR Regulations or under any other law in force in India, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Placement Document has not been reviewed, verified or affirmed by RBI, SEBI, the Stock Exchanges or any other regulatory or listing authority and will not be filed with the RoC, and is intended only for use by Eligible QIBs. The Preliminary Placement Document and this Placement Document have been filed with the Stock Exchanges for record purposes only and the Preliminary Placement Document and this Placement Document are required to be displayed on the websites of our Bank and the Stock Exchanges;

e. you are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdiction(s) which apply to you and that you have the necessary capacity and fully observed such laws and obtained all such governmental and other consents in each case which may be required thereunder and complied with all necessary formalities to enable you to participate in this Issue and to perform your obligations in relation thereto (including, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

f. you are aware of the additional requirements that are applicable, as set forth under "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 258 and 268 respectively and you are permitted and have necessary capacity to acquire / subscribe to the Equity Shares under the laws of all relevant jurisdictions which apply to you and that you have fully observed such laws and obtained all such governmental and other consents in each case which may be required thereunder and complied with all necessary formalities and have obtained all necessary consents and approvals to enable you to commit to participation in this Issue and to perform your obligations in relation thereto (including, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

g. neither our Bank nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates is making any recommendation to you, advising you regarding the suitability of any transactions it may enter into in connection with the Issue and that participation in the Issue is on the basis that you are not and will not, up to the Allotment, be a client of any of the Book Running Lead Managers and that the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates have no duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are in no way acting in a fiduciary capacity to you;

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

i. you are aware that if you are Allotted more than 5.00% of the Equity Shares in the Issue, our Bank shall be required to disclose your name and the number of Equity Shares Allotted to you to the Stock Exchanges, and they will make the same available on their website and you consent to such disclosures being made by us;

j. you understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Banking Companies (Acquisition And Transfer Of Undertakings) Act, 1970 read with the Banking Regulation Act, 1949, the Nationalised Banks (Management And Miscellaneous Provisions) Scheme, 1970 and the Bank of India (Shares and Meetings) Regulations, 2007 and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

k. you are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law including but not limited to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, each as amended;

l. all statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our Bank's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Bank's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Bank's present and future business strategies and environment in which our Bank will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Placement Document. Our Bank assumes no responsibility to update any of the forward-looking statements contained in this Placement Document;

m. you have been provided a serially numbered copy of the Preliminary Placement Document and have read this Placement Document in its entirety, including, in particular, "*Risk Factors*" on page 46;

n. you are aware and understand that the Equity Shares are being offered only to Eligible QIBs and are not being offered to the general public and the Allotment of the same shall be made by our Bank on a discretionary basis, in consultation with the Book Running Lead Managers;

o. you are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 258 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" on page 258, and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;

p. you understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and, accordingly, may not be offered or sold within the United States, except in reliance on an exemption from the registration requirements of the U.S. Securities Act;

q. if you are within the United States, you are a U.S. QIB, who is acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the definition of a U.S. QIB, for investment purposes only, and not with a view to, or for reoffer or resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part, and are not an affiliate of the Bank or a person acting on behalf of such an affiliate;

r. if you are outside the United States, you are subscribing for the Equity Shares in an "offshore transaction" within the meaning of Regulation S under the U.S. Securities Act, and are not our Bank's or the BRLMs' affiliate or a person acting on behalf of such an affiliate;

s. you are not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act) or directed selling efforts (as defined in Regulation S) and you understand and agree that offers and sales (a) in the United States, are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) of the U.S. Securities Act or another available exemption from registration under the U.S. Securities Act, and the Equity Shares may not be eligible for resale under Rule 144 thereunder; and (b) outside the United States, are being made in offshore transactions in compliance with Regulation S;

t. you understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Transfer Restrictions*" on page 268 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Transfer Restrictions*" on page 268, and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;

u. that in making your investment decision, (i) you have relied on your own examination of our Bank and the terms of the Issue, including the merits and risks involved; (ii) you have made and will continue to make your own assessment of our Bank, the Equity Shares and the terms of the Issue based on such information as is publicly available; (iii) you have consulted your own independent advisors (including tax advisors) or otherwise have satisfied yourself concerning, without limitation, the effects of local laws and taxation matters; (iv) you have relied solely on the information contained in this Placement Document and no other disclosure or representation by our Bank or the Book running Lead Managers or any other party; (v) you have received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Bank and the Equity Shares and; (vi) relied upon your investigation and resources in deciding to invest in the Issue. You are seeking to subscribe to / acquire the Equity Shares in this Issue for your own investment and not with a view to resale or distribution;

v. you are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of entities in a similar nature of the business, similar stage of development, and in similar jurisdictions. You and any accounts for which you are subscribing the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares; (ii) will not look to our Bank and/or the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates for all or part of any such loss or losses that may be suffered including losses arising out of non-performance by our Bank of any of its respective obligations or any breach of any representations and warranties by our Bank, whether to you or otherwise; (iii) are able to sustain a complete loss on the investment in the Equity Shares; (iv) have no need for liquidity with respect to the investment in the Equity Shares; (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment;

w. our Bank or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates have not provided you with any tax advice or otherwise made any representations regarding the tax consequences of the purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice and will not rely on the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates or our Bank when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You waive and agree not to assert any claim against the Book Running Lead Managers or our Bank or any other respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents, associates or affiliates with respect to the tax aspects of the Equity Shares or the Issue or as a result of any tax audits by tax authorities, wherever situated;

x. you acknowledge that the Preliminary Placement Document did not, and this Placement Document does not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

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

z. you are not a 'promoter' of our Bank (as defined under the SEBI ICDR Regulations) and are not a person related to the Promoter (as defined hereinafter), either directly or indirectly and your Application does not directly or indirectly represent the promoter or promoter group (as defined under the SEBI ICDR Regulations) of our Bank or a person related to the Promoter;

aa. you have no rights under a shareholders agreement or voting agreement with the Promoter or promoter group, no veto rights or right to appoint any nominee director on the Board of our Bank other than the rights acquired if any in the capacity of a lender not holding any equity Shares of our Bank the acquisition of which shall not deem you to be a Promoter or a person related to the Promoter;

bb. you have no right to withdraw or revise downwards your Application after the Bid/ Issue Closing Date (as defined hereinafter);

cc. you are eligible to apply and hold Equity Shares so Allotted and together with any securities of our Bank held by you prior to the Issue. You further confirm that your holding upon the issue and allotment of the Equity Shares shall not exceed the level permissible as per any regulation applicable to you including, but not limited to, the Banking Regulation Act, 1949, Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and in the event of your holding of the Equity Shares reaches any applicable limits as may be prescribed you will make the appropriate disclosures and obtain the necessary permissions in this regard from the relevant authorities/RBI;

dd. the Bid submitted by you would not eventually result in triggering an open offer under the SEBI Takeover Regulations (as defined hereinafter), and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

ee. your aggregate holding together with other prospective Investors participating in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

- QIBs belonging to the "same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst a Eligible QIB, its subsidiary or holding company and any other Eligible QIB; and

- 'control' shall have the same meaning as is assigned to it by clause 1 (e) of Regulation 2 of the SEBI Takeover Regulations (as defined hereinafter).

ff. you shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approval for the Equity Shares is issued by the Stock Exchanges;

gg. you are aware and understand that the Book Running Lead Managers have entered into a Placement Agreement (as defined hereinafter) with our Bank whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein agreed to manage the Issue and, undertaken to use its reasonable endeavours to seek to procure subscription for the Equity Shares on the terms and conditions set forth therein;

hh. if you are an Eligible FPI as defined in this Placement Document, you confirm that you will participate in the Issue only under and in conformity with Schedule II of FEMA Rules and you confirm that you are not an FVCI or a multilateral or bilateral development financial institution and that you are not an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules. Further, you acknowledge that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) in our Bank does not exceed 10% of the post-Issue paid-up capital of our Bank on a fully diluted basis, and further with effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Bank. You also confirm that you are eligible to invest in India under applicable laws, including those issued by the RBI, and the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory or statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India

ii. you confirm that neither are you an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in which case, investment can only be through the Government approval route), and that your investment is in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT and Rule 6 of the FEMA Rules;

jj. that the contents of this Placement Document are exclusively the responsibility of our Bank and that neither the Book Running Lead Managers nor any person acting on their behalf has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Bank and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By participating in the Issue, you agree to the same and confirm that you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Book Running Lead Managers or our Bank or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents, associates or affiliates or any other person and neither the Book Running Lead Managers nor our Bank or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents, associates or affiliates nor any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

kk. that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares issued in pursuance of the Issue and that you have neither received nor relied on any other information given or representations, warranties or statements made by the Book Running Lead Managers or our Bank and neither the Book Running Lead Managers nor our Bank will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty or statement that you have obtained or received;

ll. that each of the representations, warranties, acknowledgements and agreements set forth above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

mm. you agree to indemnify and hold our Bank and the Book Running Lead Managers and their respective shareholders, directors, officers, employees, counsel, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgments and agreements made by you in this Placement Document and the Placement Document. You agree that the indemnity set forth in this section shall survive the resale of the Equity Shares Allotted under the Issue by or on behalf of the managed accounts;

nn. that our Bank, the Book Running Lead Managers, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Book Running Lead Managers on their own behalf and on behalf of our Bank and are irrevocable and it is agreed that if any of such representations, warranties, acknowledgements, undertakings and agreements are no longer accurate, you will promptly notify the Book Running Lead Managers;

oo. that you understand that none of the Book Running Lead Managers nor its respective affiliates has any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by us of any of our respective obligations or any breach of any representations or warranties by us, whether to you or otherwise;

pp. that you are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and such approval has been received from the Stock Exchanges; and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final approvals for listing of the Equity Shares will be obtained in time or at all. Neither our Bank nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsel, affiliates, associates, controlling persons and representatives shall be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;

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

rr. You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a Successful Bidder. Allotment of Equity Shares will be undertaken by our Bank, in its discretion, in consultation with the BRLMs.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), for which they may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis. SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above mentioned restrictions shall also apply to subscribers of offshore derivative instruments and two or more subscribers of offshore derivative instruments having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Affiliates of the Book Running Lead Managers which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Bank and do not constitute any obligation of, claims on or interests in our Bank. Our Bank has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Bank. Our Bank and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and does not constitute any obligations of or claims on the Book Running Lead Managers.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto.

Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document have been submitted to the Stock Exchanges.

The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of any of the contents of the Preliminary Placement Document and and this Placement Document;

2. warrant that the Equity Shares pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Bank, its Promoter, its management or any scheme or business activity of our Bank;

It should not for any reason be deemed or construed to mean that the Preliminary Placement Document and and this Placement Document have been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to "you", "your", "offeree", "purchaser", "Bidder", "subscriber", "recipient", "investors", "prospective investors" and "potential investor" are to the Eligible QIBs who are the prospective investors of the Equity Shares in the Issue and references to the "Issuer", "Bank" or "our Bank" are to the Bank of India, on a standalone basis. All references to the "we", "us" or "our" are to the Bank of India, its Subsidiaries, Joint Venture or Associates on a consolidated basis, unless otherwise specified or the context otherwise indicates or implies.

References in this Placement Document to "India" are to the Republic of India and its territories and possessions and the "Government" or the "Central Government" or the "state government" are to the Government of India, or the governments of any state in India, as applicable and as the case may be. All references herein to the "U.S." or the "United States" are to the United States of America and its territories and possessions. References to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Page Numbers

Unless otherwise stated, all references to page numbers in this Placement Document are to page numbers of this Placement Document.

Currency and Units of Presentation

In this Placement Document, references to "USD", "$", "U.S.$" and "U.S. dollars" are to the legal currency of the United States and references to, "₹","Rs.", "INR" and "Rupees" are to the legal currency of India.

All the numbers in this Placement Document, have been presented in crores or whole numbers, unless stated otherwise. One crore represents ₹1,00,00,000. Furthermore, the numbers stated in the Financial Statements are being presented in thousands or whole numbers.

Financial and Other Information

In this Placement Document, we have included the following financial statements prepared under Indian GAAP: (i) audited standalone and consolidated financial statements for Fiscal 2021 read along with the notes thereto (the "**Fiscal 2021 Audited Financial Statements**"); (ii) audited standalone and consolidated financial statements for Fiscal 2022 read along with the notes thereto (the "**Fiscal 2022 Audited Financial Statements**"); (iii) audited standalone and consolidated financial statements for Fiscal 2023 read along with the notes thereto (the "**Fiscal 2023 Audited Financial Statements**" and collectively with Fiscal 2021 Audited Financial Statements and Fiscal 2022 Audited Financial Statements, the "**Audited Financial Statements**") and (iv) unaudited reviewed standalone and consolidated financial results of our Bank, which comprises of the standalone and consolidated balance sheet as of September 30, 2023, the related standalone and consolidated profit & loss account for the six months period ended September 30, 2023, the standalone and consolidated cash flow statement and the consolidated statement of changes in equity for the six months period ended September 30, 2023 and selected explanatory notes thereon, subjected to a limited review, as filed with the Stock Exchanges on November 4, 2023 (the "**Reviewed Financial Results"**).

The Audited Financial Statements are prepared in accordance with Indian GAAP as applicable to banks, guidelines issued by the RBI from time to time, practices generally prevailing in the banking industry in India and the applicable standards on auditing. Our Bank prepares its financial statements in Rupees in accordance with Indian GAAP which differ in certain important aspects from U.S. GAAP and other accounting principles and standards on auditing with which prospective investors may be familiar in other countries. We have not attempted to quantify the impact of U.S. GAAP on the financial data included in this Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with the respective accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

In addition, the Ministry of Corporate Affairs (the "**MCA**"), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind-AS converged with IFRS for scheduled commercial banks, insurers, insurance companies and non-banking financial companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. These regulations required our Bank to prepare Ind-AS based financial statements for accounting period commencing April 1, 2018 with comparative financial statements for the accounting period ending March 31, 2018. On June 23, 2016, RBI directed all scheduled commercial banks (excluding regional rural banks) to submit proforma Ind-AS financial statements, for the half year ended September 30, 2016 to Reserve Bank of India, Mumbai. RBI *vide* notification dated March 22, 2019, decided to defer the implementation of Ind-AS on scheduled commercial banks (excluding regional rural banks) till further notice. The nature and extent of the possible impact of Ind-AS on our financial reporting and accounting practices is currently uncertain, and there can be no assurance that such impact will not be significant. Our Bank cannot assure you that it has completed a comprehensive analysis of the effect of Ind AS on future financial information or that the application of Ind AS will not result in a materially adverse effect on our Bank's future financial information. For further information on the transition to Ind AS, see "*Risk Factors – Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors outside India may be more familiar with and may consider material to their assessment of our financial condition, results of operations and cash flows***.**" on page 46.

The Fiscal Year of our Bank commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year. Unless otherwise stated, references in this Placement Document to a particular year are to the calendar year ended on December 31, and to a particular "Fiscal" or "Fiscal Year" or "FY" are to the fiscal year ended on March 31.

All figures appearing in this Placement Document have been rounded off to two decimal places. Accordingly, the figure shown as totals herein may not be an arithmetic aggregation of the figures which precede them.

Basis of Presentation

Unless otherwise stated, the Bank's financial information included in this Placement Document (including the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*") has been derived from Audited Financial Statements and Reviewed Financial Results. Although the Bank possesses certain Subsidiaries Joint Venture and Associates, it believes that the impact of those entities on the Bank's consolidated financial statements is not significant. Accordingly, the Bank's management primarily utilizes the Bank's standalone financial information to monitor the operational strength and performance of the Bank's business. For more information on the Bank's financial information on a consolidated basis, see the Bank's consolidated financial statements, which have been included in this Placement Document. For more information on the Bank's subsidiaries, see " *Our Business– Subsidiaries, Joint Venture, associates and strategic investments*" on page 204.

Non-GAAP Financial Measures

The Bank uses a variety of financial and operational performance indicators to measure and analyze its operational performance from period to period, and to manage its business. The Bank's management also uses other information that may not be entirely financial in nature, including statistical and other comparative information commonly used within the Indian banking industry to evaluate our financial and operating performance. These key financial and operational performance indicators and ratios are defined along with a brief explanation in the sections, see "*Definitions and Abbreviations*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Select Statistical Information*" on pages 22, 86 and 122, respectively.

These financial and operational performance indicators are not defined under Indian GAAP and have limitations as analytical tools. As a result, they should not be considered in isolation from, or as substitutes for, an analysis of the Bank's historical financial performance, as reported and presented in its financial statements in accordance with Indian GAAP. While these financial and operational performance indicators may be used by other banks and financial institutions operating in the Indian banking industry, they may not be comparable to similar financial or performance indicators used by other banks or financial institutions. Other banks or financial institutions may use different financial or performance indicators or calculate these ratios differently, and similarly titled measures published by them may therefore not be comparable to those used by the Bank. For a reconciliation of the Bank's non-GAAP financial measures to Indian GAAP, see " *see "Management's Discussion and Analysis of Financial Condition and Results of Operations"* on page 86.

The Bank's website, and the websites of its Subsidiaries, Joint Venture or Associates shall not form a part of this Placement Document.

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupees and the U.S. dollar will affect the U.S. dollar equivalent of the Rupee price of the Equity Shares on BSE and NSE. These fluctuations will also affect the conversion into U.S. dollar of any cash dividends paid in Rupees on the Equity Shares. The exchange rate between the Rupee and US Dollar has been volatile over the past year.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$), for the periods indicated. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

US Dollar

(₹ per US$)

	Period End(1)	Average(2)	High(3)	Low(4)
Fiscal Ended:				
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
March 31, 2021	73.50	74.27	76.81	72.29
Months ended:				
November 30, 2023	83.35	83.30	83.39	83.13
October 31, 2023	83.27	83.24	83.27	83.15
September 30, 2023	83.06	83.05	83.26	82.66
August 31, 2023	82.68	82.79	83.13	82.28
July 31, 2023	82.25	82.15	82.68	81.81
June 30, 2023	82.04	82.23	82.64	81.88

Source: www.rbi.org,in and www.fbil.org.in, as applicable.
Period end, high, low and average rates are based on the FBIL reference rates and rounded off to two decimal places. The RBI reference rates are rounded off to two decimal places.

Notes:
1. *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.*
2. *Average of the official rate for each Working Day of the relevant period.*
3. *Maximum of the official rate for each Working Day of the relevant period.*
4. *Minimum of the official rate for each Working Day of the relevant period.*

In case of holidays, the exchange rate on the last traded day of the month has been considered as the rate for the period end.

INDUSTRY AND MARKET DATA

Information regarding market position, market size, growth rates, other industry data and certain industry forecasts pertaining to the businesses of our Bank contained in this Placement Document consists of estimates, forecasts based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which our Bank competes. Unless stated otherwise, the statistical information included in this Placement Document relating to the industry in which our Bank operates has been reproduced from various trade, industry and government publications and websites.

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on or base their investment decision on this information. In certain cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring us to rely on internally developed estimates.

All such data is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither our Bank nor any of the Book Running Lead Managers have independently verified this data and do not make any representation regarding accuracy or completeness of such data. Our Bank takes responsibility for accurately reproducing such information but accept no further responsibility in respect of such information, data, projections, forecasts, conclusions or any other information contained in this section. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so our Bank has relied on internally developed estimates. Similarly, while our Bank believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither our Bank nor any of the Book Running Lead Managers can assure potential investors as to their accuracy. Certain information contained herein pertaining to prior years is presented in the form of estimates as they appear in the respective reports/source documents. The actual data for those years may vary significantly and materially from the estimates so contained.

The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

AVAILABLE INFORMATION

Our Bank has agreed that, for so long as any Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, our Bank will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act, subject to compliance with the applicable provisions of Indian law.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "can", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Bank are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Bank's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Bank's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts.

These forward-looking statements and any other projections contained in this Placement Document (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about the Bank that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- Our business is vulnerable to interest rate risk, and any volatility in interest rates could decrease the value of our fixed income investments and have an adverse effect on our Net Interest Margin, thereby adversely affecting our Net Interest Income, results of operations and cash flows.

- Concentration of loans to certain borrowers and industry sectors, and a default by such borrowers or a deterioration in the performance of any industry sector in which our Bank has significant exposure could adversely affect our financial condition, results of operations and cash flows.

- An increase in our Bank's NPAs or provisioning requirements under the applicable RBI regulations could materially and adversely affect our business, financial condition, results of operations and cash flows.

- Our loan portfolio contains significant advances to MSMEs, agriculture and other priority sectors and failure to meet our priority sector lending requirements, could result in our results of operations being materially and adversely affected.

- We may face cyber threats attempting to exploit our network to disrupt services to customers and/ or theft of sensitive internal data or customer information, which may cause damage to our reputation and adversely affect our financial condition, results of operations and cash flows.

- Income from treasury operations is subject to volatility due to, among other things, changes in interest rates and foreign currency exchange rates as well as other market fluctuations. An increase in interest rates decreases the value of our fixed income investments.

- Material weakness or failures of the Bank's internal control system may cause significant operational errors, which may in turn materially and adversely affect our profitability and reputation.

- Our Bank may not be successful in implementing its growth strategies or penetrating new markets.

- Our Bank's business operations are heavily reliant on our information technology systems. Any failure of, or disruptions in, our systems could have an adverse impact on our operations and financial condition

- The banking industry is very competitive, and our growth strategy depends on our ability to compete effectively.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*", "*Management's Discussion and Analysis of Financial*

Condition and Results of Operations", "*Industry Overview*" and "*Our Business*" on pages 46, 86, 158 and 174 respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Bank. Although our Bank believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither our Bank nor the Book Running Lead Managers undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our Bank's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Bank could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Bank are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI and Stock Exchange requirements, our Company and the Book Running Lead Managers will ensure that the Shareholders are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchanges.

ENFORCEMENT OF CIVIL LIABILITIES

All of our Bank's Directors, key managerial personnel and members of senior management are residents of India and a substantial portion of the assets of our Bank are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Bank or such persons outside India, or to enforce judgments obtained against such parties in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Code on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except:

- where the judgment has not been pronounced by a court of competent jurisdiction;
- where the judgment has not been given on the merits of the case;
- where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable;
- where the proceedings in which the judgment was obtained are opposed to natural justice;
- where the judgment has been obtained by fraud; and
- where the judgment sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory, including that of a court in the United States of America, may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such foreign judgment, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. The Bank and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Placement Document shall have the meaning as defined hereunder. Further, any references to any statute or regulations or policies shall include amendments thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms used in "*Selected Financial Information of our Bank*", "*Taxation*", "*Industry Overview*", "*Legal Proceedings*" and "*Financial Statements*" on pages 35, 279, 158, 294 and 301, respectively, shall have the meaning given to such terms in such sections.

Bank Related Terms

Term	Description
"Our "Bank", the "Bank", the "Issuer",	Bank of India, incorporated on September 7, 1906 under the Act No. VI of 1882 of the Legislative Council of India as "Bank of India Limited". Our Bank was constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended ("**Banking Companies Act**") and nationalized on July 19, 1969, having its Head Office at Star House C - 5, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.
"we", "us" or "our" or "Group"	Unless the context otherwise indicates or implies, refers to our Bank together with our Subsidiaries, Joint Venture or Associates
Associates	i. STCI Finance Limited ii. ASREC (India) Limited iii. Indo-Zambia Bank Limited iv. Vidharbha Konkan Gramin Bank v. Aryavart Bank vi. Madhya Pradesh Gramin Bank
Audited Financial Statements	Collectively, the Fiscal 2021 Audited Financial Statements, Fiscal 2022 Audited Financial Statements and the Fiscal 2023 Audited Financial Statements
Auditors/Statutory Auditors	The statutory central auditors of our Bank being Mukund M Chitale & Co., Chartered Accountants, S. Jaykishan, Chartered Accountants, A. Bafna & Co., Chartered Accountants and SCV & Co. LLP, Chartered Accountants
Banking Companies Act	Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970
Banking Regulation Act	The Banking Regulation Act, 1949
Board or Board of Directors	Board of directors of our Bank
CFO	Chief financial officer of our Bank
Head Office	The head office of our Bank situated at Star House C - 5, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.
Directors	Directors on our Board
Equity Shares	Equity shares of face value ₹ 10 each of our Bank
Financial Statements	Audited Financial Statements and Reviewed Financial Results.
Fiscal 2021 Audited Financial Statements	Audited standalone financial statement and audited consolidated financial statements of our Bank prepared in accordance with the provisions of Banking Regulation Act, 1949, read with relevant guidelines and directions issued by the RBI, the Accounting Standards prescribed under Indian GAAP for Fiscal 2021 read along with the notes
Fiscal 2022 Audited Financial Statements	Audited standalone financial statement and audited consolidated financial statements of our Bank prepared in accordance with the provisions of Banking Regulation Act, 1949, read with relevant guidelines and directions issued by the RBI, the Accounting Standards prescribed under Indian GAAP for Fiscal 2022 read along with the notes
Fiscal 2023 Audited	Audited standalone financial statement and audited consolidated financial statements

Term	Description
Financial Statements	of our Bank prepared in accordance with the provisions of Banking Regulation Act, 1949, read with relevant guidelines and directions issued by the RBI, the Accounting Standards prescribed under Indian GAAP for Fiscal 2023 read along with the notes
Joint Venture	Star Union Dai-Ichi Life Insurance Company Limited
Managing Director and Chief Executive Officer	Managing Director and Chief Executive Officer of our Bank, namely Rajneesh Karnatak
Nationalized Banks Scheme	The Nationalized Banks (Management & Miscellaneous Provisions) Scheme 1970
NPS	National Pension Scheme
OBUs	Offshore Banking Units
PoS	Point of Sale
Promoter	The promoter of our Bank namely, the President of India, acting through the Ministry of Finance, Government of India
Reviewed Financial Results	Unaudited Standalone Financial Statements and Unaudited Consolidated Financial Statements
Senior Management Personnel/ SMP	The Senior Management Personnel of our Bank in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations. For details, see "*Board of Directors and Senior Management*" on page 207.
Subsidiaries	a) BOI Shareholding Limited b) Bank of India Investment Managers Private Limited c) Bank of India Trustee Services Private Limited d) BOI Merchant Bankers Limited* e) PT Bank of India Indonesia TBK f) Bank of India (Tanzania) Limited g) Bank of India (New Zealand) Limited h) Bank of India (Uganda) Limited **BOI Merchant Bankers Limited is one of the BRLMs, and shall be involved only in the marketing of the Issue in compliance with Regulation 21A of the SEBI Merchant Banker Regulations and Regulation 174(2) of the SEBI ICDR Regulations*
Unaudited Standalone Financial Statements	The unaudited reviewed standalone financial results of our Bank, which comprises of the standalone balance sheet as of September 30, 2023, the related standalone profit & loss account for the six months period ended September 30, 2023, the standalone cash flow statement and the consolidated statement of changes in equity for the six months period ended September 30, 2023 and selected explanatory notes thereon, subjected to a limited review, as filed with the Stock Exchanges on November 4, 2023
Unaudited Consolidated Financial Statements	The unaudited reviewed consolidated financial results of our Bank, which comprises of the consolidated balance sheet as of September 30, 2023, the related consolidated profit & loss account for the six months period ended September 30, 2023, the consolidated cash flow statement and the consolidated statement of changes in equity for the six months period ended September 30, 2023 and selected explanatory notes thereon, subjected to a limited review, as filed with the Stock Exchanges on November 4, 2023

Issue Related Terms

Term	Description
Allocated/Allocation	The allocation of Equity Shares, by our Bank in consultation with the Book Running Lead Managers, following the determination of the Issue Price to successful Bidders on the basis of the Application Form submitted by them, and in compliance with Chapter VI of the SEBI ICDR Regulations and other applicable laws
Allotted/Allotment/Allot	Unless the context otherwise requires, Issue and allotment of Equity Shares to successful Bidders pursuant to this Issue
Allottee	Bidders to whom the Equity Shares are Allotted pursuant to the Issue
Application Form	The form (including any revisions thereof) which will be submitted by an Eligible QIB for registering a Bid in the Issue during the Bid/ Issue Period
Bid(s)	An indication of interest of a Bidder to subscribe for the Equity Shares in the Issue as provided in the Application Form (including all revisions and modifications thereto). The term "Bidding" shall be construed accordingly.

Term	Description
Bid Amount	With respect to each Bidder, the amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by such Bidder
Bid/Issue Closing Date	December 8, 2023, the date after which our Bank (or BRLMs on behalf of our Bank) shall cease acceptance of Application Forms and the Bid Amount.
Bid/Issue Opening Date	December 5, 2023, the date on which our Bank (or the Book Running Lead Managers on behalf of our Bank) commence the Application Forms and the Bid Amount
Bid/Issue Period	Period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submitted their Bids including any revision and/or modification thereof along with the Bid Amount.
Bidder	Any prospective investor, being an Eligible QIB, who made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Book Running Lead Managers/BRLMs	The book running lead managers to the Issue, in this case being IDBI Capital Markets & Securities Limited, BNP Paribas, DAM Capital Advisors Limited, IIFL Securities Limited, Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited), SBI Capital Markets Limited and BOI Merchant Bankers Limited.
CAN/Confirmation of Allocation Notice	Note or advice or intimation to Successful Bidders confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price.
Closing Date	The date on which Allotment of the Equity Shares pursuant to the Issue shall be expected to be made, i.e., on or about December 11, 2023.
Designated Date	The date of credit of Equity Shares to the Allottees' demat account, pursuant to the Issue, as applicable to the relevant Allottees
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices
Eligible QIB(s)	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI Regulations which (i) is not restricted from participating in the Issue under the applicable laws, and (ii) is a resident of India or is an Eligible FPI participating through Schedule II of the FEMA Rules. In addition, Eligible QIBs are QIBs who are outside the United States to whom Equity Shares are being offered in "offshore transactions", as defined in, and in reliance on Regulation S and applicable laws of the jurisdiction where those offeres, and sales are made or are U.S. QIBs, to whom Equity Shares are being offered in accordance with Section 4(a)(2) under the U.S. Securities Act.
Escrow Account	The non-interest bearing, no-lien, current account opened with the Escrow Agent, pursuant to the Escrow Agreement, into which the application monies payable by Bidders towards subscription of the Equity Shares and for remitting refunds pursuant to the Issue shall be deposited.
Escrow Agent	Bank of India, (in its capacity as an escrow agent), in terms of the Escrow Agreement)
Escrow Agreement	The escrow agreement dated December 5, 2023 entered into amongst our Bank, the Escrow Agent and the Book Running Lead Managers for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders.
Floor Price	The floor price of ₹105.42 per Equity Share which has been calculated in accordance with Regulation 176 of Chapter VI of the SEBI ICDR Regulations. Our Bank offered a discount of 4.95% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations and in accordance with the approval of the shareholders of our Bank accorded through their resolution passed on June 27, 2023.
Issue	Issue of 44,91,01,796 Equity Shares of face value ₹ 10 each at a price of ₹ 100.20 per Equity Share, including a premium of ₹ 90.20 per Equity Share, pursuant to this Placement Document aggregating up to ₹ 4,500 crore.
Issue Price	₹100.20 per Equity Share
Issue Proceeds	The gross proceeds of the Issue. For details, see "*Use of Proceeds*" on page 83.
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds

Term	Description
Placement Agreement	The placement agreement dated December 5, 2023 entered into amongst our Bank and the Book Running Lead Managers
Placement Document	This placement document dated December 8, 2023 issued by our Bank in accordance with Chapter VI of the SEBI ICDR Regulations
Preliminary Placement Document	The preliminary placement document cum application form dated December 5, 2023 issued in accordance with Chapter VI of the SEBI ICDR Regulations, pursuant to which an Eligible QIB submitted a Bid in the Issue
Qualified Institutional Buyers or QIBs	Qualified institutional buyers, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under chapter VI of the SEBI ICDR Regulations
Refund Amount	The aggregate amount to be returned to the Bidders, who have not been Allocated Equity Shares for all or a part of the Bid Amount submitted by such Bidder pursuant to the Issue
Refund Intimation Letter	Letters from our Bank intimating the Bidders on the amount to be refunded, if any, either in part or whole, to their respective bank accounts.
Relevant Date	December 5, 2023, being the date of the meeting in which a committee of Directors (duly authorised by the Board), decides to open the Issue
Stock Exchanges	BSE and NSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount (along with the Application Form) and who will be Allocated Equity Shares in the Issue
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Conventional and General Terms/Abbreviations

Term	Description
ALCO	The Asset Liability Management Committee of our Bank
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AMC	Asset management company
AOP	Association of persons
App	Mobile application
AS	Accounting Standards issued by ICAI
AY	Assessment year
Banking Companies Act	Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970
Banking Regulation Act	The Banking Regulation Act, 1949
Banking Ombudsman Scheme	Banking Ombudsman Scheme, 2006
Basel III	A global regulatory framework for more resilient banks and banking systems published by the Bank for International Settlements. RBI issued guidelines on the implementation of Basel III capital regulations in India on May 2, 2012 and revised as per notification issued by the RBI on March 27, 2014
Billion	1,000 million
BSE	BSE Limited
Calendar Year	Year ending on December 31
CBI	Central Bureau of Investigation
CDR	Corporate debt restructuring
CDR System	A joint forum of banks and financial institutions in India established in 2001 as an institutional mechanism for corporate debt restructuring
CDSL	Central Depository Services (India) Limited
CII	Confederation of Indian Industry
CIN	Corporate identity number
CMP	Cash Management Product
Civil Code	The Code of Civil Procedure, 1908

Term	Description
Cr.P.C.	The Code of Criminal Procedure, 1973
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	The Consolidated FDI Policy notified by the DPIIT under DPIIT File Number 5(2)/2020- FDI Policy dated the October 15, 2020, effective from October 15, 2020
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018
Depository Participant	A depository participant as defined under the Depositories Act
DIIPT	Department for Promotion of Industry and Internal Trade (Formerly known as Department of Industrial Policy & Promotion)
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECB	External commercial borrowing
ECS	Electronic clearing service
EGM	Extraordinary general meeting
FCNR(B)	Foreign currency non-resident (bank)
FDI	Foreign direct investment
FEDAI	Foreign Exchange Dealers' Association of India
FEMA	The Foreign Exchange Management Act, 1999 and the regulations issued thereunder
FEMA Rules/FEMA Non-Debt Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FICCI	Federation of Indian Chambers of Commerce and Industry
Fiscal or Fiscal Year	Period of 12 months ended 31 March of that particular year, unless otherwise stated
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FRA/IRS	Forward rate agreements/interest rate swaps
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally accepted accounting principles
GAAR	General Anti-Avoidance Rules
GDP	Gross domestic product
GIR	General index registrar
GoI/Government	Government of India, unless otherwise specified
GST	Goods and services tax; a reform to Indian tax laws relating to indirect taxes on goods and services
HNIs	High net worth individuals
HR	Human resources
HUF	Hindu undivided family
ICA	The Institute of Cost Accountants of India
ICAI	The Institute of Chartered Accountants of India
ICRA	ICRA Limited
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
IMF	International Monetary Fund
IND AS	Indian Accounting Standards converged with IFRS, which has been proposed for implementation by the ICAI
Indian GAAP	Generally Accepted Accounting Principles of India as applicable to banks
IT	Information technology
IT Act	The Income Tax Act, 1961
ITES	Information technology enabled services
MAT	Minimum alternate tax
Million	1000 thousand
MNC	Multinational corporation
MoF	Ministry of Finance
MoU	Memorandum of understanding
MSEs	Micro and small enterprises
NEAT	National Exchange for Automated Trading

Term	Description
NEFT	National electronic fund transfer
NGOs	Non-government organizations
NPCI	National Payments Corporation of India
NRE	Non-resident (external)
NRI	Non-resident Indian
NRO	Ordinary non-resident
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
Nationalised Banks Scheme	The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970
OFAC	Office of Foreign Assets Control of the U.S. Treasury Department
PAN	Permanent account number
PFRDA	Pension Fund Regulatory and Development Authority
PMLA	The Prevention of Money Laundering Act, 2002
Prudential Framework	The Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019.
Prudential Norms	Prudential norms on income recognition, asset classification and provisioning pertaining to advances issued by the RBI on July 1, 2015
PTC	Pass through certificate
RBI	Reserve Bank of India
RBI Dividend Circular	RBI Circular (RBI/2004-05/451DBOD.NO.BP.BC. 88 / 21.02.067 / 2004-05) dated May 4, 2005 on declaration of dividends by banks.
RBI Act	The Reserve Bank of India Act, 1934
Recovery of Debts Act	The Recovery of Debts Due to Banks and Financial Institutions Act, 1993
Regulation D	Regulation D under the U.S. Securities Act
Regulation S	Regulation S under the U.S. Securities Act
Rule 144A	Rule 144A under the U.S. Securities Act
RFID	Radio frequency identification
Rs./Rupees/INR/₹	Indian Rupees
RWA	Risk weighted assets
SARFAESI Act	The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SCBs	Scheduled commercial banks
SCR (SECC) Rules	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
SEC	United States Securities and Exchange Commission
SFIO	Serious Fraud Investigation Office, Ministry of Corporate Affairs, Government of India
SIDBI	Small Industries Development Bank of India
SLM	Straight Line Method
STT	Securities transaction tax
U.K.	United Kingdom
U.S. GAAP	Generally Accepted Accounting Principles in the United States

Term	Description
U.S. QIBs	"Qualified Institutional Buyers" as defined in Rule 144A under the U.S. Securities Act
U.S. Securities Act	U.S. Securities Act of 1933, as amended
USA/U.S. /United States	The United States of America
USD/U.S. $ /U.S. dollar	United States Dollar, the legal currency of the United States of America
VCF	Venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
WDV	Written Down Value Method
WOS	Wholly owned subsidiaries
WPI	Wholesale price index
WTO	World Trade Organisation

Industry Related Terms

Term/Abbreviation	Full Form/Description
ATMs	Automated Teller Machines
BSI	Banking Stability Indicator
CPI	Consumer Price Index
CRR	Cash Reserve Ratio
CRAR	Capital to risk weighted asset ratio
DCBS	Department of Cooperative Bank Supervision
FCs	Financial Conglomerates
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNPA	Gross Non-Performing Asset
GST	Goods and Service Tax
GVA	Gross Value Added
HFC	Housing Finance Companies
LABs	Local Area Banks
LAF	Liquidity Adjustment Facility
LCR	Liquidity Cover Ratio
MFI	Micro Finance Institutions
MSME	Micro, Small and Medium Enterprises
MTM	Mark to Market
MSF	Marginal Standing Facility
NABARD	National Bank for Agriculture and Rural Development
NBFC	Non Banking Financial Companies
NHB	National Housing Bank
NDTL	Net Demand and Time Liabilities
NPA	Non-Performing Asset
NNPA	Net Non-Performing Asset
NRO	Non-Resident Ordinary
NSFR	Net stable funding ratio
NSO	National Statistical Office
MPC	Monetary Policy Committee
OMO	Open Market Operation
PCA	Prompt corrective action
PCR	Provision Coverage Ratio
PMI	Purchasing managers' Index
PSBs	Public Sector Banks
PSLCs	Priority Sector Lending Certificates
PVBs	Private Sector Banks
Repo Rate	Re-purchase option rate; the annual rate at which RBI lends to other banks in India
Reverse Repo Rate	The rate at which RBI borrows money from banks in India
RRB	Regional rural bank

Term/Abbreviation	Full Form/Description
RTGS	Real time gross settlement
SBNs	Specified bank notes
SDR	Strategic Debt Restructuring
SLR	Statutory liquidity ratio (as per requirements of the RBI)
S4A	Sustainable Structuring of Stressed Assets
SME	Small and medium enterprises
SCBs	Scheduled Commercial Banks
SIDBI	Small Industries Development Bank of India
SFBs	Small Finance Banks
SMA	Special Mention Account
SPARC	Supervisory Programme for Assessment of Risk
Tier I Capital	Tier I capital instruments as defined under the guidelines on capital adequacy issued by RBI
Tier II Capital	Tier II capital instruments as defined under the guidelines on capital adequacy issued by RBI
UAN	Udyog Aadhaar Number
UCBs	Urban Cooperative Banks
VaR	Value-at-risk
WLA	White Label ATMs
YTM	Yield to maturity

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including under "Risk Factors", "Use of Proceeds", "Issue Procedure", "Description of the Equity Shares" and "Placement" on pages 46, 83, 242, 275 and 256 respectively. *The information contained in "Description of the Equity Shares" shall prevail in the event of any inconsistency with the terms set out in this section.*

Issuer	**Bank of India**
Issue Size	44,91,01,796 Equity Shares of face value ₹10 each at a price of ₹100.20 per Equity Share, including a premium of ₹ 90.20 per Equity Share, aggregating to ₹4,500 crore. **A minimum of 10% of the Issue Size i.e. at least 4,49,10,180 Equity Shares was made available for Allocation to Mutual Funds only, and the balance of 40,41,91,616 Equity Shares was made available for Allocation to all Eligible QIBs, including Mutual Funds.**
Face Value	₹10 per Equity Share
Issue Price	₹100.20 per Equity Share
Floor Price	The Floor Price for the Issue calculated in terms of Regulation 176 under Chapter VI of the SEBI ICDR Regulations is ₹105.42 per Equity Share with reference to December 5, 2023 as the Relevant Date. Our Bank offered a discount of 4.95% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations and in accordance with the approval of the shareholders of our Bank accorded through their resolution passed on June 27, 2023.
Date of Board resolution authorizing the Issue	April 18, 2023
Date of Shareholders resolution authorizing the Issue	June 27, 2023
Eligible Investors	Eligible QIBs, to whom the Preliminary Placement Document and the Application Form have been delivered, and to whom this Placement Document will be delivered and who are eligible to make a Bid and participate in the Issue. See "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 242, 258, and 268, respectively. The list of Eligible QIBs to whom this Placement Document and Application Form is delivered has been determined by the Book Running Lead Managers, in consultation with our Bank, at their sole discretion
Equity Shares issued immediately prior to the Issue	4,10,47,43,170 Equity Shares
Equity Shares subcribed, paid-up and outstanding immediately prior to the Issue	4,10,35,66,070 Equity Shares
Equity Shares issued immediately after the Issue	4,55,38,44,966 Equity Shares
Equity Shares subscribed, paid-up and outstanding immediately after the Issue	4,55,26,67,866 Equity Shares
Dividend	For more information, see "*Description of the Equity Shares*", "*Dividend Policy*" and "*Taxation*" on pages 275, 85 and 279, respectively.
Indian Taxation	For more information, see "*Taxation*" on page 279.
Issue Procedure	The Issue is being made only to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 242.
Listing	Our Bank has obtained in-principle approvals each dated December 5, 2023 for the listing of the Equity Shares in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, from BSE and NSE. Our Bank shall apply to BSE and

	NSE for the final listing and trading approvals, after the Allotment and after the credit of the Equity Shares to the respective beneficiary accounts of the successful Bidders maintained with a Depository Participant.
Transfer Restriction	The Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a Stock Exchange. The Equity Shares are subject to certain selling and transfer restrictions. For details, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 258 and 268, respectively.
Closing Date	The date on which Allotment of the Equity Shares pursuant to the Issue shall be expected to be made, i.e., on or about December 11, 2023.
Ranking	The Equity Shares being issued shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividends. The shareholders will be entitled to participate in dividends and other corporate benefits, if any, declared by our Bank after the date of Allotment. Shareholders may attend and vote in shareholders' meetings in accordance with applicable laws. For details, see "*Description of the Equity Shares*" on page 275.
Lock-up	For further details, see "*Placement – Lock-up*" on page 256 for a description of restrictions on our Bank in relation to Equity Shares.
Use of Proceeds	The gross proceeds from the Issue is aggregating to ₹ 4,500 crore. The Net Proceeds of the Issue, after deduction of fees, commissions and expenses in relation to the Issue, are approximately ₹ 4,479.93 crore. For further details, see "*Use of Proceeds*" on page 83.
Risk Factors	Prior to making an investment decision, Eligible Investors should consider carefully the matters discussed under "*Risk Factors*" on page 46.
Security Codes for the Equity Shares:	
ISIN	INE084A01016
BSE Code	532149
NSE Code	BANKINDIA

SUMMARY OF BUSINESS

We were incorporated in 1906 and operated as a private bank until nationalization in 1969. As on September 30, 2023, the Bank was the sixth largest public sector bank in India in terms of total business, i.e. aggregate of gross advances and total deposits, among the scheduled public commercial banks in India. We cater to a wide range of customers including retail, corporate, agricultural, as well as micro, small and medium enterprises ("**MSME**"). In addition to our banking operations, we provide other financial services through our Subsidiaries, Joint Venture and Associates, including bancassurance services for distribution of life, general and health insurance products, distribution of mutual fund products, portfolio management services, depository participant services and merchant banking activities. As of the date of this Placement Document, the Government of India ("**GoI**") owned 81.41% of the Bank and exercises control over the Bank's management and operations.

As of September 30, 2023, the Bank had approximately 11.82 crore customers, reflecting our large customer base. As of September 30, 2023, the Bank's operations covered 28 States and eight Union Territories across India, with more than 5,135 branches across India, 5,129 ATMs (including 2,899 offsite and 2,230 onsite ATMs) and 3,099 Cash Recycling Machines ("CRM"). The Bank's pan-India branch network allows it to provide banking services to a range of customers, including large and mid-sized corporates, institutions, state-owned enterprises as well as commercial, agricultural, industrial and retail customers. The Bank also has internet, mobile banking and door step banking solutions. As of September 30, 2023, the Bank had approximately 0.87 crore internet banking users and 0.91 crore mobile banking users.

We have over the past century expanded our presence in India and globally. We commenced international operations, through our branch in London in 1946 and our branch in Paris in 1974 and have since developed our international presence significantly. As of September 30, 2023, the Bank operated in 16 countries including IBU Gift city in India, through 47 branches and offices, including one representative office and branches in Dubai, Hong Kong, London, New York, Singapore, Paris, Tokyo and an international banking unit at GIFT City, Gandhinagar. We have also set-up four banking subsidiaries in Indonesia, Tanzania, New Zealand and Uganda, as of September 30, 2023. Operating profits of foreign branches accounted for 7.92% of the Bank's global operating profits in the six months ended September 30, 2023. The Bank's foreign business comprised 14.50% of the Bank's global net profits, in the six months ended September 30, 2023.

The Bank leverages technology to identify opportunities, and deliver products and services. For instance, the Bank has implemented an e-platform for our banking products to enable their life cycle digitally from origination. The e-platform has positioned the Bank to meet the Government of India's 'Enhanced Access and Service Excellence (EASE)' guidelines. In the past, the Bank has launched 'BOI Seva', a virtual digital assistant for better customer service and the 'PSB-59 Platform', an online digital loan management platform aimed at retail borrowers that allows for the in-principle sanction of loans digitally and within 59 minutes. The Bank has migrated all of its branches to its core banking application platform and expanded its ATM and internet banking networks, and introduced alternate delivery channels to remain updated with trends in the banking industry. The Bank launched its mobile banking application in August 2018, and revamped its website that was launched in December 2018 with device agnostic features for easy access on multiple devices. Other digital and cashless products and services that the Bank offers include debit and credit cards, point-of-sale terminals, and also GoI supported UPI / BHIM, Bharat QR and Aadhaar Pay facilities.

The Bank intends to undertake further initiatives to facilitate digital and alternate delivery channels. For further information, see "—*Technology*" on page 174. The Bank's backend operations including core banking system, customer relationship management systems, anti-money laundering monitoring systems, and loan monitoring systems are also automated and supported by digital processes.

Our principal banking operational units include:

- ***Corporate Banking***. Our corporate banking operations include fund based and non-fund based products, of which the fund based products consist of term loans, and non-fund based includes export finance, bullion banking, drawee bill financing. We also offer trade loans, bridge financing and project finance and syndication services. Our corporate banking operations primarily cater to the commercial requirements of private and public sector enterprises, large corporate groups and other financial institutions. As a percentage of the Bank's total advances, the Bank's advances in the corporate banking segment accounted for 48.34%, 46.23%, 44.89%, 45.75% and 44.50% in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and September 30, 2023, respectively.

- ***Retail Banking***. Our retail banking products comprise deposit products including savings, current, salary, term and tax saving deposit arrangements, as well as loan products such as home loans, vehicle loans, educational loans and personal loans. Our loan products are targeted primarily at individuals (salaried, self-employed professionals and other self-employed individuals) to meet their personal financial requirements, such as housing, vehicle, education, vacation, pension and other personal requirements. Our retail banking also includes retail hubs / business centers, which have been opened as dedicated channels for all types of retail loans including housing loans, mortgages and education loans. As a percentage of the Bank's total advances, the Bank's advances in the retail banking segment accounted for 18.78%, 20.48%, 21.94%, 21.21% and 22.15% in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and September 30, 2023, respectively.

- ***MSME Banking***. Our MSME banking operations include loans to enterprises engaged in manufacturing, trading and service activities in the form of investment as well as working capital. We also consider other criteria including cost of project/ relevant sector, while allocating the account under large, mid or SME verticals. As a percentage of the Bank's total advances, the Bank's advances in the MSME banking segment accounted for 17.50%, 16.43%, 16.40%, 16.41% and 16.29% in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and September 30, 2023, respectively.

- ***Agricultural Banking***. Our agricultural banking operations cater to farmers and agri-entrepreneurs through various short, medium and/ or long-term products, including crop loans. We also offer specialized products for women and self-help groups and offer a variety of schemes under our agricultural banking portfolio. The Bank has also set-up 147 dedicated Star Krishi Vikas Kendra ("**SKVKs**") specialized processing cells to build its agricultural banking portfolio especially in investment credit. These cells are specialized in technology linked agriculture projects and large volume agriculture businesses. As a percentage of the Bank's total advances, the Bank's advances in the agricultural banking segment accounted for 15.37%, 16.86%, 16.77%, 16.90% and 17.06% in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and September 30, 2023, respectively.

- ***International Banking***. Our international banking division offers a wide range of products that cater to our NRI customer base, and to industrial enterprises engaged in import and export. We cater to our NRI and international customer base through our Subsidiaries, branches, Joint Venture and representative office. As a percentage of the Bank's total advances, the Bank's advances in the international banking segment accounted for 11.71%, 13.79%,16.33%, 16.52% and 16.67% in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and September 30, 2023, respectively.

- ***Trade Receivable Discounting System ("TReDS").*** TReDS is an electronic platform for facilitating the financing / discounting of trade receivables of Micro, Small and Medium Enterprises (MSMEs) through multiple financiers. The Bank is an active participant on all three TReDS platforms. The Bank's outstanding business under TReDS has grown by 60.50% from ₹ 1,329.79 crore in Fiscal to ₹ 2,134.38 crore in Fiscal 2023 and was ₹ 2,404.00 crore as of September 30, 2023.

- ***Digital Lending***. The Bank's digital lending product comprises 'assisted journey' and 'web journey' on the e-platform for digitally processing the Bank's lending products under RAM segment for small ticket size loans.

- ***Digital Liabilities***. The Bank's digital liability products comprise 'customer assisted journey' and 'Do it yourself journey' on the e-platform for digitally opening Bank's deposit products.

- ***Other Services***. In addition to our primary banking operations, we also provide certain services on behalf of the GoI and various State governments such as collection of taxes, stamp duty collection, and pension disbursements. We also provide certain non-banking services through our Subsidiaries and Joint Venture, including bancassurance services for distribution of life, general and health insurance products, distribution of mutual fund products, portfolio management services, depository participant services and merchant banking activities.

History

The Bank was originally established as a private commercial bank in Mumbai in September 1906 and rapidly expanded its presence across India and abroad. The Bank was nationalized along with 13 other banks in July 1969 and was mandated under the Banking Companies Act, 1969 and Scheme to serve the needs of the development of the Indian economy in conformity with national policies and objectives including, among others, priority sector lending. The Bank initially offered its shares publicly in 1997 and, as of the date of this Placement Document, the

Government holds 81.41% of the Bank's issued and paid-up share capital. The Bank originated as a local Mumbai operation but rapidly expanded to establish a presence both in India and abroad.

The Bank established a relationship with the Bombay Stock Exchange in 1921 when it began operating the exchange's clearinghouse and has maintained this relationship through its subsidiary, BOI Shareholding Limited. The Bank has since opened branches in a number of major financial centres including New York, Paris, Tokyo, Hong Kong, Singapore, Dubai and Antwerp.

SELECTED FINANCIAL INFORMATION OF OUR BANK

The following tables set out selected financial information derived from our Fiscal 2021 Audited Financial Statements, Fiscal 2022 Audited Financial Statements, Fiscal 2023 Audited Financial Statements and Reviewed Financial Results included in this Placement Document.

The financial data set forth below should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 86 and "*Financial Statements*" on page 301, including the schedules and notes thereto, included elsewhere in this Placement Document.

Consolidated Summary Balance Sheet for Fiscals 2023, 2022 and 2021

(₹ in crore)

Particulars	As on March 31, 2023	As on March 31, 2022	As on March, 2021
CAPITAL & LIABILITIES			
Capital	4,104.31	4,104.31	3,277.66
Reserves and Surplus	56,328.64	52,417.55	43,702.57
Share application money, pending allotment	-	-	3,000.00
Minority Interest	156.51	129.50	159.31
Deposits	6,72,194.12	6,29,980.75	6,29,098.36
Borrowings	65,015.23	26,821.12	32,464.11
Other Liabilities and Provisions	28,236.95	29,678.12	21,088.09
Total	8,26,035.75	7,43,131.33	7,32,790.10
ASSETS			
Cash and Cash Balances with Reserve Bank of India	44,381.55	40,530.32	60,930.38
Balances with Banks and Money at call and short notice	40,301.73	51,178.57	65,763.25
Investments	2,11,323.55	1,80,273.95	1,91,693.01
Loan and Advances	4,88,687.70	4,23,001.14	3,67,667.35
Fixed Assets	10,060.56	9,856.11	9,001.40
Other Assets	31,280.66	38,291.24	37,734.72
Total	8,26,035.75	7,43,131.33	7,32,790.10

Consolidated Summary Profit and Loss Account for Fiscals 2023, 2022 and 2021

(₹ in crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
I. Income			
Interest earned	47,931.69	38,280.91	40,853.83
Other Income	7,211.17	8,010.54	7,496.17
Total	55,142.86	46,291.46	48,350.00
II. Expenditure			
Interest expended	27,440.64	24,083.43	26,420.95
Operating Expenses	14,373.54	12,170.10	11,006.35
Provisions & Contingencies	9,446.59	6,631.80	8,723.91
Total	51,260.77	42,885.34	46,151.22
Share of earnings/(loss) in Associates	-42.75	81.19	-118.22
Consolidated Net Profit/(Loss) for the period before deducting minorities' interest	3,839.34	3,487.31	2,080.56
Less: Minority Interest	1.38	-5.27	-2.19
Consolidated Net Profit/(Loss) for the period attributable to the group	3,837.96	3,492.57	2,082.75
Profit/(loss) brought forward	1,997.74	-88.79	-23,787.93
Total	**5,835.70**	**3,403.78**	**-21,705.18**
IV. Appropriations			
Transfer To			
Statutory Reserves	1,006.00	852.00	541.00
Capital Reserves	-	300.25	495.50
Spl. Reserve u/s 36(1)(viii) of IT Act	-	-	450.00
Investment Fluctuation Reserve	151.43	253.79	673.80
Revenue Reserves	-	-	5.70
Investment Reserve	380.78	-	-
Final/Interim Dividend (including dividend tax)	820.71	-	-23,782.39
Balance carried over to consolidated Balance Sheet	3,476.78	1,997.74	-88.79
Total Appropriations	5,835.70	3,403.78	-21,705.18
Earnings per Share ₹ (Basic)	9.35	9.07	6.36
Earnings per Share ₹ (diluted)	9.35	9.07	6.35

Consolidated Cash Flow Statement for Fiscals 2023, 2022 and 2021:

(₹ in crore)

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Net Profit as per Profit and Loss Account	6,054.58	5,660.10	3,161.78
Adjustments for:			
Amortisation/Depreciation on Investments	1,356.71	616.61	563.03
Depreciation on Fixed Assets	426.51	371.68	380.09
Profit on sale of Fixed Assets	-134.05	-0.79	-60.21
(Profit) / Loss on Revaluation of Investments (Incl depn performing inv)	-1,574.51	352.26	599.62
Provision for NPA	3,667.90	2,992.71	6,647.95
Provision for Standard Assets	1,655.18	893.88	-70.89
Provision for Other Items	699.14	180.32	199.17
Interest on AT I & Tier II bonds	697.17	703.89	653.84
Dividend received from Associates	-21.25	-15.60	-22.20
Adjustments for:			
Increase/Decrease in Operating Assets			
Increase / (Decrease) in Deposits	42,213.37	882.39	71,711.93
Increase/ (Decrease) in Borrowings	36,694.11	-4,942.99	-7,340.36
Increase / (Decrease) in Other Liabilities & Provisions	-3,528.72	6,851.51	193.22
(Increase) / Decrease in Investments	-30,874.56	10,531.37	-30,650.98
(Increase) / Decrease in Advances	-69,353.76	-58,326.50	-3,671.21
(Increase) / Decrease in Other Assets	4,621.08	-1,681.91	-5,183.05
Taxes (Paid) / Refund	356.04	-555.85	756.27
Net cash flow from Operations (A)	-7,045.04	-35,486.91	37,868.00
Cash Flow from investing activities			
Purchase of Fixed Assets	-623.29	-571.98	-349.00
Sale of Fixed Assets	99.62	23.49	19.07
Dividend received from Associates	21.25	15.60	22.20
Impact of Consolidation	-45.93	-81.24	118.22
Minority Interest	27.02	-29.82	7.90
Net cash flow from Investing Activities (B)	-521.34	-643.95	-181.60
Cash Flow from Financing activities			
Equity Share Capital	-	405.47	-
Share Premium	558.65	2,144.54	-
Share Application Money	-	-	3,000.00
Issue / (Redemption) of Tier I and Tier II Capital Bonds (Net)	1,500.00	-700.00	52.00

Dividend Paid	- 820.71	-	-
Interest on AT I & Tier II bonds	-697.17	-703.89	-653.84
Net cash flow from financing activities (C)	540.77	1,146.13	2,398.16
Net increase/(Decrease)in cash & cash equivalents (A+B+C+D)	-7,025.61	-34,984.73	40,084.57
Cash and Cash Equivalents as at the beginning of the year	91,708.89	1,26,693.63	86,609.06
Cash and Cash Equivalents as at the end of the year	84,683.28	91,708.89	1,26,693.62

Notes:

1. *Direct taxes paid (net of refund) are treated as arising from operating activities and are not bifurcated between investing and financing activities.*
2. *All figures in brackets represents "Cash Out Flow"*
3. *Effect of exchange fluctuation on translation reserve is included in increase/(decrease) in other liabilities.*

Standalone Summary Balance Sheet for Fiscals 2023, 2022 and 2021

(₹ in crore)

Particulars	**As on March 31, 2023**	**As on March 31, 2022**	**As on March, 2021**
CAPITAL & LIABILITIES			
Capital	4,104.31	4,104.31	3,277.66
Reserves and Surplus	54,866.31	51,026.93	42,407.93
Share application money, pending allotment	-	-	3,000.00
Deposits	6,69,585.77	6,27,895.96	6,27,113.56
Borrowings	64,979.02	26,760.37	32,464.11
Other Liabilities and Provisions	22,020.21	24,826.45	17,593.19
Total	8,15,555.61	7,34,614.01	7,25,856.45
ASSETS			
Cash and Cash Balances with Reserve Bank of India	44,034.51	40,280.58	60,697.57
Balances with Banks and Money at call and short notice	40,360.81	51,277.06	65,883.10
Investments	2,04,397.88	1,74,448.41	1,87,252.85
Loan and Advances	4,85,899.64	4,20,841.79	3,65,686.52
Fixed Assets	9,961.00	9,774.95	8,914.13
Other Assets	30,901.78	37,991.22	37,422.28
Total	8,15,555.61	7,34,614.01	7,25,856.45

Standalone Summary Profit and Loss Account for Fiscals 2023, 2022 and 2021

(₹ in crore)

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**	**Year ended March 31, 2021**
I. Income			
Interest earned	47,647.72	38,075.83	40,599.44
Other Income	7,099.89	7,878.73	6,841.87
Total	54,747.61	45,954.56	47,441.30
II. Expenditure			
Interest expended	27,372.82	24,013.73	26,329.60
Operating Expenses	13,982.17	11,952.37	10,839.11
Provisions & Contingencies	9,369.68	6,583.76	8,112.30
Total	50,724.67	42,549.86	45,281.01
Net Profit/(Loss) for the year	4,022.94	3,404.70	2,160.30
Add: Profit/(Loss) brought forward	1,998.65	-	-23,782.39
Total	**6,021.59**	**3,404.70**	**-21,622.09**
IV. Appropriations			
Transfer To			
Statutory Reserves	1,006.00	852.00	541.00
Capital Reserves	-	300.25	495.50
Spl. Reserve u/s 36(1)(viii) of IT Act	-	-	450.00
Investment Fluctuation Reserve	151.43	253.79	673.80
Revenue Reserves	-	-	-
Investment Reserve	380.78	-	-
Final/Interim Dividend (including dividend tax)	820.71	-	-
Transfer from Share Premium (for Setoff of brought forward loss)	-	-	-23,782.39
Balance in Profit and Loss Account	3,662.67	1,998.65	-
Total	6,021.59	3,404.70	-21,622.09
Earnings per Share ₹ (Basic & diluted)	9.80	8.84	6.59

Standalone Cash Flow Statement for Fiscals 2023, 2022 and 2021:

(₹ in crore)

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**	**Year ended March 31, 2021**
A. Cash Flow from Operating Activities:			
Net Profit before taxes	6,229.31	5,566.75	3,236.72
	-	-	-
Adjustments for:	-	-	-
Amortisation/Depreciation on Investments	1,356.71	616.61	563.03
(Profit)/Loss on Revaluation of investments (including depreciation on performing investments)	-1,574.51	352.26	599.62
Depreciation on Fixed Assets	420.92	363.51	372.20
(Profit)/Loss on sale of Fixed Asset	-134.05	-0.79	-60.05
Provision for NPAs	3,601.85	2,942.95	6,612.54
Provision for Standard Assets	1,654.56	901.38	-40.74
Provision for Other items	699.14	180.01	195.06
Interest on AT 1 & Tier II Bonds (treated separately)	697.17	703.89	653.84
Dividend received from Subsidaries/Joint Ventures/Associates	-21.25	-18.45	-25.20
	-	-	-
Adjustments for:	-	-	-
Increase /(Decrease) in Deposits	41,689.81	782.40	71,608.58
Increase /(Decrease) in Borrowings	36,718.66	-5,003.74	-7,340.36
Increase / (Decrease) in Other Liabilities and Provisions	-4,718.13	5,471.56	-654.85
(Increase) / Decrease in Investments	-28,868.91	12,139.96	-29,795.30
(Increase)/ Decrease in Advances	-68,659.70	-58,098.22	-3,415.76
(Increase) / Decrease in Other Assets	4,694.12	-1,655.39	-5,155.27
Direct Taxes (Paid)/Refund	414.88	-560.97	709.00
	-	-	-
Net Cash Flow from Operating Activities (A)	-5,799.42	-35,316.27	38,063.06
	-	-	-
B. Cash Flow from Investing Activities:	-	-	-
Purchase of Fixed Assets	-641.94	-569.13	-327.59
Sale of Fixed Assets	138.44	20.41	12.74
Sale / Redemption / (Additional) investment in Subsidiaries/Jt Ventures/Associates (Net)	-862.77	-304.39	-47.22
Dividend received from Subsidiaries, Joint Venture & Associates	21.25	18.45	25.20
	-	-	-
Net Cash Flow from Investing Activities (B)	-1,345.02	-834.66	-336.86
	-	-	-
C. Cash Flow from Financing Activities:	-	-	-
Share Capital	-	405.47	--
Share Premium	-	2,126.32	--
Share Application money	--	--	3000.00
Issue/(redemption) of Tier II Capital bonds (Net)	1,500.00	-700.00	52.00
Dividend (Interim & Final) paid	-820.71	-	--
Interest on AT 1 & Tier II Bonds	-697.17	-703.89	-653.84
	-	-	-
Net Cash Flow from Financing Activities (C)	-17.88	1,127.90	2,398.16
	-	-	-
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	-7,162.32	-35,023.03	40,124.36
	-	-	-
Cash and Cash Equivalents as at the beginning of the year	91,557.64	1,26,580.67	86,456.31
	-	-	-
Cash and Cash Equivalents as at the end of the year	84,395.32	91,557.64	1,26,580.67

Notes:

1. *Direct taxes paid (net of refund) are treated as arising from operating activities and are not bifurcated between*

investing and financing activities.

2. *All figures in brackets represents "Cash Out Flow"*
3. *Effect of exchange fluctuation on translation reserve is included in increase/(decrease) in other liabilities*

Standalone Summary Balance Sheet for six month periods ended September 30, 2023 and September 30, 2022

(₹ in crore)

Particulars	**As on Sep 2023**	**As on Sep, 2022**
CAPITAL & LIABILITIES		
Capital	4,104.31	4,104.31
Reserves and Surplus	56,792.10	52,192.43
Share application money, pending allotment	-	-
Deposits	7,03,750.60	6,47,541.29
Borrowings	65,360.10	45,872.22
Other Liabilities and Provisions	23,020.61	19,715.82
Total	8,53,027.72	7,69,426.07
ASSETS		
Cash and Cash Balances with Reserve Bank of India	40,496.84	39,858.20
Balances with Banks and Money at call and short notice	42,189.94	44,796.53
Investments	2,11,848.14	1,84,038.16
Loan and Advances	5,19,088.54	4,60,231.59
Fixed Assets	10,120.31	9,865.13
Other Assets	29,283.94	30,636.46
Total	8,53,027.72	7,69,426.07

Standalone Summary Profit and Loss Account for six month periods ended September 30, 2023 and September 30, 2022

(₹ in crore)

Particulars	**Half Year ended Sep 30 2023**	**Half Year ended Sep 30 2022**
I. Income		
Interest earned	29,329.81	21,470.04
Other Income	3,150.40	2,569.04
Total	32,480.21	24,039.08
II. Expenditure		
Interest expended	17,676.27	12,314.01
Operating Expenses	7,296.43	6,168.08
Provisions & Contingencies	4,498.01	4,035.50
Total	29,470.71	22,517.59
Net Profit/(Loss) for the year	3,009.50	1,521.49
Add: Profit/(Loss) brought forward	2,841.95	-
Total	**5,851.45**	**1,521.49**
Earnings per Share ₹ (Basic & diluted)	7.33	3.71

Standalone Cash Flow Statement for six month periods ended September 30, 2023 and September 30, 2022

(₹ in crore)

Particulars	**Half Year ended**	**Half Year ended**
	30.09.2023	**30.09.2022**
A. Cash Flow from Operating Activities:		
Net Profit before taxes	5,865.04	2,323.20
	-	-
Adjustments for:	-	-
Amortisation/Depreciation on Investments	-21.72	168.97
(Profit)/Loss on Revaluation of investments (including depreciation on performing investments)	120.58	172.64
Depreciation on Fixed Assets	237.06	200.87
(Profit)/Loss on sale of Fixed Asset	-52.23	0.10
Provision for NPAs	1,454.73	1,968.88
Provision for Standard Assets	104.82	958.78
Provision for Other items	179.07	214.61
Interest on AT 1 & Tier II Bonds (treated separately)	397.07	328.35
Dividend received from Subsidaries/Joint Ventures/Associates	-15.43	-
	-	-
Adjustments for:	-	-
Increase /(Decrease) in Deposits	34,164.83	19,645.33
Increase /(Decrease) in Borrowings	-118.92	19,111.86
Increase / (Decrease) in Other Liabilities and Provisions	465.31	-6,238.05
(Increase) / Decrease in Investments	-6,724.78	-9,400.71
(Increase)/ Decrease in Advances	-34,643.63	-41,358.68
(Increase) / Decrease in Other Assets	-3,207.50	6,152.06
Direct Taxes (Paid)/Refund	2,004.95	829.11
	-	-
Net Cash Flow from Operating Activities (A)	209.25	-4,922.68
	-	-
B. Cash Flow from Investing Activities:	-	-
Purchase of Fixed Assets	-403.89	-345.36
Sale of Fixed Assets	12.82	44.85
Sale / Redemption / (Additional) investment in Subsidiaries/Jt Ventures/Associates (Net)	-824.35	-530.65
Dividend received from Subsidiaries, Joint Venture & Associates	15.43	-
	-	-
Net Cash Flow from Investing Activities (B)	-1,200.00	-831.16
	-	-
C. Cash Flow from Financing Activities:	-	-
Share Capital	-	-
Share Premium	0.00	-
Issue/(redemption) of Tier II Capital bonds (Net)	500.00	-
Dividend (Interim & Final) paid	-820.71	-820.71
Interest on AT 1 & Tier II Bonds	-397.07	-328.35
	-	-
Net Cash Flow from Financing Activities (C)	-717.79	-1,149.06
	-	-
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	-1,708.54	-6,902.90
	-	-
Cash and Cash Equivalents as at the beginning of the year	84,395.32	91,557.64
	-	-
Cash and Cash Equivalents as at the end of the year	82,686.78	84,654.73

Notes:

1. *Direct taxes paid (net of refund) are treated as arising from operating activities and are not bifurcated between investing and financing activities.*

2. *All figures in brackets represents "Cash Out Flow"*
3. *Effect of exchange fluctuation on translation reserve is included in increase/(decrease) in other liabilities.*

Consolidated Summary Balance Sheet for six month periods ended September 30, 2023 and September 30, 2022

(₹ in crore)

Particulars	**As on Sep 2023**	**As on Sep, 2022**
CAPITAL & LIABILITIES		
Capital	4,104.31	4,104.31
Reserves and Surplus	58,341.31	53,735.23
Share application money, pending allotment	-	-
Minority Interest	163.69	151.70
Deposits	7,06,438.14	6,49,960.03
Borrowings	65,396.32	45,944.30
Other Liabilities and Provisions	29,225.70	24,592.16
Total	8,63,669.47	7,78,487.71
ASSETS		
Cash and Cash Balances with Reserve Bank of India	40,818.57	40,173.63
Balances with Banks and Money at call and short notice	42,125.11	44,682.21
Investments	2,18,326.63	1,90,097.36
Loan and Advances	5,22,483.68	4,62,590.51
Fixed Assets	10,221.09	9,951.79
Other Assets	29,694.40	30,992.20
Total	8,63,669.47	7,78,487.71

Consolidated Summary Profit and Loss Account for six month periods ended September 30, 2023 and September 30, 2022

(₹ in crore)

Particulars	**Half Year ended Sep 30 2023**	**Half Year ended Sep 30 2022**
I. Income		
Interest earned	29,504.14	21,588.24
Other Income	3,201.31	2,620.66
Total	32,705.45	24,208.90
II. Expenditure		
Interest expended	17,722.67	12,348.62
Operating Expenses	7,441.47	6,468.44
Provisions & Contingencies	4,551.26	4,056.77
Total	29,715.40	22,873.83
Share of earnings/(loss) in Associates	71.27	176.88
Consolidated Net Profit/(Loss) for the period before deducting minorities' interest	3,061.32	1,511.95
Less: Minority Interest	1.22	0.23
Consolidated Net Profit/(Loss) for the period attributable to the group	3,060.10	1,511.72
Profit/(loss) brought forward	2,656.06	1,997.74
Total	**5,716.17**	**3,509.46**
Earnings per Share ₹ (Basic & diluted)	7.46	3.68

Consolidated Cash Flow Statement for six month periods ended September 30, 2023 and September 30, 2022

(₹ in crore)

Particulars	**Half Year ended Sep 30 2023**	**Half Year ended Sep 30 2022**
Net Profit as per Profit and Loss Account	5,927.32	2,315.00
Adjustments for:		
Amortisation/Depreciation on Investments	-21.72	168.97
Depreciation on Fixed Assets	242.17	203.54
Profit on sale of Fixed Assets	-52.23	0.10
(Profit) / Loss on Revaluation of Investments (Incl depn performing inv)	120.58	172.64
Provision for NPA	1,482.06	1,978.13
Provision for Standard Assets	119.07	969.23
Provision for Other Items	179.07	214.61
Interest on AT I & Tier II bonds	397.07	328.35
Dividend received from Associates	-13.66	-
Adjustments for:		
Increase/Decrease in Operating Assets		
Increase / (Decrease) in Deposits	34,244.02	19,979.28
Increase/ (Decrease) in Borrowings	-118.91	19,123.18
Increase / (Decrease) in Other Liabilities & Provisions	-58.20	-6,478.61
(Increase) / Decrease in Investments	-7,030.67	-9,988.14
(Increase) / Decrease in Advances	-35,281.60	-41,567.50
(Increase) / Decrease in Other Assets	-3,235.27	6,097.38
Taxes (Paid) / Refund	1,989.46	826.38
Net cash flow from Operations (A)	-1,111.43	-5,657.48
Cash Flow from investing activities		
Purchase of Fixed Assets	-411.70	-319.01
Sale of Fixed Assets	13.22	13.54
Dividend received from Associates	13.66	-
Impact of Consolidation	-71.27	-265.55
Minority Interest	7.18	22.20
Net cash flow from Investing Activities (B)	-448.90	-548.83
Cash Flow from Financing activities		
Equity Share Capital	-	-
Share Premium	538.52	502.32
Share Application Money	-	-
Issue / (Redemption) of Tier I and Tier II Capital Bonds (Net)	500.00	-
Dividend Paid	-820.71	-820.71
Interest on AT I & Tier II bonds	-397.07	-328.35
Net cash flow from financing activities (C)	-179.26	-646.74
Net increase/(Decrease)in cash & cash equivalents (A+B+C+D)	-1,739.60	-6,853.04
Cash and Cash Equivalents as at the beginning of the year	84,683.28	91,708.89
Cash and Cash Equivalents as at the end of the year	82,943.68	84,855.85

Notes:

1. *Direct taxes paid (net of refund) are treated as arising from operating activities and are not bifurcated between investing and financing activities.*
2. *All figures in brackets represents "Cash Out Flow"*
3. *Effect of exchange fluctuation on translation reserve is included in increase/(decrease) in other liabilities.*

RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Placement Document, including the risks and uncertainties described below, before evaluating our business and making an investment in the Equity Shares pursuant to the Issue. This section should be read in conjunction with "Industry Overview", "Our Business", "Selected Statistical Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements", on pages 158, 174, 122, 86 and 301, respectively, before making an investment decision in relation to the Equity Shares.

The risks and uncertainties described in this section are not the only risks that are relevant to us, the Equity Shares or the industry and segment in which we operate. Additional risks and uncertainties not currently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, financial condition, results of operations and cash flows. If any of the following risks or other risks that are not currently known or are now deemed immaterial actually occur, our business, financial condition, results of operations and cash flows could be adversely affected, the trading price of the Equity Shares could decline and investors may lose all or part of their investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors described below. However, there are certain risk factors where such implications are not quantifiable, and hence any quantification of the underlying risks has not been disclosed in such risk factors.

In making an investment decision, prospective investors must rely on their own examination of the Bank and the terms of the Issue, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences they may encounter from investing in the Equity Shares.

This Placement Document contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document. For details, see "Forward-Looking Statements" on page 19. Our fiscal year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless otherwise specified or unless the context otherwise requires, financial information herein for Fiscals 2021, 2022 and 2023 are derived from our Audited Financial Statements, and the financial information included herein for the six months ended September 30, 2023 (including the comparative financial information with respect to the six months ended September 30, 2022) is based on the Reviewed Financial Results, included in this Placement Document. For further information, see "Financial Statements" on page 301.

RISKS RELATING TO THE BANK'S BUSINESS

1. The Bank's business is particularly vulnerable to interest rate risk, and any volatility in interest rates could decrease the value of our fixed income investments and have an adverse effect on our Net Interest Margin, which would adversely affect our Net Interest Income and, in turn, our results of operations and cash flows.

The Bank's results of operations are substantially dependent on the amount of our Net Interest Income, which the Bank defines as interest earned less interest expended ("**Net Interest Income**"). Interest rate risk depends on the nature of gaps in risk sensitive assets and rate sensitive liabilities. The Bank's Net Interest Income could be adversely affected by a rise or fall in interest rates on assets and liabilities, especially if the changes were sudden or sharp. The requirement that the Bank maintain a portion of our assets in fixed-income government securities could also have a negative impact on our Net Interest Income and Net Interest Margin, since we typically earn interest on this portion of our assets at rates that are generally less favourable than those typically received on our other interest-earning assets. Set forth below are details of the Bank's Net Interest Income, and Net Interest Margin, for each of the corresponding periods:

Particulars	Fiscal			Six Months Ended September 30,	
	2021	2022	2023	2022	2023
Net Interest Income (₹ crore)	14,269.84	14,062.10	20,274.90	9,156.04	11,653.54

Particulars	Fiscal			Six Months Ended September 30,	
	2021	2022	2023	2022	2023
Net interest margin (%)	2.48%	2.36%	3.01%	2.80%	3.05%

The Bank's interest-earning assets are our advances and investments. The Bank's interest-bearing liabilities are our deposits and borrowings. As at September 30, 2023, 6.10% of the Bank's domestic advances and 90.84% of the Bank's investments were on fixed interest rates, and 93.90% of the Bank's domestic advances and 4.11% of the Bank's interest rate linked investments were on floating interest rates. As at September 30, 2023, 100.00% of the Bank's domestic deposits and 100.00% of the Bank's domestic borrowings were on fixed interest rates.

Interest rates are highly sensitive and volatility in interest rates could result from many factors, including the RBI's monetary policies, further deregulation of the financial services sector in India, domestic and international economic and political conditions, inflation and economic policies in India. In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds—and conversely, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets—our Net Interest Income and Net Interest Margin would be adversely impacted. While any reduction in the interest rates we pay on our deposits and borrowings may be passed on to customers for our loans, we are unable to pass on any increase in interest rates at which we lend to our customers who have existing loans on fixed interest rates. Competitive pressures may also require us to reduce the interest rates at which we lend to our customers without a proportionate reduction in interest rates at which we raise funds. An increase in the interest rates we charge on our advances could result in our customers, particularly those with variable interest rate loans, prepaying their loans if less expensive loans are available from other sources, which may adversely affect our Net Interest Income and, in turn, our results of operations and cash flows. Volatility in external benchmarks underlying loan pricing may compress our Net Interest Margin.

2. The Bank has concentration of loans to certain borrowers and industry sectors, and a default by such borrowers or a deterioration in the performance of any industry sector in which the Bank has significant exposure could adversely affect our financial condition, results of operations and cash flows.

The Bank has credit exposure to various categories of borrowers and industry sectors and any default by any of these borrowers could have a material, adverse impact on our profitability. For details on the Bank's concentration of loans as at March 31, 2021, March 31, 2022 and March 31, 2023 and as at September 30, 2022 and September 30, 2023, see "*Selected Statistical Information - Loan Portfolio and Credit Substitutes*" on page 122.

As at September 30, 2023, aggregate exposure (fund-based and non-fund based) to the Bank's single largest borrower amounted to ₹ 8,115.26 crore, representing 13.68% of the Bank's total Tier I and Tier II capital; and aggregate exposure (fund-based and non-fund-based) to the Bank's 10 largest standard individual borrowers amounted to ₹ 57,244.34 crore representing 96.52% of the Bank's total Tier I and Tier II capital. If any of the advances were to become non-performing, our credit risk exposure would increase, our financial condition, results of operations and cash flows would be adversely affected and, our ability to meet capital requirements could be jeopardised. In addition, the RBI's guidelines and our focus on controlling and reducing concentration risk may restrict our ability to grow our business with some customers, thereby impacting our earnings.

The Bank also has credit exposure to various industrial sectors in India. As at September 30, 2023, the Bank's domestic large industry exposures were to infrastructure at ₹ 65,366.89 crore; iron and steel and other metal and metal products at ₹ 15,803.60 crore; textiles at ₹ 6,468.51 crore; chemicals and chemical products at ₹ 6,726.00 crore, and gems and jewellery at ₹ 3,614.30 crore, comprising a total of ₹ 97,979.30 crore and constituting 21.65% of the Bank's gross domestic advances. Any financial difficulties experienced by our customers or any significant deterioration in the performance of a particular sector of the Indian economy to which we have historically had, and could continue to have, significant exposure could adversely impact our borrowers' ability in that sector to service their debt obligations. As a result, we may experience increased delinquencies, which would adversely affect our financial condition, results of operations and cash flows.

3. An increase in the Bank's NPAs or provisioning requirements under the applicable RBI regulations could materially and adversely affect our business, financial condition, results of operations and cash flows.

The Bank's NPAs may increase in the future due to several factors, including macroeconomic conditions, increased competition, adverse effects on our borrowers' businesses or incomes, a rise in unemployment, a sharp and sustained rise in interest rates, slow industrial and business growth, high levels of debt involved in financing projects, changes in customer behaviour and demographic patterns, changes in central and state government policies and regulations, climatic conditions that affect agriculture and global and national economic events. Set forth below are details of the Bank's Gross NPAs and Net NPAs and provision coverage ratio, as of each of the corresponding periods:

Particulars	**As of March 31,**			**As of September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
Gross NPAs (₹ crore)	56,534.94	45,605.39	37,685.56	42,014.40	31,718.78
Gross NPAs/gross customer assets (%)	13.77%	9.98%	7.31%	8.51%	5.84%
Net NPAs (₹ crore)	12,494.24	9,851.93	8,053.61	8,836.18	7,978.26
Net NPAs/net customer assets (%)	3.35%	2.34%	1.66%	1.92%	1.54%
Provision cover (including prudential write-offs) (%)	86.24%	87.76%	89.68%	88.96%	89.58%

Any significant changes in the macroeconomic scenario along with other factors may result in the Bank’s provisioning not being adequate to cover any further increase in the amount of NPAs or deterioration in our NPA portfolio. Any future increases in provisions mandated by the RBI could have an adverse impact on our business, financial condition, results of operations and cash flows. Further, the provisioning requirements prescribed by the RBI may differ from our internal provisioning requirements, and we may accordingly be required to increase the Bank’s provisions to comply with the RBI’s requirements. The RBI may take enforcement action based on divergences between assessments of asset classification and provisioning, which could adversely affect our business, financial condition and results of operations.

The Bank is involved in insolvency proceedings which are currently pending before the National Company Law Tribunal. For further information, see "*Legal Proceedings*" on page 294. However, there can be no assurance that these regulatory measures will have a favourable impact on the Bank's efforts to recover NPAs. Any failure to recover expected values of collaterals would have an adverse effect on our business, financial condition and results of operations.

4. The Bank's loan portfolio contains significant advances to MSMEs, agriculture and other priority sectors. Further, if we do not meet our priority sector lending requirements, our results of operations could be materially and adversely affected.

The Bank has substantial exposure by way of loans and advances to the agriculture and MSMEs sectors. Any revision in the definition or classification of segments eligible for priority sector lending could impact our ability to meet priority sector lending requirements. Further, in the event we are required to increase our exposure to the agricultural sector pursuant to the Government of India’s mandated directed lending, our financial condition and results of operations could be adversely affected. Public sector banks may be required to lend at below market rates in the agriculture sector according to the Government of India’s agricultural lending plans, which may make the market perceive that the exposure of public sector banks to the agricultural sector involves higher risks. Certain details regarding the Bank's priority sector NPAs and MSME industry NPAs are set forth below:

	As of March 31,			**As of September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
	(percentages)				
Priority sector gross NPAs to total priority sector advances	13.53%	12.46%	11.62%	11.43%	11.19%
MSME gross NPAs to total outstanding MSME advances	22.00%	22.50%	21.72%	23.00%	22.00%
Agriculture gross NPAs to total agricultural advances	14.41%	13.22%	13.00%	12.46%	12.57%

Any shortfall in meeting the priority sector lending requirements may be required to be invested at any time, at the RBI’s request, in Government of India schemes that yield low returns, which are determined depending on the prevailing bank rate and on the level of shortfall, thereby adversely affecting our income. The aggregate amount of funding required by such schemes is drawn from banks that have shortfalls in achievement of their priority sector lending targets, with the amounts drawn from each bank determined by the RBI. According to RBI guidelines, failure to achieve priority sector lending target and sub-targets will be taken into account by the RBI when granting regulatory clearances/approvals for various purposes. The Bank's loan portfolio also contains significant advances to the agriculture sector. There is inadequate historical data of delinquent loans to farmers, which increases the risk of such exposures. Additionally, economic difficulties, such as poor harvests in the agricultural sector due to drought, are likely to affect borrowers in priority sectors more severely. While the cost of such schemes is borne by the state governments, such schemes or borrower expectations of such schemes result in higher delinquencies, including in the kisan credit card portfolio for banks, including the Bank. Under RBI guidelines, specified categories of agricultural loans are classified as non-performing when they are overdue for more than two crop seasons in the case of short-duration crops and one crop season for long-duration crops, as compared to 90 days for loans in general. Thus, the classification of overdue loans as non-performing occurs at a later stage in respect of such loans than the loan portfolio in general.

As the Bank increases its direct lending to certain sectors, the Bank increases its exposure to the risks inherent in such sectors, which could materially and adversely impact the Bank's business, financial performance and the trading price of the Equity Shares. Any future changes by the RBI to the directed lending norms may require us to increase our lending to relatively riskier segments, which may result in an increase in NPAs in our directed lending portfolio.

5. The Bank may face cyber threats attempting to exploit our network to disrupt services to customers and/ or theft of sensitive internal data or customer information, which may cause damage to our reputation and adversely affect our financial condition, results of operations and cash flows.

The Bank is exposed to various cyber threats, including (i) phishing and Trojans targeting our customers wherein fraudsters send unsolicited mails to our customers soliciting account sensitive information or infecting customer machines to search and attempt exfiltration of account sensitive information; (ii) hacking wherein attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting our services; and (iii) data theft wherein cyber criminals may attempt to enter our network with the intention of stealing our data or information. In addition, the Bank also faces the risk of our customers incorrectly blaming us and terminating their accounts with us for any cyber security breaches that may have occurred on their own system or with that of an unrelated third party or through compromise of their security details by them. Cyber security breaches could lead to the loss of trade secrets or other intellectual property or could lead to the public exposure of personal information of our customers and employees. The frequency of such cyber threats may increase in the future with the increased digitisation of our services. Any cyber security breach could also subject us to additional regulatory scrutiny and expose us to civil litigation and related financial liability. Cybersecurity risks may increase in the future as we continue to increase our mobile payment and other internet-based product offerings and expand our internal usage of web-based products and applications.

Additionally, cyber-attacks or security breaches involving third-party vendors with access to our data may not be disclosed to us in a timely manner. We also face indirect technology, cybersecurity and operational risks relating to clients and other third parties with whom we do business or on whom we rely to facilitate or enable our business activities, including, for example, financial counterparties, regulators and providers of critical infrastructure such as internet access and electrical power. As a result of increasing consolidation, interdependence and complexity of financial entities and technology systems, a technology failure, cyber-attack or other information or security breach that significantly degrades, deletes or compromises the systems or data of one or more financial entities could have a material impact on counterparties or other market participants, including us.

6. The Bank's income from treasury operations is subject to volatility due to, among other things, changes in interest rates and foreign currency exchange rates as well as other market fluctuations. An increase in interest rates decreases the value of our fixed income investments.

The Bank's income from treasury operations is subject to volatility due to, among other things, changes in interest rates and foreign currency exchange rates as well as other market fluctuations. For example, an increase in interest rates decreases the value of fixed income investments, such as Government of India securities and corporate bonds, and may, under certain circumstances, require us to mark down the value of these investments on our balance sheet and recognise a loss on our income statement. Changes in corporate bond spreads also affect valuations and expose us to risk of valuation losses. Realised and mark-to-market gains or losses on investments in fixed income securities, including Government of India securities, are an important element of our income and are impacted by movements in market yields. A rise in yields on government securities reduces our income from this activity and the value of our fixed income investments. As a result of certain reserve requirements mandated by the RBI, we are structurally exposed more to increasing interest rates than banks in many other countries. These requirements result in us maintaining a large portfolio of fixed-income Government of India securities.

Our derivatives portfolio is subject to fluctuations in interest rates and foreign exchange rates, and any movement in those rates may require us to mark down the value of our derivatives portfolio. We are also exposed to the risk of a corporate bond issuer defaulting on its obligations. Although we have risk and operational controls and procedures in place for our treasury operations that are designed to mitigate the extent of such losses, such as sensitivity limits, value at risk ("**VaR**") limits, position limits, stop loss limits and exposure limits, there can be no assurance that we will not lose money on our investments in the course of trading on our fixed income book in our held-for-trading and available-for-sale portfolio. Any such losses could materially and adversely affect our financial condition, results of operations and cash flows.

7. Material weakness or failures of the Bank's internal control system may cause significant operational errors, which may in turn materially and adversely affect our profitability and reputation.

The Bank is exposed to the risk of fraud or other misconduct by employees or outsiders, unauthorised transactions by employees and third parties, operational errors including clerical or record keeping errors or errors resulting from faulty computer or faulty telecommunication systems. In addition, our dependence on automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect. There may be losses due to deal errors, deficiencies in the credit sanction process, settlement problems, errors in computation of net asset value, pricing errors, inaccurate financial reporting and failure of critical systems and infrastructure. For information on how the Bank manages risks, See "*Our Business – Risk Management*" on page 174. Given our high volume of transactions, it is possible that errors may repeat or compound before they are discovered and rectified. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to fully correct such internal control weaknesses.

In the past, we have experienced acts of fraud (as defined under the applicable RBI guidelines) committed by or involving our customers/ employees. Such acts could also bind us to transactions that exceed authorised limits, present unacceptable risks or hide unauthorised or unlawful activities from us. In Fiscals 2021, 2022, 2023 and the six months ended September 30, 2023, the number of frauds detected/reported by the Bank were 177, 216, 208, 95, respectively, having an aggregate pecuniary implication of approximately ₹ 12,184.32 crore, ₹ 5,793.10 crore, ₹ 528.59 crore and ₹ 58.79 crore, respectively. Further, in Fiscals 2021, 2022, 2023 and the six months ended September 30, 2023, there are a total of 446 complaints filed by the Bank, with amounts aggregating to ₹ 15,744.83 crore in relation to fraud matters which are filed before various police stations and the CBI (Central Bureau of Investigation), in accordance with the RBI circulars and guidelines on fraud classification and reporting. For further information, see "*Legal Proceedings*" on page 294. There is no guarantee that our existing fraud monitoring systems or improvements to them will be able to monitor or detect all cases of fraud that may occur in the future. In addition, we carry out certain processes manually, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result, we may suffer material monetary losses. There is also the possibility of employee misconduct, which could involve improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand. Any instances of misconduct or fraud could adversely affect our reputation, business, results of operations and financial condition.

8. The Bank may not be successful in implementing its growth strategies or penetrating new markets.

The Bank's strategies may ultimately fail to contribute to the Bank's growth or profitability and may ultimately be unsuccessful. Even if such strategies are partially successful, the Bank cannot assure you that it will be able to manage its growth effectively or fully deliver on its growth objectives. For further information, see "*Business – Strategies*" on page 174.

Challenges that may result from the Bank's growth strategies include the Bank's ability to, among other things:

• manage efficiently the operations and employees of its expanding businesses;
• maintain or grow its existing customer base;
• develop the technology and infrastructure necessary for the digital platforms and offerings necessary to compete effectively;
• assess the value, strengths and weaknesses of future investments;
• finance strategic investments;
• align the current information technology systems adequately with those of a larger group;

• apply risk management policy effectively to a larger group;
• hire and train additional skilled personnel; and
• manage a growing number of branch offices without over-committing management or losing key personnel,
each of which would have a potential adverse effect on the Bank's business and results of operations.

The Bank may not be able to effectively manage this growth or achieve the desired profitability in the expected time frame, if at all, or the expected improvement in indicators of financial performance from the expansion. In addition, we also may fail to develop or retain the technical expertise required to operate and develop these new digital solutions. To the extent that the Bank fails to meet required targets, develop and launch new products or services successfully, it may lose any or all of the investments that it has made in promoting them, and the Bank's reputation with its customers could be harmed. Moreover, if the Bank's competitors are better able to anticipate the needs of individuals in its target market, the Bank could lose market share and our business, results of operations and financial condition could be adversely affected.

9. The Bank's business operations are heavily reliant on our information technology systems. Any failure of, or disruptions in, our systems could have an adverse impact on our operations and financial condition.

The Bank services customers, increases our portfolio of products and services and undertakes our risk management, deposit servicing and loan origination functions through information technology systems. We also rely on our technology platform to undertake financial control and process transactions. In addition, our systems connect our ATMs, branches and other delivery channels. Our hardware and software systems are subject to damage or incapacitation by human error, natural disasters, power loss, sabotage, computer viruses and similar events, and are also subject to the loss of support services from third parties such as internet backbone providers. Our information technology system may not remain free of interruptions and may not meet our requirements or be suitable for use in any particular condition. Any failure to maintain the reliability and efficiency of our systems could adversely affect our reputation and lead to difficulties in attracting and retaining customers. Any system interruption, failure or downtime and any failure to develop necessary technology may materially and adversely affect our business, financial condition and results of operations.

Any failure by our third-party vendors to perform any key processes and critical application systems could adversely affect our business, financial condition and results of operations. We have experienced failures in our IT systems in the past that have resulted in all or some of our banking services and payment systems being unavailable for short periods of time. However, these IT failures did not have a material, adverse effect on our business financial condition, results of operations and cash flows. Material interruptions in our IT systems in the future could give rise to a deterioration in our customer service and to liabilities for our business, which could adversely affect our business, financial condition, results of operations and cash flows. Although we intend to continue to implement security technology and establish operational procedures to prevent break-ins, damage and failures, there can be no assurance that these security measures will be adequate or successful. Failed security measures could have a material, adverse effect on our business, financial condition and results of operations.

10. The banking industry is very competitive, and our growth strategy depends on our ability to compete effectively.

We operate in a competitive industry. Private sector banks, other public sector banks and foreign banks are our main competitors, followed closely by NBFCs, small finance banks, payment banks, insurance companies, asset management companies, development financial institutions, mutual funds and investment banks. Amalgamated public sector banks have increased their financial strength, management capabilities, resources, operational experience, customer base and distribution channels and, as such, their ability to compete with the Bank.

The Bank also faces competition from private sector banks in India, some of which have larger customer bases and greater financial resources. In addition, new entrants into the financial services industry, including companies in the financial technology sector, may further intensify competition in the business environments in which the Bank operates, especially in the digital business environment. As a result, the Bank may be forced to adapt its business to compete more effectively. For example, non-bank financial companies, particularly international technology companies, including large e-commerce players, have recently been increasing their presence in the financial sector in India and offering payment platforms and select services to customers, which increase competitive pressures on the Bank.

Further, technology innovations in mobility and digitisation of financial services require banks to continuously develop new and simplified models for offering banking products and services. Innovations in the payments system and increasing use of mobile banking are leading to the emergence of new platforms for cashless payments. This can also lead to new types of banks expanding their presence in other financial products, such as insurance and mutual funds. These trends in technology could increase competitive pressures on banks, including us, to adapt to new operating models and upgrade back-end infrastructure on an ongoing basis. Due to these and other competitive pressures, we may be unable to successfully execute our growth strategy, which could adversely affect our business, financial condition and results of operations.

11. The Bank's risk management policies and procedures may not adequately address unidentified or unanticipated risks.

The Bank is exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk (including fraud) and legal risk, which we seeks to manage through our risk management framework, policies and procedures. For further information, see "*Business - Risk Management*" on page . The effectiveness of our risk management is limited by the quality and timeliness of available data and other factors outside of our control. Some methods of managing risks are based upon observed historical market behaviour, and various models for risk and data analysis. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. There are no assurances that these models and the data they analyse are accurate or adequate to guide the Bank's strategic and operational decisions and protect us from risks.

Some of our methods of managing risks are based upon the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures which could be significantly greater than those indicated by the historical measures. If we were to expand the scope of our operations, we would also face the risk of not being able to develop risk management policies and procedures that are properly designed for new business areas, and we may not be able to effectively manage the risks associated with the growth of our existing businesses. Any lingering or future shortcomings in the Bank's internal compliance and risk management policies and procedures, or a failure to follow them, may have a materially adverse effect on our business, financial condition and results of operations.

12. The Bank's loan portfolio includes long-term project finance loans, which are particularly vulnerable to completion and other risks.

The Bank's loan portfolio includes long-term project finance loans, as set forth below, which are particularly vulnerable to completion and other risks.

	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
Project finance loans (₹ crore)	13,406.03	11,628.19	13,071.38	9,163.31	13,458.00
Project finance loans, as a percentage of gross loans (%)	3.70%	2.95%	3.03%	2.22%	2.97%

The quality of the Bank's project finance portfolio could be adversely impacted by several factors. The viability of these projects depends upon a number of factors, including market demand, government policies, the processes for awarding government licences and access to natural resources and their subsequent judicial or other review, the financial condition of the government or other entities that are the primary customers for the output of such projects and the overall economic environment in India and the international markets. These projects are particularly vulnerable to a variety of risks, including risks of delays in regulatory approvals, environmental and social issues, completion risk and counterparty risk, which could adversely impact the projects' ability to generate revenue. Future project finance losses or high levels of loan restructuring could have an adverse effect on the Bank's financial condition and results of operations.

13. If borrowers who have availed secured loans default, there may be delays and difficulties in enforcing the sale of collateral and we may be unable to recover the expected value of the collateral, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

As at September 30, 2023, ₹ 3,57,115.03 crore of the Bank's advances were secured by tangible assets, which collectively represented 68.80% of the Bank's total net advances. However, we may be unable to realise the full value of the collateral, if at all, owing to factors such as, (i) delays in bankruptcy and foreclosure proceedings, including due to the introduction of any laws, rules or regulations that provide for moratoriums or exemptions on the sale of collateral in response to any adverse economic financial conditions; (ii) deficiencies in the perfection of collateral (including due to the inability to obtain approvals that may be required from third parties); (iii) fraud by borrowers; (iv) decreases in the value of the collateral; (v) errors in assessing the value of the collateral; (vi) an illiquid market for the sale of the collateral; (vii) current legislative provisioning coverage or changes thereto; (viii) future judicial pronouncements; (ix) volatility in commodity prices; (x) stock market volatility; (xi) changes in economic policies of the Government of India; (xii) borrowers and guarantors not being traceable; and (xiii) the Bank's records of borrowers' and guarantors' addresses being ambiguous or outdated.

In India, foreclosure on collateral may be subject to delays and administrative requirements that may result in, or be accompanied by, a decrease in the value of the collateral. In addition, pursuant to the RBI's prudential guidelines on restructuring of advances by banks, we may not be allowed to initiate recovery proceedings against a corporate borrower, if 60.00% of the creditors by number and at least 75.00% of the creditors by value decide to restructure their advances. In such a situation, we are restricted to a restructuring process only as approved by the majority lenders. If we own 20.00% or less of the debt of a borrower, we could be forced to agree to an extended restructuring of debt which may not be in our interests. In addition, for collateral we hold in jurisdictions outside India, the applicable laws in such jurisdictions may impact our ability to foreclose on collateral and realise its value. If we are unable to realise the full value of collateral, or otherwise fail to recover the full amount owed to us, there could be a material, adverse effect on our financial condition, results of operations and cash flows.

14. We have existing indebtedness and may incur additional indebtedness, which could adversely affect our financial condition and/ or our ability to obtain financing in the future, react to changes in our business and/ or satisfy our obligations.

As at September 30, 2023, the Bank had ₹65,360.10 crore of outstanding debt liabilities, including capital instruments (which includes perpetual bonds, upper Tier II bonds and Tier II bonds), borrowings in India (which includes borrowings from institutions and agencies such as Micro Units Development and Refinance Agency, National Bank for Agriculture and Rural Development and National Housing Bank) and borrowings outside India. Our existing indebtedness could impose restrictions on our business operations, which may be in the nature of following:

- we may be unable to obtain additional financing, should such a need arise, which may limit our ability to satisfy obligations with respect to our debt;
- a portion of our financial resources must be dedicated to the payment of principal and interest on our debt, thereby reducing the funds available to use for other purposes;
- it may be difficult for us to satisfy our obligations to our creditors, resulting in possible defaults on, and acceleration of, such debt;
- we may be more vulnerable to general adverse economic and industry conditions;
- our ability to refinance debt may be limited or the associated costs may increase; and
- our flexibility to adjust to changing market conditions could be limited, or we may be prevented from carrying out capital spending that is necessary or important to our growth strategy and efforts to improve the operating margins of our businesses.

In addition, failure to comply with the terms of these financing agreements may lead to action against us, and may require us to accelerate payment of our loans. Default in our repayment obligations may also affect our ability to raise financing in future.

15. The Bank's primary source of funding is in the form of deposits. If we are unable to secure funding on acceptable terms and at competitive rates when needed, there could be a material, adverse effect on our business, financial condition, results of operations and cash flows.

Our funding requirements are met primarily through short-term and medium-term customer deposits. In the past, a substantial portion of our customer term deposits has been rolled over upon maturity and has been a stable source of funding. However, if a substantial number of our depositors do not roll over term deposits upon maturity, our liquidity position will be adversely affected. Although retail deposits constitute a significant part of our deposit base, we also accept high value deposits depending on funding requirements. Set forth below are details regarding our top 20 largest depositors as of the corresponding dates:

	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
Total deposits of top 20 largest depositors (₹ crore)	44,183.35	40,303.29	51,369.55	49,848.48	52,680.53
Total deposits of top 20 largest depositors, as a percentage of total deposits (%)	7.05%	6.42%	7.67%	7.70%	7.49%

We cannot guarantee that there will not be any premature withdrawal or non-renewal of deposits from these or other depositors. If depositors do not renew their deposits or if the Bank is unable to raise new deposits, the Bank may face a liquidity problem and may be required to pay higher rates of interest to attract deposits, which could adversely affect our results of operations. We may also be required to seek funding from more expensive sources to finance our operations. Failure to obtain these sources of funding or replace them with other deposits or borrowings at competitive rates may materially and adversely affect our business, financial condition and results of operations.

16. Any downgrade in the Bank's credit ratings could affect our ability to access cost effective funding, thereby adversely affect our business, results of operations and financial condition.

The pricing on our issuances of debt will be negatively impacted by any downgrade or potential downgrade in our credit ratings, which could increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis. Set forth below are details of our credit ratings as of the corresponding periods:

Rating Agency	Instrument/Purpose/ Issue	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023	As at September 30, 2023
CRISIL	Additional Tier I	AA- (Stable)	AA (Stable)	AA (Stable)	AA (Stable)
Acuite	Additional Tier I	AA (Stable)	AA (Stable)	AA (Positive)	AA (Positive)
CRISIL	Tier II	AA (Stable)	AA (Stable)	AA (Stable)	AA+ (Stable)
Acuite	Tier II	-	-	-	AA+ (Positive)
Informerics	Tier II	-	AAA (Stable)	AAA (Stable)	AAA (Stable)
CARE	Tier II	-	-	-	AA+ (Stable)

Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debts in domestic and international markets, which would increase our financing costs and adversely affect both our future debt issuances and our ability to raise new capital on a competitive basis, which may, in turn, adversely affect our profitability and future growth. In addition, any downgrade of our credit ratings could result in additional terms and conditions being included in any financing or refinancing arrangements in the future. We cannot guarantee that our ratings will not change, or that any other rating agency will not downgrade India's credit rating. Also see, "Risk Factors – *Any downgrade in India's sovereign debt rating by international rating agencies could adversely impact our ability to raise additional foreign currency financing, interest rates and other commercial terms at which such financing is available*." on page 46.

17. The Bank faces asset liability mismatches, which could adversely affect our liquidity and, consequently, our financial condition, results of operations and cash flows.

The Bank faces liquidity risks due to mismatches in the maturity of our assets and liabilities. Liquidity risk is the risk that the Bank either does not have available sufficient financial resources to meet its obligations as they fall due or can secure them only at excessive cost. This risk is inherent in any retail and commercial banking business and can be heightened by a number of enterprise-specific factors, including overreliance on a particular source of funding, changes in credit ratings or market-wide phenomena such as market dislocation. While the Bank implements liquidity management processes to seek to mitigate and control this risk, unforeseen systemic market factors make it difficult to completely eliminate it.

We may rely on funding options with a short-term maturity period for extending long-term loans, which may lead to an asset liability mismatch for certain periods. Mismatches between our assets and liabilities are compounded in case of pre-payments of the advances we grant to our customers. Further, asset liability mismatches create liquidity surplus or liquidity crunch situations and depending upon the interest rate movement, such situations may adversely affect our Net Interest Income. If we are unable to obtain additional borrowings or renew our existing credit facilities for matching tenures of our loan portfolio in a timely and cost-effective manner, if at all, this may lead to mismatches between our assets and liabilities, which could adversely affect our financial condition, results of operations and cash flows.

18. The Bank's retail assets portfolio has experienced significant growth. If the Bank is unable to address credit risk in our retail asset portfolio, then our financial performance may be adversely affected.

As part of the Bank's business and growth strategy, it will continue to focus on growth in its retail banking business. Set forth below are details of the Bank's retail credit portfolio as of the corresponding periods:

	As of March 31,			As of September 30,	
	2021	**2022**	**2023**	**2022**	**2023**
Retail credit portfolio (₹ crore)	68,057.81	80,674.35	94,716.44	87,451.06	1,00,260.54
Retail credit portfolio, as a percentage of total loans (%)	18.78%	20.48%	21.94%	21.21%	22.15%

The availability of comprehensive credit history reports for new first-time borrowers is limited in India. As a result, the Bank is exposed to higher credit risk in the retail business compared to banks in more developed markets. If the Bank's screening process proves to be inadequate, it may experience an increase in impaired loans and it may be required to increase its provision for defaulted loans. This may impact our future financial performance and credit rating and the market price of the Equity Shares. Although India has a credit bureau industry and we review credit history reports whenever they are available from credit bureaus, adequate information regarding loan servicing histories, particularly in respect of individuals and small businesses, is limited. Additionally, the economy in India is largely cash based, making it difficult for us to monitor the credit of our retail customers, who frequently do not maintain formal financial records. Furthermore, retail loans may carry a higher risk for delinquency if there is an increase in unemployment, prolonged recessionary conditions or a sharp rise in interest rates. Further, if the Bank is unable to maintain the quality of our retail loan portfolio as Bank grows its retail business, NPAs may increase, which could materially and adversely affect our business, results of operations and financial condition.

19. The Bank and our customers are exposed to fluctuations in foreign exchange rates.

As a financial intermediary, the Bank is exposed to foreign exchange rate risk. Moreover, some of our borrowers enter into derivative contracts to manage their foreign exchange risk exposures. Volatility in exchange rates may result in increased mark-to-market losses in derivative transactions for our clients. Upon the maturity or premature termination of the derivative contracts, these mark-to-market losses become receivables owed to us. Some of our borrowers with foreign exchange and derivative exposures may be adversely impacted by any depreciation of the rupee. These include borrowers impacted by: (i) higher foreign currency denominated interest or principal repayment on unhedged foreign currency borrowings; (ii) increases in the cost of raw material imports where there is limited ability to pass through such escalations to customers; (iii) the escalation of project costs due to higher imported equipment costs; and (iv) borrowers who may have taken adverse positions in the foreign exchange markets. The failure of our borrowers to manage their exposures to foreign exchange and derivative risk, particularly adverse movements and volatility in foreign exchange rates, may adversely affect our borrowers, and consequently, the quality of our exposure to our borrowers and our business volumes and profitability.

We undertake various foreign exchange transactions to hedge our own risk and also for purposes related to proprietary trading, which are exposed to various kinds of risks, including foreign exchange risk. We have adopted certain market risk management policies to mitigate such risks by imposing various risk limits, such as counterparty limits, country wise exposure limits, overnight limits and intraday limits, and by monitoring the VaR. However, the Bank is exposed to fluctuation in foreign currency rates for its unhedged exposure. As at September 30, 2023, the Bank's credit exposure on account of outstanding gross forward exchange contracts was ₹ 7,355.60 crore. As at September 30, 2023, the Bank has not availed any foreign currency borrowings.

20. The level of restructured loans in our portfolio may increase and the failure of our restructured loans to perform as expected could adversely affect our business, results of operations and financial condition.

As at March 31, 2021, March 31, 2022 and March 31, 2023 and as at September 30, 2022 and September 30, 2023, the Bank's gross domestic restructured standard assets as a proportion of gross domestic advances were 2.08%, 3.72%, 2.65%, 3.11% and 2.02%, respectively. As a result of slowing economic activity, rising interest rates and the limited ability of corporations to access capital due to volatility in global markets, there has been an increase in restructured loans in the banking system. We restructure assets based on borrowers' potential to restore their financial health. However, there can be no assurance that borrowers will be able to meet their obligations under the restructured advances, as per regulatory requirements; and certain assets classified as restructured, may, subsequently, be classified as delinquent. Any resulting increase in delinquency levels may adversely impact our business, financial condition and results of operations. As of September 30, 2023, the Bank had outstanding domestic standard restructured accounts of ₹ 9,144.00 crore, with a provision of ₹ 760.67 crore on these accounts.

A combination of changes in regulations regarding restructured loans, provisioning, any substantial increase in the level of restructured assets and the failure of these structured loans to perform as expected, could increase the level of restructured loans in our portfolio, and materially and adversely affect our business, financial conditions, results of operations and cash flows.

21. The Bank, our Subsidiaries and Directors may be involved in certain legal and other proceedings which, if determined against us, could have a material, adverse effect on our results of operations.

We may be involved in various legal proceedings at different levels of adjudication before various courts, tribunals, statutory and regulatory authorities/other judicial authorities in the ordinary course of our business. These matters generally arise because we seek to recover from borrowers or because customers seek counter claims against us. Although it is our policy to make provisions for probable loss, we do not make provisions or disclosures in our financial statements where our assessment is that the risk is insignificant. These legal proceedings may not be decided in our favour and we may incur significant expenses and management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If any new developments arise (e.g., rulings against us by the appellate courts or tribunals), we may face losses and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, they could have a material, adverse effect on our reputation, business, financial condition and results of operations. For further details, please see "*Legal Proceedings*" on page 294.

22. A portion of the Bank's loans have a tenor exceeding one year or are unsecured, exposing the Bank to risks associated with economic cycles. In the event of non-payment by a borrowers of these loans, we may be unable to collect the unpaid balance.

We offer unsecured personal loans to the retail customer segment, including salaried individuals and self- employed professionals, and we are strategically planning to continue to grow this business. In addition, we offer unsecured loans to corporates, small businesses and individual businessmen. As at September 30, 2023, unsecured loans contributed to 20.44% of the Bank's gross advances and 21.38% of the Bank's net advances. Unsecured loans are at higher credit risk than secured loans as they are not supported by collateral that could help ensure an adequate source of repayment for the loan. Although we may obtain direct debit instructions or post-dated cheques from our customers for our unsecured loan products, we may be unable to collect in part or at all in the event of non-payment by a borrower. Further, any increase in delinquency in our unsecured loan portfolio could require us to increase the Bank's provision for credit losses, which would adversely affect our results of operations.

In addition, as of September 30, 2023, loans with a tenor exceeding one year constituted 47.51% of the Bank's total standard domestic advances. The long tenor of these loans may expose the Bank to risks arising out of economic cycles, exposing the Bank to liquidity risks.

23. Banking is a heavily regulated industry and material changes in the regulations that govern the Bank could adversely affect our business, financial condition and results of operations.

Banks in India are subject to detailed regulation and supervision by the RBI. The RBI sets guidelines on matters related to our business including cash reserve ratios, statutory liquidity ratios, capital adequacy ratio, priority sector lending, recognition and provisioning for NPAs, export credit, market risk and branch licensing. As we operate under licences or registrations obtained from appropriate regulators, such as RBI, SEBI, IRDAI, we are subject to actions that may be taken by such regulators in the event of any noncompliance with any applicable policies, guidelines, circular, notifications and regulations issued by the relevant regulators. Our business could be directly affected by any changes in policies for banks in respect of directed lending, reserve requirements and other areas. For more details, see "*Regulations and Policies*" on page 224. In addition, banks are generally subject to changes in Indian laws, regulations, Government policies and accounting principles. In addition, we may be subject to other changes in laws and regulations, such as those affecting the extent to which we can engage in specific businesses, those that reduce our profits through a limit on fees or interest rates that we may charge our customers or those affecting foreign investment in the banking industry – as well as to changes in other governmental policies and enforcement decisions, income tax laws, foreign investment laws and accounting principles.

We are subject to cash reserve and the statutory liquidity ratios requirements, capital adequacy ratio requirements, priority sector lending requirements, among others, and failure to comply with these requirements may expose us to penalties and regulatory action. In addition, we are present through our Subsidiaries, Joint Ventures and Associate in diverse segments of the Indian financial sector, including asset and funds management, treasury operations, credit cards, payment services and life insurance. The regulatory and policy environment in which we operate is evolving and subject to change. There can be no assurance that the Government of India may not implement new regulations and policies which will require the Bank and/ or any of our Subsidiaries, Joint Ventures and Associate to obtain approvals and licences from the Government of India and other regulatory bodies. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material, adverse effect on our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations.

24. If Indian Accounting Standards ("Ind AS") are made applicable to banks, it is possible that our financial condition, results of operations, cash flows or changes in Shareholders' equity may appear materially different than under Indian GAAP.

The Bank currently prepares its annual and interim financial statements in accordance with Indian GAAP. The Ministry of Corporate Affairs ("**MCA**"), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for scheduled commercial banks. However, the RBI, in its circular dated March 22, 2019, deferred the implementation of Ind AS by scheduled commercial banks until further notice.

The adoption of Ind AS would change, among other things, our methodology for estimating allowances for expected loan losses and for classifying and valuing our investment portfolio and our revenue recognition policy. For estimation of expected loan losses, the new accounting standards may require us to calculate the present value of the expected future cash flows realizable from our advances, including the possible liquidation of collateral (discounted at the loan's effective interest rate). This may result in us recognizing allowances for expected loan losses in the future that may be higher than under the current Indian GAAP. The mark-to-market requirements required under Ind AS may also impact our revenues and profitability. We have made no attempt to quantify the impact of the differences between Indian GAAP and Ind AS. However, it is possible that our financial condition, results of operations, cash flows or changes in Shareholders' equity may appear materially different under Ind AS than under Indian GAAP.

If we are required to report in Ind AS, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Further, there is no significant body of established practice on which to draw in forming judgments regarding the Ind AS's implementation and application. Moreover, we will have to modify our internal control framework and adopt new internal controls to report under Ind AS. These new internal controls will require, amongst others, a transition to more model-based evaluation of certain items, as well as staff who are adequately knowledgeable with Ind AS. There is no assurance that we will be able to implement effective internal controls under Ind AS in a timely manner, if at all.

25. We are required to maintain minimum cash reserve ratios ("CRRs") and statutory liquidity ratios ("SLRs") in accordance with RBI guidelines, and any increase in these requirements could adversely affect our business, financial condition and results of operations.

Under RBI regulations, we are subject to a CRR requirement. The CRR is a bank's balance held in an interest-free, current account with the RBI, and is calculated as a specified percentage of its net demand and time liabilities, excluding interbank deposits. The CRR currently applicable to banks in India is 4.5%, and the Bank's CRR as of September 30, 2023 was 4.20%. In addition, under the Banking Regulation Act, all banks operating in India are required to maintain an SLR. The SLR is a specified percentage of a bank's net demand and time liabilities required to be maintained by way of liquid assets such as cash, gold or approved unencumbered securities. Approved unencumbered securities consist of unencumbered government securities and other securities as may be approved from time to time by the RBI, which earn lower levels of interest as compared to advances to customers or investments made in other securities. Currently, the RBI requires banks to maintain an SLR of 18.00%, and the Bank's SLR as of September 30, 2023 was 23.82%.

Further, the RBI may increase the CRR and SLR requirements to significantly higher proportions as a monetary policy measure. Any substantial increases in the CRR and SLR from the current levels could affect our ability to deploy our funds or make investments, which could in turn have a negative impact on our results of operations. If we are unable to meet the requirements of the RBI, the RBI may impose penal interest or prohibit us from receiving any further fresh deposits, which may have a material, adverse effect on our business, financial condition and results of operations.

26. The Bank has a large portfolio of Government of India securities and its business is particularly vulnerable to volatility in interest rates caused by deregulation of the financial sector in India.

As a result of Indian reserve requirements, the Bank is more structurally exposed to interest rate risk than banks in many other countries. Under RBI regulations, the Bank's liabilities are subject to the SLR requirement that a minimum specified percentage, currently 18%, of a bank's net demand and time liabilities ("**NDTL**"), be invested in Government securities and other approved securities. As of September 30, 2023, such Government and other approved securities represented 77.16% of the Bank's net domestic investment portfolio. These securities may yield rates that are less favourable than those which the Bank typically receives in respect of its retail and corporate loan portfolio. In a rising interest rate environment, the Bank could be materially adversely affected by the decline in market value of this securities portfolio and other fixed income securities. However, in a declining interest rate environment the statutory liquidity ratio generally has a negative impact on net interest income and net interest margin since it requires the Bank to invest in lower interest-earning securities. To reduce the risk of interest rate fluctuations, the Bank has classified a large majority of its Government securities as "held to maturity." However, the concentration of securities in such classification can limit gains in the Bank's treasury operations and interest amortization expenses. The RBI has issued the Master Direction on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 on September 12, 2023. These directions were applicable from April 01, 2023 and the Bank is in the process of ascertaining the full impact of the changes.

27. Failing to maintain or grow our CASA ratio may result in higher costs of deposits.

We have traditionally maintained high CASA deposits because of our large retail customer base spread across India, and we are strategically looking to increase our CASA deposits in the future. As at September 30, 2023, the share of CASA deposits was 43.13% of total deposits. We may not be able to maintain our CASA deposits and ratio owing to the increased competition from other banks and lending institutions. In order to attract retail customers and increase our CASA deposits, we intend to introduce new products and promote our products through marketing campaigns. The interest rates that we must pay to attract customer deposits are determined by numerous factors such as the prevailing interest rate structure, competitive landscape, Indian monetary policy and inflation. However, there is no assurance that we will be successful in growing our CASA base. If we fail to maintain or grow our CASA ratio, our financial condition and results of operation may be materially and adversely affected.

28. We are subject to capital adequacy norms and are required to maintain a capital-to-risk asset ratio ("CRAR") at the minimum level required by RBI for domestic banks. Any failure to maintain adequate capital due to a change in regulations or any lack of access to capital could materially and adversely affect our business, financial condition and results of operations.

We are subject to regulations relating to the capital adequacy of banks, which determines the CRAR, or the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio. The RBI requires banks in India to maintain a minimum CRAR of 11.50% (including capital conservation buffer). In addition, in accordance with the RBI Basel III Capital Regulations, the Bank is required to maintain a minimum common equity Tier I ("**CET-I**") capital ratio of 8.00% (including a capital conservation buffer of 2.50%), and a minimum Tier I CRAR of 9.50% (including a capital conservation buffer of 2.50%) of its risk weighted assets. Any incremental capital requirement may adversely impact our ability to grow our business and may even require us to withdraw from, or curtail, some of our current business operations.

In accordance with the Basel III norms, as of September 30, 2023, the Bank's Tier I and total capital adequacy ratios were 13.35% and 15.63%, respectively. We are exposed to the risk of the RBI increasing the applicable risk weight for different asset classes from time to time. Although we have implemented and followed a policy of maintaining a minimum capital adequacy ratio as stipulated in the RBI Basel III Capital Regulations issued by the RBI, there can be no assurance that we will be able to maintain this ratio in the future. Implementation of Basel III or other such capital adequacy requirements imposed by RBI may result in the incurrence of substantial compliance and monitoring costs, and any breach of applicable laws and regulations will adversely affect our reputation, business operations and financial conditions. In addition, if additional or more stringent guidance on capital adequacy norms are imposed, we may be required to raise or maintain additional capital in a manner which could materially and adversely affect our business, financial condition and results of operations.

The RBI by its circular dated April 17, 2020 on the Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio ("**LCR**") stated that while banks are required to maintain an LCR of 100.00% with effect from January 1, 2019, in order to accommodate the burden on banks' cash flows on account of the COVID-19 pandemic, banks were permitted to maintain an LCR as follows: (i) 80.00% from April 17, 2020 to September 30, 2020, (ii)

90.00% from October 1, 2020 to March 31, 2021 and (iii) 100.00% with effect from April 1, 2021.
If we fail to meet capital adequacy requirements, the RBI may take certain actions, including restricting our lending and investment activities and our payment of dividends. These actions could materially and adversely affect our reputation, results of operations and financial condition.

29. We are subject to inspections by various regulatory authorities, including the RBI. Non-compliance with the observations of such regulators could adversely affect our business, financial condition, results of operations and cash flows. Our overseas branches are also subject to inspections from regulators in their respective jurisdictions. Any adverse observations from such regulators could have a material, adverse effect on our business, financial condition or results of operations.

We are subject to periodic inspections by various regulatory authorities, including the RBI. Inspection by the RBI is a regular exercise for all banks and financial institutions pursuant to which the RBI may issue observations, directions and action plans on various matters, such as risk management systems, credit concentration risk, counterparty credit risk, internal controls, credit allocation and regulatory compliance.

In its last inspection report for Fiscal 2023, the RBI has, among other things, identified deficiencies in the Bank's operations including in connection with Board composition and oversight, fraud detection and reporting, red flagging of certain accounts, cyber security systems, collateral management systems, delay in sanction of loans, periodic valuation of securities, harmonisation of systems post amalgamation and KYC documents, amongst other things. Further, the RBI has observed that certain compliance requirements were not being met by the Bank, including implementation of the treasury system, automated data classification, strengthening of the fraud risk management, resolution of customer complaints and uploading KYC documents of all our existing accounts. RBI has imposed a penalty of ₹ 70,00,000 on our Bank for non compliance with direction contained in Section 62(a) of Reserve Bank of India (Know Your Customer (KYC) Directions, 2016 on July 8, 2022. While we have undertaken steps to comply with these observations and have informed the RBI regarding the status of our compliance, there can be no assurance that RBI will consider such steps adequate and treat the observations as being duly complied with. Any significant deficiencies identified by the RBI in a final inspection report that we are unable to rectify to the RBI's satisfaction could lead to sanctions and penalties being imposed by the RBI on the Bank, which could materially and adversely affect our reputation, business (including pending applications or requests with the RBI and our ability to obtain the regulatory permits and approvals required to expand our business), financial condition, results of operations and cash flows.

30. In Fiscal 2021, while we incurred net profit for the year of ₹ 2,160.30 crore, losses brought forward amounted to ₹ 23,782.39 crore. We cannot assure you that we will be profitable in future periods.

In Fiscal 2021, we incurred net profit for the year of ₹ 2,160.30 crore. However, we had losses brought forward amounting to ₹ 23,782.39 crore, resulting in eventual loss of ₹ 21,622.09 crore. While our profits in Fiscal 2022, 2023 and the six months ended September 30, 2022 and September 30, 2023 amounted to ₹ 3,404.70 crore, ₹ 4,022.94 crore, ₹ 1,521.49 crore and ₹ 3,009.50 crore, we cannot assure that we will not incur losses in future.

31. The Bank has experienced negative cash flows from operating activities, investing activities and financing activities in the past.

The Bank's cash flows from operating activities, financing activities and investing activities in the corresponding periods are set forth below:

Particulars	**Fiscal 2021**	**Fiscal 2022**	**Fiscal 2023**	**Six months ended September 30,**	
				2022	**2023**
	(₹ in crore)				
Net cash flow from/ (used in) operating activities	38,063.06	(35,316.27)	(5,799.42)	(4,922.69)	209.25
Net cash flow (used in) investing activities	(336.86)	(834.66)	(1,345.02)	(831.16)	(1,200.00)
Net cash flow from/ (used in) financing activities	2,398.16	1,127.90	(17.88)	(1,149.06)	(717.79)
Net increase in cash and cash equivalents	40,124.36	(35,023.03)	(7,162.32)	(6,902.91)	(1,708.54)

For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of*

Operations – Cash Flows" on page 86. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate its business and implement growth plans.

32. The Bank's exposure to the securities of asset reconstruction companies could generally affect our business, financial condition, results of operations and cash flows.

The Bank has investments in security receipts arising from the sale of NPAs by us to reconstruction companies registered with the RBI. As at September 30, 2023, the Bank had an outstanding net investment of ₹ 1,950.28 crore (book value) in security receipts issued by asset reconstruction companies. In September 2016, the RBI issued a framework for sale of stressed assets. Under this framework (with effect from April 1, 2017), if more than 50.00% of the security receipts arising from such NPA sale are held by the Bank, provisions held for investment in such security receipts are subject to a floor rate applicable to the underlying loans (the provisions the Bank would have had to make if the loans had continued to be held in its books). The threshold of 50.00% was reduced to 10.00% from April 1, 2018, as per the framework. Further, the framework requires banks to maintain an internal list of stressed assets identified for sale, and continued review of assets classified as 'doubtful' above a threshold amount on a periodic basis with a view to consider a sale or other disposition. There can be no assurance that reconstruction companies will be able to recover these assets and redeem our investments in security receipts, and that there will be no reduction in the value of these investments. Any such inability to recover assets or redeem our investments without a diminution in value could adversely affect our business, financial condition, results of operations and cash flows.

33. The Bank's contingent liabilities could materially and adversely affect our financial condition and results of operations.

As at September 30, 2023, the Bank had contingent liabilities amounting to ₹ 3,91,565.73 crore. The table below sets forth the details of contingent liabilities:

Particulars	**As at September 30, 2023 (₹ crore)**
I. Claims against the Bank not acknowledged as debts	1,720.62
II. Liability for partly paid Investments	98.51
III. Liability on account of outstanding forward exchange contracts	3,39,278.09
IV. Guarantees given on behalf of Constituents	
- in India	21,722.85
- outside India	2,280.21
V. Acceptances, endorsements and other obligations	22,614.18
VI. Derivative contracts other than listed at III above	781.66
VII. Other items for which the Bank is contingently liable	3,069.62
Total	**3,91,565.73**

If these contingent liabilities were to fully materialise or materialise at a level higher than we expect, they may adversely impact our financial conditions and result of operations. If we are unable to recover payment from our customers in respect to the commitments that we are called upon to fulfil, our financial condition, results of operations and cash flows could be materially and adversely impacted.

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

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

35. The Bank has reported some of our borrowers as Wilful Defaulters. An increase in the number of Wilful Defaulters may have a material, adverse impact on our business, financial condition and results of operations.

As at September 30, 2023, our Bank reported a total of 358 borrowers as Wilful Defaulters to the RBI. In respect of borrowers classified as non-cooperative and Wilful Defaulters, the Bank makes accelerated provisions as per extant RBI guidelines. An increase in the number of Wilful Defaulters reported by the Bank could adversely affect our business, financial condition and results of operations.

36. Commission, exchange and brokerage income, profit on foreign exchange transactions and other sources of fee income are important elements of our income and market conditions as well as regulatory changes could cause these income streams to decline and adversely affect our financial results.

We earn commission, exchange and brokerage income from a variety of activities including loan processing, corporate banking and advisory services, which include origination and syndication of loans, structured finance, distribution of retail investment and insurance products, transaction banking and retail credit products. We also earn fee-based income from our foreign exchange and treasury operations businesses, which include management of foreign currency and interest rate exposure of our corporate and business banking customers. Our commission, exchange and brokerage income are therefore impacted by the level of corporate activity, including new financing proposals, the demand for retail financial products and the overall level of economic and trade activity.

Our commission, exchange and brokerage income are also impacted by applicable regulations governing various products and segments of financial services, and changes in these regulations may adversely impact our ability to grow in this area. The RBI through its Statement on Developmental and Regulatory Policies dated June 6, 2019 and its circular dated June 20, 2019 announced the introduction of an electronic trading platform (FX-Retail) for buying/selling foreign exchange by retail customers of banks, which is aimed at enhancing transparency and competition and lowering costs for retail customers. Such measures could adversely affect our business and results of operations.

37. Our success depends largely on our management team and skilled personnel. Any inability to attract and retain talented professionals may negatively affect us.

Our growth and continued success depends in part on the continued service of key members of our management team and our ability to continue to attract, train, motivate and retain highly qualified professionals. We believe our employees are a significant source of our competitive advantage and are thus a key element of our growth strategy. As September 30, 2023, the Bank had 52,236 employees and our Subsidiaries had 108 employees. With the increase in competition for qualified personnel, we continue to face challenge to recruit a sufficient number of suitably skilled personnel, particularly as we continue to grow. In the event we are not able to attract talented employees or are unable to motivate and retain our existing employees, the future of our business and operations may be affected.

The successful implementation of our business strategies depends on the availability of skilled management, both at our head office and at each of our business units and on our ability to attract and train technologically sound, young professionals. Our remuneration schemes are guided by industry level negotiations between bank management represented by the IBA, and officers / workmen represented by their respective unions. Our remuneration scheme is in accordance with industry level settlement formulated by the IBA following negotiation with various unions or associations. The remuneration prevalent in the public sector banks are similar, except for perquisites which are determined by individual banks. However, we generally pay wages that are lower than those paid by private sector banks which could adversely affect our ability to hire qualified employees. If we or one of our business units or other functions fail to staff their operations appropriately or lose one or more of our key senior executives or qualified young professionals and fail to replace them in a satisfactory and timely manner, our business, and operations, including our control and operational risks, may be adversely affected. If the banking industry increasingly moves toward incentive-based pay schemes, attrition rates could increase and we could be forced to alter our remuneration scheme. The resultant pressures may result in diminished profitability, especially if rates of return do not experience a commensurate rise.

38. The Bank's employees are highly unionized, and any union action may adversely affect the Bank's business.

As of the date of this Placement Document, a significant portion of the Bank's clerical and subordinate grade employees belong to the Federation of Bank of India Staff Unions. A significant number of the Bank's officers belong to a separate union, the Federation of Bank of India Officers' Association. Our employees have previously gone on strike and it is possible that future calls for work stoppage or other similar actions could force the Bank to suspend all or part of its operations until the dispute is resolved. If such a work stoppage was to occur, the Bank's business could be adversely affected. While we believe that we have a strong working relationship with the unions / associations, there can be no assurance that the Bank will continue to have such a relationship in the future. If the employees' union calls for a work stoppage or other similar action, we may be forced to suspend all or part of our operations until the dispute is resolved. If any such work stoppage or disruption was to occur, possibly for a significant period, our business, results of operations and financial condition would be adversely affected. There is also likelihood for employee misconduct which could involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand. It is not always possible to deter misconduct by employees and the precautions we take and the systems we have put in place to prevent and deter such activities may not be effective in all cases. Any instances of such misconduct or fraud could adversely affect our reputation, business, results of operations and financial condition.

39. The Bank distributes third-party products, such as mutual funds and insurance products. If we fail to effectively manage any of the above businesses, our business, results of operation and financial condition could be adversely affected.

We distribute third-party products, such as mutual funds and insurance products. We have engaged with various third parties to distribute such products. However, we have no control over the actions of such third parties and their products. Any failure on the part of such third parties, including any failure to comply with applicable regulatory norms, could result in adverse publicity or regulatory action being taken against such parties which could, in turn, adversely impact our brand and reputation. Further, if customers to whom such products are sold experience deficient service or are otherwise aggrieved, we may be subject to litigation or claims for damages by such aggrieved customers, which could have adverse effects on our business, financial position and results of operations.

40. If we do not manage our foreign operations effectively, or if we fail to comply with applicable regulations in various international jurisdictions, regulatory actions may result, including financial penalties and restrictions on, or suspension of, the related business operations.

As of September 30, 2023, the Bank had a network of 47 overseas offices/branches, including overseas subsidiaries, one representative office, one joint venture and one IFSC Banking Unit, in 16 countries including IBU Gift city in India. The laws and regulations governing the banking and financial services industry in the jurisdictions we operate, have become increasingly complex, governing a wide variety of issues, including interest rates, liquidity, capital adequacy, securitisation, investments, ethical issues, money laundering, privacy, record keeping, outsourcing and marketing and selling practices, with sometimes overlapping jurisdictional or enforcement authorities. Any failure to comply with applicable regulations in various jurisdictions, including unauthorised actions by employees, representatives, agents and third parties, suspected or perceived failures and media reports, and future inquiries or investigations by regulatory and enforcement authorities, may result in regulatory action including financial penalties and restrictions on or suspension of the related business operations. In addition, the Bank may face competition in other countries from banks that may have more experience with operations in such countries or with international operations generally. The Bank may also face difficulties integrating new facilities in different countries into its existing operations, as well as integrating employees that the Bank hires in different countries into its existing corporate culture. If the Bank does not effectively manage its foreign operations, it may lose money in these countries which could adversely affect our business and results of operations.

41. Our failure to adapt to technological advancements that can potentially disrupt the banking industry could affect the performance and features of our products and services and reduce our attractiveness to customers.

Any technological advancement in the way customers prefer to execute their banking services may change the way banking is perceived and carried out. Technological innovation such as mobile wallets, mobile operator banking, payment banks, internet banking through smart phones, etc. could disrupt the banking industry as a whole. There can be no assurance that we will be able to adapt our systems quickly and efficiently to such changing environments. Even if we are able to maintain, upgrade or replace our existing systems, or are able to innovate, customise and develop new technologies and systems, we may not be as quick or efficient as our competitors in upgrading or replacing our systems. Our failure to adapt to such technological advancements quickly and effectively could affect the performance and features of our products and services and could reduce our attractiveness to existing and potential customers.

42. Our business and financial performance are dependent on maintaining and building a successful branch network. Any failure to maintain and increase our coverage will adversely affect our growth.

One of our strategies is to increase our number of branches and if we fail to do so, our growth strategy and prospects may be adversely affected. Our newly opened branches may not be profitable immediately upon their opening or may take time to break-even. In the event of a delay in achieving break even by the newly opened branches within a reasonable period as envisaged by us, our profitability may be affected. Our branch expansion plans may have an adverse effect on the capital outlay which in turn may adversely affect our business, results of operations and financial condition. There will also be increased expenditure as a result of our strategy to expand into new geographies, including those planned for our branch network expansion, and newer businesses, such as retail assets and, where our brand is not well known in the market. As a consequence of our large and diverse branch network, we may be subject to additional risks inherent with an extensive network, including but not limited to higher technology costs, upgrading, expanding and securing our technology platform in such branches, operational risks including integration of internal controls and procedures, compliance with KYC, AML and other regulatory norms, ensuring customer satisfaction, recruiting, training and retaining skilled personnel, failure to manage third-party service providers in relation to any outsourced services and difficulties in the integration of new branches with our existing branch network. Any of these reasons may result in our failure to manage a large branch presence, which may materially and adversely affect our business, results of operations and financial condition.

43. The Bank's Board does not have the prescribed strength in terms of the Banking Companies Act and the SEBI Listing Regulations.

As on the date of this Placement Document, the Bank's Board does not have the prescribed strength as the following positions are vacant:

(i) One director under section 9(3)(e) of Banking Companies Act required to be nominated by the Central Government;

(ii) One positions each under Sections 9(3)(f) and 9(3)(g) of the Banking Companies Act to be nominated by the Central Government in consultation with RBI; and

(iii) Three positions under Section 9(3)(h) of the Banking Companies Act, to be nominated by the Central Government.

Given that the Bank is a public sector undertaking, matters pertaining to, among others, appointment of our Directors are determined by the Government of India's Ministry of Finance, excepting the appointment of the Shareholders Director under section 9(3)(i) of the Banking Companies Act. In particular, the RBI has issued a circular dated April 26, 2021 which prescribes certain basic requirements with regard to the chairman and meetings of boards of directors, composition of certain committees of boards of directors, age, tenure and remuneration of directors, and appointment of the whole-time directors.

Further, the SEBI Listing Regulations requires that a listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors. As on the date of this Placement Document, there are three independent directors out of the total ten Directors on our Board. Further, the SEBI Listing Regulations also require for two-third of the Audit Committee to comprise of independent directors. As on the date of this Placement Document, out of the four directors on the Audit Committee, two directors are independent. Accordingly, half of the Audit Committee comprises independent directors. After appointment of the Chartered Accountant category director under Section 9 (3)(g) of the Bankig Companies Act by the Government of India, the Bank will satisfy the requirement of having two-third of independent directors on the Audit Committee.

Further, we cannot provide any assurance that the composition of our Board and the committees thereof will be in terms of the applicable regulations in a timely manner or at all. Such delay or failure could result in statutory / regulatory authority(ies) taking action against us including imposing penalty on the Bank, any of which could adversely affect the Bank's business, reputation and results of operations.

44. The Bank may not be able to attain the minimum public shareholding within the prescribed timelines.

Pursuant to an amendment dated June 4, 2010 to the Securities Contract (Regulations) Rules, 1957, as amended

("**SCRR**"), all listed companies are required to maintain a minimum public shareholding of at least 25.00%. Any listed public sector company which had public shareholding of less than 25.00% at the time of commencement of the amendment dated June 4, 2010 to the SCRR was required to increase its public shareholding to at least 25.00% within a period of three years from the date of such commencement of the amendment, i.e., August 3, 2018. The SCRR also provides that if the public shareholding in a listed public sector company falls below 25.00% at any time, such company is required to bring the public shareholding to 25.00% within a maximum period of two years from the date of such fall in the manner prescribed the SEBI. As of September 30, 2023, the shareholding of the Promoter in the Bank was 81.41%. The Bank is required to comply with minimal public shareholding norms by August 1, 2024 as per the Government of India notification. However, there is no assurance that a further exemption will be granted in a timely manner. The Issue intends to raise equity capital and increase the public shareholding to at least 25.00% on or before August 1, 2024. In the event we fail to attain the minimum public shareholding within the prescribed timelines, the Bank may be subject to penalties and face regulatory actions, including delisting from the Stock Exchanges.

45. India's existing credit information infrastructure may cause increased risks of loan defaults. We depend on the accuracy and completeness of information furnished by the customers and counterparties and any misrepresentation, errors or incompleteness of such information could cause our business to suffer.

The Bank's principal activity is providing financing to borrowers, including individuals, SMEs and MSMEs. The credit risk of our borrowers may be higher than in other economies due to the higher uncertainty in our regulatory, political and economic environment and the inability of our borrowers to adapt to global technological advancements. Although India has credit information companies, adequate information regarding loan servicing histories, particularly in respect of individuals and small businesses, is limited. In the event that the reports of such credit information companies are not up-to-date, we may not be able to accurately assess the creditworthiness of our borrower which may increase our risk of exposure to default by borrower. Inadequate loan servicing histories for borrowers increase the risk of exposure and may lead to an increase in our NPAs which may adversely affect our business, results of operations and financial condition.

We rely on information furnished by customers and counterparties while determining whether to extend credit or to enter into other transactions with such customers and counterparties. Our financial condition and results of operations could be negatively affected by relying on financial statements that do not comply with generally accepted accounting principles or with other information that is materially misleading. We also rely on credit ratings and bureau scores assigned to our customers. Our financial condition and results of operations could be negatively impacted by such reliance on information that is inaccurate or materially misleading.

The Credit Information Bureau (India) Limited ("**CIBIL**") does not presently report information from retailers, utility companies and trade creditors, and no other nationwide bureau of this nature presently exists. The difficulties associated with the inability to accurately assess the value of collateral and to enforce rights in respect of collateral, along with the absence of such accurate statistical, corporate and financial information, may decrease the accuracy of our assessments of credit risk, thereby increasing the likelihood of borrower default on our loan and decreasing the likelihood that we would be able to enforce any security in respect of such a loan or that the relevant collateral will have a value commensurate to such a loan. The absence of reliable information, including audited financial statements, recognised debt rating reports and credit histories relating to our present and prospective corporate borrowers or other customers makes the assessment of credit risk, including the valuation of collateral, more difficult, especially for individuals and small businesses. The availability of accurate and comprehensive credit information on retail customers and small businesses in India is more limited than for larger corporate customers, which reduces our ability to accurately assess the credit risk associated with such lending. As a result, higher credit risk may expose us to greater potential losses, which could materially and adversely affect our business, financial condition and results of operations.

46. We and our customers may engage in certain transactions in or with countries or persons that are subject to international economic sanctions.

Various international jurisdictions, including the U.S. and U.K., restrict investing or otherwise doing business in, or with, certain countries or territories and with certain persons or businesses that have been specially designated by such government agencies. Other governments and international or regional organisations also administer similar economic sanctions.

Through our foreign branches, representative office and Subsidiaries, we may undertake various services to customers doing business with, or located in, countries to which certain economic sanctions apply. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions and we have not been notified that any penalties or other measures will be imposed on us, we may not be able to fully monitor all of our transactions for any potential violations.

Our future business may not be free of risk under sanctions implemented by these jurisdictions and we may not be able to conform our business operations to the expectations and requirements of international regulatory agencies that do not have jurisdiction over our business but nevertheless assert the right to impose sanctions on an extraterritorial basis. Further, investors in the Equity Shares could incur reputational or other risks as a result of our or our customers' dealings in or with sanctioned countries or persons who are the subject of such sanctions.

47. A failure to renew or maintain our statutory and regulatory permits and approvals required to operate our business may adversely affect our business, financial condition and results of operation.

We are required to obtain various statutory and regulatory permits and approvals to operate our business, which requires us to comply with certain terms and conditions to continue our banking operations. Our licence from the RBI requires us to comply with certain terms and conditions. In the event that we are unable to comply with any or all of these terms and conditions, or unable to obtain waivers or extensions of time for complying with these terms and conditions, it is possible that the RBI may revoke this licence or place stringent restrictions on our operations. This may result in the interruption of all or some of our operations and may have a material, adverse effect on our business, financial condition, results and cash flow. In the event that we are unable to renew or maintain other statutory permits and approvals or comply with regulatory requirements, we may experience interruptions of all or some of our operations and impositions of penalties that could materially and adversely affect our reputation, business, financial condition and results of operations.

In addition, our branches are required to be registered under the relevant shops and establishments laws of the states in which they are located, unless otherwise exempt under such enactments. Some of our branches have not applied for such registration. If we fail to obtain or retain any of these approvals or licences, or renewals thereof in a timely manner, if at all, our business may be adversely affected. If we fail to comply, or if a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled and we may not be able to carry on our activities.

48. A reduction in long-term interest rates may increase the Bank's pension liabilities, which could adversely affect our results of operations.

The Bank operates a defined benefit pension fund scheme. A discount rate is used to calculate the present value of the Bank's future liabilities in relation to the scheme and is linked to the long-term yield on Government of India securities. A reduction in the long-term interest rate would increase the present value of the Bank's pension obligations. As a result, the Bank may be required to make further cash contributions to the scheme in order to cover the deficit which may in turn lead to an increase in its pension expenses. In a falling interest rate scenario, the held-to-maturity value of already invested securities is likely to go up, thereby offsetting, to an extent, the increase in the present value of the pension obligation.

49. Our insurance coverage may be inadequate to cover claims. If we incur substantial uninsured loss or loss that exceeds our insurance coverage, there could be an adverse effect on our business, cash flows, results of operations and financial condition.

While we are covered by a range of insurance plans that we believe is consistent with industry practice in India to cover risks associated with our business, the existing coverage may not insure the Bank against all risks and losses that may arise in the future. We may not have insurance covering all of the risks associated with our business, as insurance coverage is either unavailable for certain risks or is prohibitively expensive. In addition, even if such losses are insured, we may be compelled to contribute a substantial deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. In addition, our insurance policies are generally subject to annual renewal, and our ability to renew these policies on similar or otherwise acceptable terms cannot be assured. If we incur a serious uninsured loss, or a loss that significantly exceeds the limits of our insurance policies, there could be a material, adverse effect on our business, cash flows, results of operations and financial condition.

50. We may not be able to detect money laundering and other illegal or improper activities in a comprehensive manner or on a timely basis, which could harm or reputation and expose us to liability.

We are required to comply with applicable anti-money laundering and anti-terrorism laws and other regulations in India and other jurisdictions where we have operations. These laws and regulations require us to adopt and enforce certain measures, including "know-your-customer/ anti-money laundering/ combating financing of terrorism" ("**KYC/AML/CFT**") policies and procedures. These laws and regulations also require us to report suspicious and large transactions to the applicable regulatory authorities in different jurisdictions. Remittances and trade finance transactions are increasingly required to be covered under our scrutiny and monitoring. We are also required to undertake constant review and assessment of existing control processes and programs to meet the increased regulatory expectation. We face significant challenges in keeping pace with frequent reviews and rapid upgrading required by such regulatory developments. While we have adopted policies and procedures aimed at detecting and preventing the use of our banking networks for money laundering activities and for use by terrorists and terrorist-related organisations and individuals generally, such policies and procedures may not completely eliminate instances where we 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 addition, there may be significant inconsistencies in the manner in which specific operational and KYC/AML/CFT policies are actually interpreted and implemented at an operational level in each of the branch and other customer interface levels. Our business and reputation could suffer if any such parties use our banking channels for money laundering and other illegal or improper purposes. The RBI has, by an order dated July 7, 2022, imposed a monetary penalty of ₹ 0.70 crore on the Bank based on their observation regarding deficiencies in regulatory compliance by the Bank in domestic operations. The penalty amount has been paid by the Bank on July 12, 2023.

While we continue to strengthen our KYC/AML/CFT procedures, to the extent we fail to fully comply with applicable laws and regulations, the relevant governmental and regulatory agencies may impose fines and other penalties and, in certain circumstances, require us to cease operations, which could adversely affect our business, financial condition and results of operations.

51. Any non-compliance with the law or unsatisfactory service by third-party service providers engaged by us for certain services could have an adverse impact on our business and results of operations.

We enter into outsourcing arrangements with third-party vendors providing services that include, among others, ATM/ card related services, business correspondents, facility management services related to information technology, software services and call centre services. As a result of outsourcing such services, we are exposed to various risks including strategic, compliance, operational, legal and contractual risks. Any failure by a service provider to provide a specified service or a breach in security/ confidentiality or non-compliance with legal and regulatory requirements, may result in financial loss or loss of reputation for our business. We cannot assure that there will be no disruptions in the provision of such services or that these third parties may not adhere to their contractual obligations. If there is a disruption in third-party services, or if the third-party service providers discontinue their service agreement with us, our business, financial condition and results of operations may be adversely affected. In case of any dispute, we cannot guarantee that the terms of such agreements will not be breached, which may result in litigation costs. Such additional cost, in addition to the cost of entering into agreements with third parties in the same industry, may materially and adversely affect our business, financial condition and results of operations. The "Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by Banks" issued by the RBI places ultimate responsibility on banks, bank directors and other senior management for outsourced activity. Banks are required to provide prior approval for use of subcontractors as required in the aforementioned RBI guidelines. Legal risks, including actions being undertaken by the RBI, may be incurred if our third-party service providers act unethically or unlawfully, which could materially and adversely affect our business, financial condition and results of operations.

52. We had been under the RBI framework relating to prompt corrective action ("PCA") in the past. If we become subject to the PCA framework again, then our business, future financial performance and results of operations could be materially and adversely affected.

When the PCA framework is triggered, RBI has a range of discretionary actions it can take in addition to the corrective actions mentioned in the PCA. These discretionary actions include conducting supervisory meetings, conducting reviews, advising banks' boards for altering business strategy, review of capital planning, restricting staff expansion, removing of managerial persons and superseding the Board, as per the classification of different risk threshold.

The RBI as noted in its letter dated December 19, 2017, had put the Bank under PCA framework in view of our then high Net NPAs. Thereafter, in terms of RBI Press release no. 2018-2019/1807 dated January 31, 2019, the Bank was taken out of PCA framework (subject to certain conditions and continuous monitoring) upon the Bank meeting the regulatory norms including Capital Conservation Buffer and having net NPAs of less than 6%. The RBI monitors the performance and assets of all banks in India on a continuous basis. If we trigger any risk threshold under the PCA framework or fail to comply / adhere to the conditions / directions prescribed by RBI in this regard, we may again be put under the PCA framework by RBI which could materially and adversely affect our business, results of operations and financial condition.

53. Our intellectual property rights may be subject to infringement or we may breach third-party intellectual property rights.

Our trade name “Bank of India” and logo “BOI" are registered under the Trade Marks Act and the registrations are valid till June 4, 2032. However, we do not own other taglines that we use for our services and have not made an application to the Trademarks Registry for registration of the same. We do not therefore enjoy the statutory protections accorded to a registered trademark. There can be no assurance that we will be able to register trademarks and logos or that third parties will not infringe on our intellectual property, causing damage to our business prospects, reputation, and goodwill. We may be subject to claims by third parties, both inside and outside India, if we breach their intellectual property rights by using slogans, names, designs, software, or other such subjects, which are of a similar nature to the intellectual property these third parties may have registered. We may need to litigate to protect our intellectual property or to defend against third party infringement. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property. Any inability to use or protect our intellectual property could affect our relationships with our customers, which could materially and adversely affect our brand, business, results of operations and financial condition.

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

54. Negative publicity could damage our reputation and adversely impact our business and financial results.

We believe our name commands strong brand recognition due to its long and successful presence in the markets in which we operate and therefore maintaining and enhancing the brand is important for retaining our competitive advantage. Reputational risk, or the risk to our business from negative publicity, is inherent in our business. The reputation of the financial services industry in general has been closely monitored as a result of the financial crisis and other matters affecting the financial services industry. Any negative public opinion about the industry in which we operate could adversely affect our ability to attract and retain customers, and may expose us to litigation and regulatory action. Further, creating and maintaining public awareness of our name is crucial to our business and we accordingly invest in various marketing and advertising campaigns. If these campaigns are poorly executed, or our customers lose confidence in us for any reason, it could harm our ability to attract and retain customers. There can be no assurances that we will be able to sustain effective marketing, advertising and branding initiatives in the future. Maintaining and enhancing our name may require us to make substantial investments in financial services industry which may not be successful.

Negative publicity can result from our actual or alleged conduct in a number of activities, including lending practices, foreclosure practices, corporate governance, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organizations in response to that conduct. We distribute several third-party products, including life insurance, health insurance, general insurance and mortgages. Any failure on the part of such third parties, including any failure to comply with applicable regulatory norms, any regulatory action taken against such parties or any adverse publicity relating to such party could, in turn, result in negative publicity about us and adversely impact our brand and reputation.

55. As the Government of India controls a majority of our issued share capital, its public policy decisions may impact our strategy and operations.

The Government of India controls a majority of the Bank’s issued share capital. As of September 30, 2023, the Government of India directly held 81.41% of the Bank’s issued and paid-up share capital. In addition, Section 3(2E) of the Banking Companies Act provides that no Shareholder other than the Government of India shall be entitled to exercise voting rights in respect to any equity shares held by such Shareholder in excess of 1.00% of the total voting rights of all the Shareholders of the Bank. The Banking Laws (Amendment) Act, 2012 increased the voting rights of Shareholders from 1.00% to 10.00%. Although historically we have enjoyed certain autonomy from the Government of India in the management of our affairs and strategic direction, as its controlling Shareholder, the Government of India is able to exercise effective control over the Bank. Furthermore, the Chairman, Managing Director and Chief Executive Officer, the Executive Directors and certain other Directors are appointed by the Government of India. Although our management runs the day-to-day operations, the Government of India may determine material policies and implement such policies or schemes, as a majority and controlling Shareholder, without the consent of the other Shareholders, as well as determine the outcome of any transaction or other matter submitted to Shareholders for approval, except for those matters requiring a special resolution of the Shareholders.

The Banking Companies Act mandates that the Government of India's shareholding in the Bank cannot fall below 51.00%. Moreover, in terms of the approval, dated July 13, 2023, from the MoF for this Issue, the shareholding of the Government of India in the Bank cannot fall below 52.00%. This requirement could result in restrictions in our equity capital raising efforts as the Government of India may not be able to fund any further investments that would allow it simultaneously to maintain its stake at a minimum of 51.00% and seek funding from the capital markets. Accordingly, there cannot be any change in control in the Bank. As the Indian economy grows, more businesses and individuals will require capital financing. In order to meet and sustain increasing levels of growth in capital demand, we will need to accrete our capital base, whether through organic growth or capital market financing schemes. If we are unable to grow our capital base in step with demand, our business, financial condition and results of operations may be materially and adversely affected.

56. Increasing regulatory focus on personal information protection could impact our business and expose us to increased liability.

Regulators in various jurisdictions are increasingly scrutinizing how companies collect, process, use, store, share and transmit personal data. This increased scrutiny may result in new interpretations of existing laws, thereby further impacting our business. In India, the Personal Data Protection Act, 2023 ("**Data Protection Act**") has been enacted for implementing organisational and technical measures in processing personal data laying down norms for cross-border transfer of personal data to ensure the accountability of entities processing personal data. The Data Protection Act introduced stricter data protection norms for an entity such as ours and may impact our processes. The Data Protection Act is introduced to maintain the highest level of security and protection for all such information regarding our various customer. The RBI has also issued a circular dated April 6, 2018 on the procedure of storage of payment systems data to ensure that data relating to payment systems that we operate are stored only in India. Any failure, or perceived failure, by us to comply with any applicable regulatory requirements, including but not limited to privacy, data protection, information security, or consumer protection-related privacy laws and regulations, could result in proceedings or actions against us by governmental entities or individuals who may subject us to fines, penalties, and/ or judgments which may adversely affect our business and reputation.

57. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with equity Shareholders.

We have in the course of our business entered into, and will continue to enter into, transactions with our related parties (including the opening of deposits and loans granted in respect of relatives of our directors/ senior managerial personnel, provision of line of credit, bridge loan, term loans and overdraft facilities to related parties). For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Related Party Transactions*" on page 86. We cannot guarantee that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

The transactions we have entered into and any further transactions that we may have with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to us. We cannot guarantee that such transactions, individually or aggregately, will not have an adverse effect on business and financial results because of, for instance, potential conflicts of interest.

In addition, while not classified as related party transactions, there have been instances in the past where certain services providers to the Bank were owned and controlled by directors/ officers of the Bank. We cannot guarantee that going forward, our directors and officers will not be connected with or related to such service providers such that there will not be any conflicts of interest with the Bank.

58. There are limitations in the scope of the procedures adopted by our statutory auditors in the audit of our

financial statements.

The Bank is a commercial bank with a network of 5,135 branches including two Digital Banking Units in India as of September 30, 2023. As noted in the audit reports for the financial statements for Fiscals 2021, 2022 and 2023, there are certain limitations in the scope of the audit of such financial statements. For example, for the year ended March 31, 2023, our statutory auditors did not audit the financial statements/ financial information of 3,637 branches and processing centres (including 21 foreign branches) included in the Standalone Financial Statements of the Bank whose financial statements/ financial information reflects total assets of ₹ 3,79,885.63 crore at March 31, 2023 and total revenue of ₹ 21,771.66 crore for the year ended on that date, as considered in the Standalone Financial Statements. The financial statements/ financial information of these branches and processing centres have been audited by the branch auditors whose reports have been furnished to our central statutory auditors, and their opinion, in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors. Also included in the Balance Sheet, the Statement of Profit and Loss and Statement of Cash Flows for the year ended March 31, 2023, are the returns from 1,806 domestic branches and one foreign branch which have not been subjected to audit. These unaudited branches accounted for 4.70% of advances, 13.43% of deposits, 4.22% of interest income and 12.38% of interest expenses as of March 31, 2023. For further information, see "*Financial Statements*" on page 301. An inability to maintain an effective internal audit system or adequate procedures by our officials in the audit of our financial statements may affect the reliability of our financial statement.

59. The majority of our offices, branches and ATMs are located on premises taken by us on lease or on a leave and license basis. We may not be able to renew these agreements for our branches upon acceptable terms, if at all, which could have an adverse effect on our business and results of operations.

While our Head Office is owned by us, majority of our branches and ATMs are located on premises taken by us on lease or leave and license basis from third parties. For some of our branches, the lease deeds have expired and are pending renewal. In case our leases are not renewed or are renewed on unfavourable terms and conditions, we may be forced to procure alternative spaces for our existing branches or incur additional costs associated with such unfavourable renewals. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under lease agreements. This may cause a disruption in our operations or result in increased costs, or both, which may materially and adversely affect our business, financial condition and results of operations. Furthermore, some of our lease agreements and leave and license agreements are not adequately stamped or registered with the registering authority of the appropriate jurisdiction. An instrument not duly stamped, or insufficiently stamped, shall not be admitted as evidence in any Indian court or may attract a penalty as prescribed under applicable law, which could adversely affect the continuance of our operations and business.

60. The Bank is subject to regulatory restrictions on the payment of dividends to Shareholders.

The RBI has prescribed limits on the dividend pay-out ratio of banks in India linked to certain parameters such as the risk-based capital ratio and net non-performing assets ratio. Under the RBI's Basel III guidelines, banks are subject to higher minimum capital requirements and must maintain a capital conservation buffer above the minimum requirements to avoid restrictions on capital distributions and discretionary bonus payments. Any change in restrictions on payment of dividend or capital requirements may limit our ability to pay dividends to Shareholders. The declaration and payment of dividends are subject to the provisions of the Banking Regulation Act and regulations made thereunder, the RBI Act and regulations and guidelines made thereunder including RBI Circular (RBI/2004-05/451DBOD.NO.BP.BC.88/21.02.067/2004-05) dated May 4, 2005 ("**RBI Dividend Circular**"). The Bank follows the Banking Regulation Act, the RBI Dividend Circular and Regulation 43A of the SEBI Listing Regulations in this regard.

Dividends that the Bank has paid in the past may not be reflective of the dividends that the Bank may pay in a future period. The Bank's future dividend policy will depend on its profits, cash flows, financial condition, capital requirements, compliance with RBI regulations and other factors. For further information, see "*Dividend Policy*" on page 85.

61. We may seek opportunities for growth through acquisitions, divest our existing businesses, be required to undertake amalgamations by the Reserve Bank of India or could face integration and other acquisitions risks.

We may seek opportunities for growth through acquisitions or be required to undertake amalgamations mandated by the RBI under its statutory powers. We may in the future examine and seek opportunities for acquisitions in countries where we currently operate. Our Subsidiaries or Associate may also undertake amalgamations, acquisitions and takeovers in India or internationally. Amalgamations and acquisitions by our Subsidiaries could lead to reduction in our shareholding in such Subsidiaries (including to below majority ownership in certain Subsidiaries). Any future amalgamations, acquisitions or takeovers, whether by the Bank or our Subsidiaries, Indian or international, may involve a number of risks, including the possibility of a deterioration of asset quality, quality of business and business operations, financial impact of employee related liabilities, diversion of our management's attention required to integrate the acquired business and the failure to retain key acquired personnel and clients, leverage synergies or rationalise operations, or develop the skills required for new businesses and markets, or unknown and known liabilities including any ongoing litigation, claims or disputes concerning such acquisition, amalgamation, Shareholders, share capital or legal and regulatory compliance obligations or practices, some or all of which could have an adverse effect on our business or that of our Subsidiaries or Associate.

We may also sell all or part of one or more of our businesses, including our Subsidiaries, for a variety of reasons including changes in strategic focus, redeployment of capital, contractual obligations and regulatory requirements.

62. The Bank is subject to compliance requirements of the SEBI Listing Regulations and other requirements prescribed by SEBI and Stock Exchanges. Any failure to comply with such requirement may result in SEBI or Stock Exchanges issuing penalties, warning and show cause notices against us, which may materially affect our business, results of operations and our financial conditions.

Being a listed company, the Bank is required to comply with the requirements of the SEBI Listing Regulations and other requirements prescribed by SEBI and the Stock Exchanges from time to time. In the past there may have been a violation of the SEBI Listing Regulations in relation to providing intimations to Stock Exchanges in the form required by the Stock Exchanges. Non-compliance in future may attract penalties, warning or show cause notices or any other penal action from the Stock Exchanges, SEBI and/or any other regulatory authority or court under the SEBI Act and/or any other applicable securities laws, which may materially affect our business, results of operations and our financial condition.

63. Statistical and industry data in this Placement Document may be incomplete or unreliable.

Statistical and industry data used throughout this Placement Document has been obtained from various government and industry publications. The market and industry data used from these sources may have been reclassified by us for presentation purposes. In addition, market and industry data relating to India, its economy or its industries may be produced on different bases from those used in other countries. As a result, data from other market sources may not be comparable. The extent to which the market and industry data presented in this Placement Document is meaningful will depend on the reader's familiarity with, and understanding of, the methodologies used in compiling such data. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Placement Document. Such data involves risks, uncertainties and numerous assumptions and are subject to change based on various factors. Accordingly, investment decisions should not be based on such information.

64. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.

We intend to use the Net Proceeds for the purposes described in "*Use of Proceeds*" on page 83 of this Placement Document. As on the date of this Placement Document, our funding requirements are based on management estimates in view of past expenditures and have not been appraised by any bank or financial institution. They are based on current conditions and are subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies. While we will use the Net Proceeds towards augmenting the Bank's Tier I Capital to meet the Bank's future capital requirements and to support growth plans and to enhance the business of the Bank or any other purposes in the manner specified in "*Use of Proceeds*" on page 83, the amount of Net Proceeds to be actually used will be based on our management's discretion. However, the deployment of the Net Proceeds will *not* be monitored by any monitoring agency. Our internal management estimates may exceed fair market value or the value that would have been determined by third-party appraisals, which may require us to reschedule or reallocate our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and the results of operations.

65. Our auditors have referred to certain emphasis of matters in their reports on the Audited Financial Statements and the Reviewed Financial Results.

Our auditors have referred to certain emphasis of matters in their in their reports on the Audited Standalone Financial Statements and the Reviewed Financial Results. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 86. There can be no assurance that any similar emphasis of matters will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

RISKS RELATING TO INDIA

66. Any downturn in the macroeconomic environment in India may adversely affect our business, financial condition, results of operations and cash flows.

The majority of our business, assets and employees are located in India, so our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Therefore, any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operations and cash flows. The Indian economy could be adversely affected by various factors, such as the impact of COVID-19 or other pandemics, epidemics, political and regulatory changes, including adverse changes in the Government's liberalisation policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war (in and outside of India like the current hostilities between Russia and the Ukraine, or the Israel-Hamas conflict), natural calamities, volatility in interest rates, volatility in commodity and energy prices, an increase in oil prices, a loss of investor confidence in other emerging market economies and other political and economic developments affecting India. In addition, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and thereby adversely affect our business, financial condition, results of operations and cash flows.

67. High rates of inflation in India could have an adverse effect on our results of operations.

India has, in the past, experienced sustained periods of high inflation. A return to high rates of inflation with a resulting rise in interest rates and any corresponding tightening of monetary policy may have an adverse effect on economic growth in India. Although the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. In addition, high rates of inflation could increase our expenses related to salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our results of operations.

68. The occurrence of natural or man-made disasters, terrorist attacks, civil unrest or rioting in India and other acts of violence or war could adversely affect our business, financial condition, results of operations and cash flows—and could create a perception that investment in Indian companies involves a higher degree of risk, thereby adversely affecting the market price of the Equity Shares.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, fires, explosions, pandemics (such as COVID-19) and epidemics, and man-made disasters, including acts of terrorism, other acts of violence and war, could adversely affect our business, financial condition, results of operations and cash flows. In addition, terrorist attacks and other acts of violence or war as well as civil unrest or rioting in India could create a perception that investment in Indian companies involves a higher degree of risk, thereby adversely affecting the market price of the Equity Shares.

69. Political instability or changes in the Government could adversely affect economic conditions in India and by consequence, our business.

The Government of India has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Since 1991, successive Indian governments have pursued policies of economic liberalisation and financial sector reforms. The governments have usually been multi-party coalitions with differing agendas. Any political instability could affect the rate of economic liberalisation and the specific laws and policies affecting foreign investment. Other matters affecting investment in the Equity Shares could change as well. A significant change in India's economic liberalisation and deregulation policies could adversely affect economic conditions in India generally and thereby adversely affect our business, financial condition, results of operations and cash flows.

70. Financial difficulty and other problems in certain long-term lending institutions and investment institutions in India could have a negative impact on our business, financial condition, results of operations and cash flows.

As an Indian bank, the Bank is exposed to the risks of the Indian financial system, which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions, such as clearing agencies, banks, securities firms and exchanges, may be closely related as a result of credit, trading, clearing or other relationships. Our transactions with these financial institutions expose us to credit risk in the event of default by the counterparty, which can be exacerbated during periods of market illiquidity. As the Indian financial system operates within an emerging market, the Bank faces risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs, notwithstanding the existence of a national deposit insurance scheme. The problems faced by individual Indian financial institutions, and any instability in or difficulties faced by the Indian financial system generally, could create an adverse market perception about Indian financial institutions and banks in general. This in turn could adversely affect our business, financial condition, results of operations and cash flows and could result in a decrease in the price of the Equity Shares regardless of whether or not our business, financial condition, results of operations and cash flows were adversely affected.

71. Any downgrade in India's sovereign debt rating by international rating agencies could adversely impact our ability to raise additional foreign currency financing, interest rates and other commercial terms at which such financing is available.

As our foreign currency debt ratings are pegged to India's sovereign ceiling, any adverse revision to India's credit rating for international debt will have a corresponding effect on our ratings. Therefore, any adverse revisions to India's sovereign debt ratings debt by international rating agencies could adversely impact our ability to raise additional foreign currency financing and the interest rates and other commercial terms at which such financing is available, which could have a material, adverse effect our business, financial condition, results of operations and cash flows.

72. It may not be possible for investors to enforce any judgment obtained outside India against us, our Directors or our Executive Officers except by way of a lawsuit in India.

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

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments are provided for under Sections 13, 14 and Section 44A of the Code of Civil Procedure, 1908 ("**Civil Code**") on a statutory basis. Section 44A of the Civil Code provides that, where a certified copy of a decree of any superior court, within the meaning of that Section, obtained in any country or territory outside India which the government has by notification declared to be in a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees and does not apply to decrees for amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties, and it does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

The United Kingdom, Singapore and Hong Kong, among others, have been declared by the government to be reciprocating territories for the purposes of Section 44A of the Civil Code. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognise the law of India in cases to which such law is applicable;

(iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there are considerable delays in the disposal of suits by Indian courts. It may be unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it may be unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered pursuant to execution, and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian rupees on the date of the judgment or award and not on the date of the payment.

73. A third party could be prevented from acquiring control over the Bank because of anti-takeover provisions under Indian law and the provisions of the Banking Regulation Act.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in the control of the Bank. These provisions may discourage or prevent certain types of transactions involving actual or threatened change in the control of the Bank. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that the interests of investors/ Shareholders are protected, these provisions may also discourage a third party from attempting to take control of the Bank. Further, given that the Bank is governed by the RBI, any significant change in shareholding would require the RBI’s prior approval. Consequently, even if a potential takeover of the Bank would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of the regulatory framework applicable to the Bank.

74. Rights of Shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors’ fiduciary duties and liabilities and Shareholders’ rights may differ from those that would apply to a bank in another jurisdiction. Shareholders’ rights including in relation to class actions, under Indian law may not be as extensive as Shareholders’ rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as Shareholder in an Indian bank than as Shareholder of a corporation in another jurisdiction.

75. There may be less information available about the companies listed on stock exchanges in India compared with information that would be available if we were listed on securities markets in certain other 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 in India and that in the markets in the United States and certain other countries. SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about companies listed on an Indian stock exchange compared with information that would be available if that company were listed on a securities market in certain other countries. As a result, investors may have access to less information about the business, results of operations, cash flows and financial condition of companies, such as the Bank, listed on stock exchanges in India on an on-going basis than investors may find in the case of companies subject to reporting requirements of other countries.

76. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors outside India may be more familiar with and may consider material to their assessment of our financial condition, results of operations and cash flows.

The Bank prepares its financial statements in accordance with Indian GAAP, which differs in certain important aspects from U.S. GAAP, IFRS and other accounting principles with which prospective investors may be familiar in other countries. Accordingly, the degree to which the financial statements prepared in accordance with Indian

GAAP included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Prospective investors should review the accounting policies applied in the preparation of the financial statements included in this Placement Document and consult their own professional advisers for an understanding of the differences between these accounting policies and those with which they may be more familiar. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Placement Document should accordingly be limited.

RISKS RELATING TO THE EQUITY SHARES

77. Any future issuance of Equity Shares could dilute the holdings of investors and could adversely affect the market price of the Equity Shares.

The Bank may be required to finance our future growth through additional equity offerings. Any future issuance of Equity Shares could dilute the investors' holdings and could adversely affect the market price of the Equity Shares. In addition, any future issuances of Equity Shares, sales by any significant Shareholder or a perception in the market that such issuance or sale may occur, could adversely affect the trading price of the Equity Shares. Such securities may also be issued at a price below the then current trading price of the Equity Shares.

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

Indian securities markets are less developed and more volatile than securities markets in certain other economies, especially countries that are members of the Organization for Economic Cooperation and Development. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Indian stock exchanges have also experienced problems such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the United States. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies, the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

The Indian stock markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments in other emerging market countries, such as rising fiscal or trade deficits, or a default on national debt, may negatively affect investors' confidence in India, or may cause increased volatility in Indian stock markets and cause the price of the Equity Shares to decline.

79. After this Issue, the price of the Equity Shares may be volatile and the Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.

The Issue Price will be determined by the Bank, in consultation with the Book Running Lead Managers, based on Bids received in compliance with Chapter VI of the SEBI Regulations, and the Issue Price may not necessarily be indicative of the market price of the Equity Shares after this Issue is completed. The price at which the Equity Shares will trade at after the Issue will be determined by the marketplace and may be influenced by many factors, including:

- volatility in the Indian and global securities markets or prospects for our business and the sectors in which we compete;
- our financial condition, results of operations and cash flows;
- the history of and prospects for our business;
- an assessment of our management, our past and present operations and the prospects for, as well as timing of, our future revenues and cost structures;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial condition, including our results of operations and financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;

- announcements of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;
- changes in interest rates;
- fluctuations in stock market prices and volume; and
- general economic conditions.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our financial condition, results of operations and cash flows. We cannot assure prospective investors that they will be able to resell their Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to the Issue.

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

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the circuit breaker applicable to the Equity Shares is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges may change the percentage limit of the circuit breaker from time to time. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of Shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares.

81. Investors' ability to acquire and sell the Equity Shares offered in this Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Placement Document. Investors will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of 12 months from the date of the allotment of the Equity Shares.

No actions have been taken to permit an offering of the Equity Shares offered in this Issue in any jurisdiction, except for India. As such, investors' ability to acquire Equity Shares offered in this Issue is restricted by the distribution and solicitation restrictions set forth in this Placement Document. For further information, see "*Selling Restrictions*" on page 258. Further, the Equity Shares offered in this Issue are subject to restrictions on transferability and resale pursuant to the SEBI Regulations, including that investors will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of 12 months from the date of the allotment of the Equity Shares. Further, allotments made to certain categories of eligible QIBs in this Issue are subject to the rules and regulations applicable to them, including certain lock-in requirements. For further information, see "*Transfer Restrictions*" on page 268. Investors are required to inform themselves on, and observe, these restrictions. Our representatives, agents and Bank will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares offered in this Issue made other than in compliance with applicable law.

82. Investors may be subject to Indian taxes arising out of capital gains on sales of Equity Shares.

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

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

83. Foreign investors are subject to certain restrictions under Indian law in relation to transfer of Shareholding that may limit our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the valuation and reporting requirements specified under applicable law. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions, then prior approval of the relevant regulatory authority is required. Additionally, Shareholders who seek to convert rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and is subject to either the security having been sold in compliance with the pricing guidelines or the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. The Bank cannot guarantee that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020, which came into effect from April 22, 2020, investments where the beneficial owner of the Equity Shares is situated in, or is a citizen of, a country which shares one or more land border(s) with India, can only be made through the Government approval route, as prescribed in the Foreign Direct Investment ("**FDI**") Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot guarantee that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, if at all. Our ability to raise foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, financial condition, results of operations and prospects.

84. The individual investment limit and aggregate foreign investment limit for registered FPIs in the Bank is currently 10.00% and 20.00%, respectively, of the total paid-up equity share capital of the Bank.

Foreign investment in India is governed by the provisions of FEMA along with the rules, regulations and notifications made by the RBI thereunder, and the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, from time to time. Under the current FDI Policy (effective October 15, 2020), investment in public sector banks up to 20.00% is permitted under the government approval route. In terms of the SEBI (Foreign Portfolio Investors) Regulations, 2019, the issue of Equity Shares to a single FPI including its investor group (which means the same multiple entities registered as foreign portfolio investors having common ownership directly or indirectly of more than 50.00% or common control) must be below 10.00% of the Bank's post-Issue paid-up equity share capital on a fully diluted basis. Further, in terms of the FEMA Rules, the total holding by each FPI, or an investor group, shall be below 10.00% of the total paid-up equity share capital, on a fully diluted basis, of the Bank, and the total holdings of all FPIs put together can be up to 20.00% of the paid-up equity share capital of the Bank, which is the sectoral cap applicable to the Bank.

As per the SEBI (Foreign Portfolio Investors) Regulations, 2019 and the relevant circulars issued thereunder, the above investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Notes. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments in the Bank.

85. Our ability to borrow in foreign currencies is restricted by Indian law.

Indian banks and companies are subject to foreign exchange regulations that regulate borrowing in foreign currencies, including those specified under the Foreign Exchange Management Act ("**FEMA**"). Such regulatory restrictions limit our ability to borrow in foreign currencies and, therefore, could negatively affect our ability to obtain financing on competitive terms. In addition, we cannot guarantee that any required approvals for borrowing in foreign currency will be granted to us without onerous conditions, if at all. Such, and other, limitations on raising foreign capital may adversely affect our business, results of operations, financial condition and cash flows.

86. Fluctuations in the exchange rate between the rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our operating results.

The Equity Shares are quoted in rupees on the Stock Exchanges. Any dividends in respect to the Equity Shares will be paid in rupees. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividends to investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rates between the rupee and other currencies (including the U.S. dollar, the Euro, the pound sterling, the Hong Kong dollar and the Singapore dollar) have changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of the Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our operating results.

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

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

88. Investors will be subject to market risks until the Equity Shares credited to their demat accounts are listed and permitted to be traded.

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

89. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Holders of our Equity Shares are entitled to pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new Equity Shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such a resolution. However, if the law of the jurisdiction that a Shareholder is in does not permit the exercise of such pre-emptive rights without the Bank filing an offering document or registration statement with the applicable authority in such jurisdiction, such a Shareholder will be unable to exercise their pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available to Shareholders by Indian law. To the extent that Shareholders are unable to exercise their pre-emptive rights in respect of the Equity Shares, they may suffer future dilution of their ownership positions and their proportional interests in us would be reduced.

90. Compliance with provisions of the U.S. Foreign Account Tax Compliance Act may affect payments made on the Equity Shares.

Certain U.S. tax provisions which are commonly referred to as FATCA, may impose 30.00% withholding on "foreign passthru payments" made by a "foreign financial institution" ("**FFI**"). Under current guidance, the term "foreign passthru payment" is not defined and it is therefore not clear whether or to what extent payments on the Equity Shares would be considered foreign passthru payments. Withholding on foreign passthru payments would not be required with respect to payments made before the date that is two years after the date of publication in the

Federal Register of final regulations defining the term "foreign passthru payment." The United States has entered into an intergovernmental agreement with India ("**IGA**"), which potentially modifies the FATCA withholding regime described above. The Bank has registered as an FFI with the U.S. Internal Revenue Service and it believes that it may be subject to diligence, reporting and withholding obligations under the FATCA rules and the IGA. It is not yet clear how foreign passthru payments will be addressed in light of the IGA. Prospective investors in the Equity Shares should consult their tax advisors regarding the potential impact of FATCA, the IGA and any non-U.S. legislation implementing FATCA on their investment in the Equity Shares.

91. The Bank may be classified as a passive foreign investment company ("PFIC") for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to U.S. holders of Equity Shares.

The Bank will be classified as a PFIC for any taxable year if either: (i) at least 75.00% of its gross income is "passive income" for purposes of the PFIC rules or (ii) at least 50.00% of the value of its assets (determined on the basis of a quarterly average) is attributable to assets that produce, or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, royalties, rents and gains from commodities and securities transactions, and from the sale or exchange of property that gives rise to passive income. However, under final and proposed U.S. Treasury Regulations and a notice from the U.S. Internal Revenue Service, special rules apply to income derived in the active conduct of a banking business. Based on the current and anticipated composition of the income, assets (including their expected values) and operations of the Bank and the application of the relevant PFIC rules governing banks referred to above, the Bank does not expect to be treated as a PFIC for the current taxable year or in the foreseeable future. Whether the Bank is treated as a PFIC is a factual determination that must be made annually after the close of each taxable year. This determination will depend on, among other things, the specific activities, the composition of the income and assets, as well as the value of the assets (which may fluctuate with the Bank's market capitalisation) of the Bank from time to time. In addition, the manner in which the PFIC rules governing banks apply to the Bank is unclear in some respects. Some of the administrative guidance governing the application of the PFIC rules to banks is in the form of proposed U.S. Treasury Regulations and may change significantly when finalised, and new or revised regulations or pronouncements interpreting or clarifying the PFIC bank provisions may be forthcoming. Therefore, there can be no assurance that the Bank will not be classified as a PFIC in any taxable year. If the Bank were treated as a PFIC for any taxable year during which a U.S. Holder held Equity Shares, certain adverse U.S. federal income tax consequences would apply to such a U.S. Holder.

MARKET PRICE INFORMATION

The Equity Shares have been listed and are available for trading on BSE and NSE. As of the date of the Preliminary Placement Document 4,10,35,66,070 Equity Shares of our Bank are subscribed and fully paid up.

On December 4, 2023 the closing price of Equity Shares on BSE and NSE was ₹109.20 and ₹109.20 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for BSE and NSE has been given separately.

(i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on BSE and NSE on the dates on which such high and low prices were recorded for financial years ended for Fiscal 2021, 2022 and 2023:

BSE

Financial Year ended March 31,	High (₹)	Date of high[(1)]	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ crore)	Low (₹)	Date of low[(1)]	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ crore)	Average price for the year (₹)[(2)]
2021	93.10	18-Feb-21	40,26,492	37.12	31.35	19-May-20	13,26,972	4.20	48.63
2022	84.65	07-Jun-21	12,20,094	10.19	44.35	24-Feb-22	20,05,896	9.44	62.21
2023	101.80	13-Dec-22	30,77,371	30.99	41.00	12-May-22	5,40,764	2.27	62.14

(Source: www.bseindia.com*)*

Notes:

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

(2) Average price for the year represents the average of daily closing prices on each day of each year

NSE

Financial Year ended March 31,	High (₹)	Date of high[(1)]	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ crores)	Low (₹)	Date of low[(1)]	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ crores)	Average price for the year (₹)[(2)]
2021	93.15	18-Feb-21	4,51,53,208	416.31	31.35	19-May-20	26,71,342	8.47	48.63
2022	84.60	07-Jun-21	1,90,82,021	159.65	44.25	24-Feb-22	98,79,327	46.05	62.23
2023	101.80	13-Dec-22	3,83,77,035	386.06	41.00	12-May-22	46,39,508	19.33	62.15

(Source: www.nseindia.com*)*

Notes:

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

(2) Average price for the year represents the average of daily closing prices on each day of each month.

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

BSE

Month ended	High (₹)	Date of high[1]	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ crore)	Low (₹)	Date of low[1]	Number of Equity Shares traded on the date of low	Total turnover of Equity shares traded on the date of low (₹ crore)	Average price for the month (₹)[1]
Jun-23	75.10	19-Jun-23	20,78,591	15.53	70.94	26-Jun-23	11,33,535	8.03	73.44
Jul-23	85.39	31-Jul-23	7,54,385	6.49	77.26	13-Jul-23	7,84,691	6.17	81.00
Aug-23	91.35	18-Aug-23	19,71,310	17.84	83.28	07-Aug-23	4,47,171	3.75	87.07
Sep-23	109.57	18-Sep-23	52,50,952	58.10	87.95	01-Sep-23	12,24,829	10.69	101.67
Oct-23	112.75	03-Oct-23	20,17,265	22.39	89.40	25-Oct-23	21,75,984	19.94	102.54
Nov-23	107.94	15-Nov-23	10,98,753	12.01	98.05	01-Nov-23	7,65,370	7.46	103.71

(Source: www.bseindia.com)

Notes:

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

(2) Average price for the month represents the average of daily closing prices on each day of each month.

NSE

Month ended	High (₹)	Date of high[1]	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ crore)	Low (₹)	Date of low[1]	Number of Equity Shares traded on the date of low	Total turnover of Equity shares traded on the date of low (₹ crore)	Average price for the month (₹)[1]
Jun-23	75.15	19-Jun-23	1,22,05,690	91.44	70.95	26-Jun-23	71,02,096	50.04	73.44
Jul-23	85.35	31-Jul-23	2,17,13,178	186.59	77.25	13-Jul-23	86,81,612	67.87	81.01
Aug-23	91.25	18-Aug-23	2,20,87,157	200.08	83.25	07-Aug-23	46,25,262	38.78	87.06
Sep-23	109.70	18-Sep-23	5,56,32,514	616.10	88.00	01-Sep-23	1,04,11,546	90.98	101.69
Oct-23	112.80	03-Oct-23	2,39,64,066	266.44	89.35	25-Oct-23	1,99,66,700	182.33	102.56
Nov-23	108.00	15-Nov-23	1,37,10,851	149.81	98.05	01-Nov-23	1,18,06,551	115.11	103.73

(Source: www.nseindia.com)

Notes:

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

(2) Average price for the month represents the average of daily closing prices on each day of each month.

(i) The following table set forth the details of the number of Equity Shares traded and the turnover during the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 on the Stock Exchanges:

Period	Number of Equity Shares Traded		Turnover (In ₹ crore)	
	BSE	NSE	BSE	NSE
Year ended March 31, 2021	22,29,82,888	1,53,00,65,258	1,150.91	9,012.67
Year ended March 31, 2022	17,70,65,705	1,76,69,23,481	1,105.79	11,195.98
Year ended March 31, 2023	26,76,83,301	2,84,54,32,248	2,050.44	22,063.55

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

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

Period	Number of Equity Shares Traded		Turnover (In ₹ crore)	
	BSE	NSE	BSE	NSE
Jun-23	1,68,56,731	11,68,38,595	124.07	859.30
Jul-23	1,96,93,297	28,46,24,599	159.03	2,314.37
Aug-23	1,89,86,628	27,02,91,883	166.73	2,373.66
Sep-23	3,80,11,898	56,36,66,323	392.74	5,811.38
Oct-23	2,04,25,896	25,42,98,171	206.22	2,588.38
Nov-23	1,03,08,799	17,59,51,799	107.02	1,825.51

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

(iii) The following table sets forth the market price on BSE and NSE on April 19, 2023, i.e., the first working day following the approval of the Board of Directors for the Issue:

Stock Exchange	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ crore)
BSE	81.00	82.22	79.60	80.23	10,52,632	8.51
NSE	80.95	82.25	79.60	80.15	1,14,15,718	92.39

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

USE OF PROCEEDS

The gross proceeds from the Issue are aggregating to ₹4,500 crore. Subject to compliance with applicable laws and regulations, the net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue from the aggregate proceeds of the Issue, are approximately ₹4,479.93 crore ("**Net Proceeds**").

Purpose of Funds and Utilization of Net Proceeds

Subject to compliance with applicable laws, our Bank intends to utilize the Net Proceeds towards augmenting our Bank's Tier I Capital to meet additional requirement on account of capital conservation buffer and to support growth plans and to enhance the business of our Bank.

Schedule of deployment of funds

Our Bank currently proposes to deploy the Net Proceeds in the aforesaid object in Fiscal 2024.

Monitoring of utilization of funds

In terms of the proviso to Regulation 173A(1) of the SEBI ICDR Regulations, our Bank is not required to appoint a monitoring agency for this Issue.

Other Confirmations

The Net Proceeds are proposed to be deployed towards the purpose set out above and are not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose (i) the break-up of cost of the project (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, is not applicable.

None of our Directors are making any contribution either as part of the Issue or separately in furtherance of the objects of the Issue.

CAPITALISATION STATEMENT

The following table sets forth our Bank's capitalization (on a consolidated basis) on an actual basis as at September 30, 2023, which has been extracted from our Reviewed Financial Statements, and as adjusted to give effect to the receipt of the gross proceeds of the Issue. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" beginning on pages 86 and 301, respectively.

(In ₹ crore)

Particulars	**Pre-Issue (as at September 30, 2023**	**Post-Issue as adjusted (Refer Note below)**
Borrowings:		
Secured	17,619.29	17,619.29
Unsecured	47,777.03	47,777.03
Total borrowing (a)	**65,396.32**	**65,396.32**
Shareholders' funds:		
Share capital	4,104.31	4,553.41
Securities premium	17,923.22	21,954.06
Reserves and surplus (excluding securities premium)	40,418.09	40,418.09
Non-controlling interest	163.69	163.69
Shareholders funds (excluding borrowings) (b)	**62,609.31**	**67,089.25**
Total capitalization (a + b)	**1,28,005.63**	**132,485.57**
Total Borrowing / Shareholders Funds [a/b]	**1.04**	**0.97**

Note:

The amount of Share Capital and Securities Premium has been adjusted for the amounts received (net-off expenses related to the Qualified Institutions Placement) towards Equity Shares to be issued pursuant to the Qualified Institutions Placement.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Banking Regulation Act and regulations made thereunder, the RBI has laid down certain guidelines on the declaration of dividends by banks pursuant to RBI Circular (RBI/2004-05/451DBOD.NO.BP.BC.88/21.02.067/2004-05) dated May 4, 2005 on declaration of dividends by banks ("**RBI Dividend Circular**"). Our Bank follows the Banking Regulation Act, the RBI Dividend Circular and Regulation 43A of the SEBI Listing Regulations in this regard.

For eligibility criteria for declaration of dividend in terms of the RBI Dividend Circular, see "*Regulations and Policies*" and "*Description of the Equity Shares - Declaration of Dividend*" on pages 224 and 278, respectively. For a summary of certain Indian tax consequences of dividend distributions to shareholders, see "*Taxation*" on page 279.

Further, the payment of dividends by banks is subject to restrictions under the Banking Regulation Act. Section 15(1) of the Banking Regulation Act states that no banking company shall pay any dividend on its shares until all its capitalized 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. In addition, Section 17(1) of the Banking Regulation Act requires every banking company to create a reserve fund and, transfer out of the balance of profit of each year as disclosed in the profit and loss account, a sum equivalent to not less than 20% of such profit to the reserve fund before declaring any dividend.

In addition, *vide* a circular DOR.BP.BC.No.64/21.02.067/2019-20 dated April 17, 2020 read with circular DOR.BP.BC.No.29/21.02.067/2020-21 dated December 4, 2020, the Reserve Bank of India has directed that banks shall not make any dividend payment on equity shares from the profits pertaining to the financial year ended March 31, 2020 in order to conserve capital to retain their capacity to support the economy and absorb losses in an environment of heightened uncertainty caused by COVID-19. Accordingly, our Bank has not declared any dividend for Fiscal 2020. Further, *vide* a circular DOR.ACC.REC.7/21.02.067/2021-22 dated April 22, 2021, RBI partially modified of the instructions contained in circular DBOD.NO.BP.BC.88/ 21.02.067/2004-05 dated May 4, 2005, and allowed the banks to pay dividend on equity shares from the profits for the financial year ended March 31, 2021, subject to the quantum of dividend being not more than fifty percent of the amount determined as per the dividend pay-out ratio prescribed in the RBI Dividend Circular.

The details of dividend paid by our Bank are set out in the following table:

Year/ Period	**Subscribed and paid-up share capital (number of Equity Shares)**	**Face Value of Equity Share (In ₹)**	**Interim dividend per Equity Share (In ₹)**	**Final dividend per Equity Share (In ₹)**	**Total amount of dividend (In ₹ crore)**	**Dividend Rate (%)**
October 1, 2023 - till the date of this Placement Document	4,10,35,66,070	10	Nil	Nil	Nil	Nil
Six months period ended September 30, 2023	4,10,35,66,070	10	Nil	Nil	Nil	Nil
Fiscal 2023	4,10,35,66,070	10	Nil	2	820.71	20
Fiscal 2022	4,10,35,66,070	10	Nil	2	820.71	20
Fiscal 2021	3,27,69,23,350	10	Nil	Nil	Nil	Nil

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

The following discussion and analysis of the financial condition and results of operations of the Bank and the Group is based on or derived from the Audited Financial Statements and accompanying notes as of and for the years ending March 31, 2021, 2022 and 2023 and the Bank's Reviewed Financial Results as of and for the six months ended September 30, 2023 (including the comparative financial information with respect to the six months ended September 30, 2022). This discussion should be read together with the sections "Selected Financial Information", "Selected Statistical Information" and "Financial Statements".

The Bank's fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the 12-month period ended on March 31 of that year. Further, all information regarding cost, yield and average balances are based on daily average of balances outstanding during the relevant period.

The Bank prepares its financial statements in accordance with the requirements prescribed under the Third Schedule of the Banking Regulation Act, in accordance with prevailing practices within the banking industry in India and Indian GAAP, which differs in some respects from IFRS. The Financial Statements reflect applicable statutory requirements, regulatory guidelines and accounting practices in India; these requirements, guidelines and practices change from time to time. In accordance with Indian GAAP, adjustments to reflect such changes are made on a prospective basis, and financial statements for earlier periods are not restated. For the purposes of a comparative analysis in the discussion below, previous years' figures have been reclassified wherever necessary.

This discussion contains forward-looking statements and reflects the Bank's current views with respect to future events and financial performance. Such statements are subject to certain risks, uncertainties and assumptions that could cause the Bank's actual results to differ materially from those anticipated in these forward-looking statements, including those set forth under the section titled "Forward-Looking Statements". Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as those set forth under "Risk Factors" and elsewhere in this Placement Document.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, and includes statistics derived from various government publications and industry sources.

Unless otherwise stated, references to "the Bank" or "our Bank", are to Bank of India on a standalone basis and references to "Group" are to Bank of India on a consolidated basis.

Overview

We were incorporated in 1906 and operated as a private bank until nationalization in 1969. As on September 30, 2023, the Bank was the sixth largest public sector bank in India in terms of total business, i.e. aggregate of gross advances and total deposits, among the scheduled public commercial banks in India. We cater to a wide range of customers including retail, corporate, agricultural, as well as micro, small and medium enterprises ("**MSME**"). In addition to our banking operations, we provide other financial services through our Subsidiaries, Joint Venture and Associates, including bancassurance services for distribution of life, general and health insurance products, distribution of mutual fund products, portfolio management services, depository participant services and merchant banking activities. As of the date of the Preliminary Placement Document, the Government of India ("**GoI**") owned 81.41% of the Bank and exercises control over the Bank's management and operations.

As of September 30, 2023, the Bank had approximately 11.82 crore customers, reflecting our large customer base. As of September 30, 2023, the Bank's operations covered 28 States and eight Union Territories across India, with more than 5,135 branches across India, 5,129 ATMs (including 2,899 offsite and 2,230 onsite ATMs) and 3,099 Cash Recycling Machines ("**CRM**"). The Bank's pan-India branch network allows it to provide banking services to a range of customers, including large and mid-sized corporates, institutions, state-owned enterprises as well as commercial, agricultural, industrial and retail customers. The Bank also has internet, mobile banking and door step banking solutions. As of September 30, 2023, the Bank had approximately 0.87 crore internet banking users and 0.91 crore mobile banking users.

We have over the past century expanded our presence in India and globally. We commenced international operations, through our branch in London in 1946 and our branch in Paris in 1974 and have since developed our international presence significantly. As of September 30, 2023, the Bank operated in 16 countries including IBU Gift city in India, through 47 branches and offices, including one representative office and branches in Dubai, Hong Kong, London, New York, Singapore, Paris, Tokyo and an international banking unit at GIFT City, Gandhinagar. We have also set-up four banking subsidiaries in Indonesia, Tanzania, New Zealand and Uganda, as of September 30, 2023. Operating profits of foreign branches accounted for 7.92% of the Bank's global operating profits in the six months ended September 30, 2023. The Bank's foreign business comprised 14.50% of the Bank's global net profits, in the six months ended September 30, 2023.

The Bank leverages technology to identify opportunities, and deliver products and services. For instance, the Bank has implemented an e-platform for our banking products to enable their life cycle digitally from origination. The e-platform has positioned the Bank to meet the Government of India's 'Enhanced Access and Service Excellence (EASE)' guidelines. In the past, the Bank has launched 'BOI Seva', a virtual digital assistant for better customer service and the 'PSB-59 Platform', an online digital loan management platform aimed at retail borrowers that allows for the in-principle sanction of loans digitally and within 59 minutes. The Bank has migrated all of its branches to its core banking application platform and expanded its ATM and internet banking networks, and introduced alternate delivery channels to remain updated with trends in the banking industry. The Bank launched its mobile banking application in August 2018, and revamped its website that was launched in December 2018 with device agnostic features for easy access on multiple devices. Other digital and cashless products and services that the Bank offers include debit and credit cards, point-of-sale terminals, and also GoI supported UPI / BHIM, Bharat QR and Aadhaar Pay facilities.

The Bank intends to undertake further initiatives to facilitate digital and alternate delivery channels. For further information, see "—*Technology*" on page 174. The Bank's backend operations including core banking system, customer relationship management systems, anti-money laundering monitoring systems, and loan monitoring systems are also automated and supported by digital processes.

Our principal banking operational units include:

- ***Corporate Banking***. Our corporate banking operations include fund based and non-fund based products, of which the fund based products consist of term loans, and non-fund based includes export finance, bullion banking, drawee bill financing. We also offer trade loans, bridge financing and project finance and syndication services. Our corporate banking operations primarily cater to the commercial requirements of private and public sector enterprises, large corporate groups and other financial institutions. As a percentage of the Bank's total advances, the Bank's advances in the corporate banking segment accounted for 48.34%, 46.23%, 44.89%, 45.75% and 44.50% in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and September 30, 2023, respectively.
- ***Retail Banking***. Our retail banking products comprise deposit products including savings, current, salary, term and tax saving deposit arrangements, as well as loan products such as home loans, vehicle loans, educational loans and personal loans. Our loan products are targeted primarily at individuals (salaried, self-employed professionals and other self-employed individuals) to meet their personal financial requirements, such as housing, vehicle, education, vacation, pension and other personal requirements. Our retail banking also includes retail hubs / business centers, which have been opened as dedicated channels for all types of retail loans including housing loans, mortgages and education loans. As a percentage of the Bank's total advances, the Bank's advances in the retail banking segment accounted for 18.78%, 20.48%, 21.94%, 21.21% and 22.15% in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and September 30, 2023, respectively.
- ***MSME Banking***. Our MSME banking operations include loans to enterprises engaged in manufacturing, trading and service activities in the form of investment as well as working capital. We also consider other criteria including cost of project/ relevant sector, while allocating the account under large, mid or SME

verticals. As a percentage of the Bank's total advances, the Bank's advances in the MSME banking segment accounted for 17.50%, 16.43%, 16.40%, 16.14% and 16.29% in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and September 30, 2023, respectively.

- ***Agricultural Banking***. Our agricultural banking operations cater to farmers and agri-entrepreneurs through various short, medium and/ or long-term products, including crop loans. We also offer specialized products for women and self-help groups and offer a variety of schemes under our agricultural banking portfolio. The Bank has also set-up 147 dedicated Star Krishi Vikas Kendra ("**SKVKs**") specialized processing cells to build its agricultural banking portfolio especially in investment credit. These cells are specialized in technology linked agriculture projects and large volume agriculture businesses. As a percentage of the Bank's total advances, the Bank's advances in the agricultural banking segment accounted for 15.37%, 16.86%, 16.77%, 16.90% and 17.06% in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and September 30, 2023, respectively.

- ***International Banking***. Our international banking division offers a wide range of products that cater to our NRI customer base, and to industrial enterprises engaged in import and export. We cater to our NRI and international customer base through our Subsidiaries, branches, Joint Venture and representative office. As a percentage of the Bank's total advances, the Bank's advances in the international banking segment accounted for 11.71%, 13.79%,16.33%, 16.52% and 16.67% in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and September 30, 2023, respectively.

- ***Trade Receivable Discounting System ("TReDS").*** TReDS is an electronic platform for facilitating the financing / discounting of trade receivables of Micro, Small and Medium Enterprises (MSMEs) through multiple financiers. The Bank is an active participant on all three TReDS platforms. The Bank's outstanding business under TReDS has grown by 60.50% from ₹ 1,329.79 crore in Fiscal 2022 to ₹ 2,134.38 crore in Fiscal 2023 and was ₹ 2,404.00 crore as of September 30, 2023.

- ***Digital Lending***. The Bank's digital lending product comprises 'assisted journey' and 'web journey' on the e-platform for digitally processing the Bank's lending products under RAM segment for small ticket size loans.

- ***Digital Liabilities***. The Bank's digital liability products comprise 'customer assisted journey' and 'Do it yourself journey' on the e-platform for digitally opening Bank's deposit products.

- ***Other Services***. In addition to our primary banking operations, we also provide certain services on behalf of the GoI and various State governments such as collection of taxes, stamp duty collection, and pension disbursements. We also provide certain non-banking services through our Subsidiaries and Joint Venture, including bancassurance services for distribution of life, general and health insurance products, distribution of mutual fund products, portfolio management services, depository participant services and merchant banking activities.

Factors Affecting Results of Operations and Financial Condition

Economic conditions

Global environment

Macroeconomic policy stability, GDP growth, inflation and interest rates are macroeconomic variables that most directly affect the Bank's performance. The rate of growth of activity in the Indian economy, reflected in the measure of GDP growth, is a fundamental driver of banking business. In light of the increasing linkage of the Indian economy to other global economies, the Indian economy will be increasingly influenced by economic and market conditions in other countries. As a result, a recession in the United States and other countries in the developed world or a slowdown in economic growth in major emerging markets could have an adverse impact on economic growth in India. A slowdown in the pace of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults among corporate, retail and rural borrowers, which could adversely impact the Bank's business.

Growth environment

As a bank with significant operations in India, the Bank's financial position and results of operations have been and will continue to be significantly affected by overall economic growth patterns in India. In July 2023, the IMF revised India's growth upwards to 6.1% for 2023-2024. The index of supply chain pressure for India remains below its historical average, supporting growth impulses. According to the RBI Bulletin August 2023, the economic activity index cast GDP growth for the first quarter of 2023-2024 at 7.8%. Strong economic growth tends to positively impact the Bank's results of operations, since it can cause businesses to plan and invest more confidently, in turn driving stronger demand for bank credit as well as other banking products and services that the Bank offers. The fiscal policy adopted also contributes to the Bank's results of operations. Stronger economic growth also generally increases the interest income that the Bank is able to generate from the loans it offers and tends to improve the overall creditworthiness of the Bank's customers.

Inflation

Economic growth in India is also influenced by inflation. The level of inflation may limit monetary easing or cause monetary tightening by the RBI. In periods of high rates of inflation, the Bank's costs, such as operating expenses, may increase, which could have an adverse effect on the Bank's results of operations. Inflation may also have a bearing on the overall interest rates which may adversely affect our net interest income. For further information, see "*Risk Factors – Risks Relating to India – Any downturn in the macroeconomic environment in India may adversely affect our business, financial condition, results of operations and cash flows*" on page 46.

Government policies and regulations

The Indian banking industry is regulated by the RBI and operates within a framework that provides guidelines on capital adequacy, corporate governance, management, anti-money laundering and provisioning for NPAs. In addition, RBI's framework stipulates required levels of lending to "priority sectors," such as agriculture, which exposes the Bank to higher levels of risk than it otherwise might face. The RBI can alter any of these policies at any time and can introduce new regulations to control any particular line of business. See "*Regulations and Policies"* on page 224.

Corporate tax rates applicable to the Bank also impact the Bank's profitability. The corporate tax rate applicable to the Bank was 25.17% for the six months ended September 30, 2023, as prescribed under Section 115BAA of the Income Tax Act, 1961. Any increase in tax rates could have an impact on the Bank's financial results.

Asset Quality

The quality of the Bank's portfolio of loan assets, in other words, the likelihood that its loans will be repaid in full and on time, is a fundamental driver of its financial performance. The Bank uses a range of tools to monitor and account for the effect of loans that may not be repaid. In accordance with RBI guidelines, loans are classified as either performing or non-performing.

A non-performing asset is a loan or an advance where: (i) interest and/or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan; (ii) the account remains "out of order" in respect of an overdraft or cash credit; (iii) the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted; (iv) the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops; (v) the instalment of principal or interest thereon remains overdue for one crop season for long duration crops; (vi) the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021; or (vii) in respect of derivative transactions, the overdue receivables representing positive markto-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment. According to guidelines specified by RBI in April 2023, an account should be classified as an NPA on the basis of the record of recovery and not merely on deficiencies which are temporary in nature, such as nonrenewal of limits on the due date or non-submission of stock statements. Under the RBI guidelines, NPAs are further classified into "Sub-Standard", "Doubtful" and "Loss" assets based on the age of arrears and whether actual loss has been identified.

The primary measure of asset quality is the Bank's NPA ratio, which is the value of NPAs as a percentage of the Bank's total loans. The Bank measures the NPA ratio on a gross basis and on a net basis as a percentage of total loans. As of March 31, 2021, 2022, 2023 and as of September 30, 2022 and 2023, the Bank's gross NPA ratio was 13.77%, 9.98%, 7.31%, 8.51% and 5.84%, respectively, and the Bank's net NPA ratio was 3.35%, 2.34%, 1.66%, 1.92% and 1.54%, respectively.

The RBI has increasingly imposed greater focus and stricter standards on identifying and disclosing NPAs. The Bank's NPA levels directly affect profitability, primarily through the provisions that it is required to recognize to account for the estimated losses it expects to incur on those loan assets. These provisions are recorded on the Bank's profit and loss account for the period in which they are incurred, reducing profit. The RBI requires banks to apply minimum provisioning requirements across their portfolio of NPAs, which consider the classification of the NPA and whether it is secured. The Bank complies with these guidelines, as well as any stricter requirements in the foreign jurisdictions in which it operates. In addition, the may make additional specific provisions where it believes they are required to reflect anticipated losses.

The overall level of provisioning for NPAs is reflected in the Bank's "provisioning coverage ratio", which is the value of the provisions the Bank carries, as a percentage of the total NPAs. The RBI guidelines require banks to disclose the provisioning coverage ratio in the notes to their financial statements. The Bank's net provisioning coverage ratio as of March 31, 2021, 2022, 2023 and September 30, 2022 and 2023, computed as per RBI guidelines, was 86.24%, 87.76%, 89.68%, 88.96% and 89.58%, respectively. See "*Risk Factors — Risks Relating to the Bank's Business — An increase in the Bank's NPAs or provisioning requirements under the applicable RBI regulations could materially and adversely affect our business, financial condition, results of operations and cash flows*" on page 46. The Bank's provisions may not be adequate to cover further increases in the amount of non-performing loans or further deterioration in the non-performing loan portfolio. In addition, the RBI's annual supervisory process may assess higher provisions than the Bank has made. In addition to provisions for non-performing loans, the Bank may also incur losses as a result of investments it makes.

Interest rates and allocation of funds

Interest income has historically been the most significant component of the Bank's revenue. In Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and September 30, 2023, the Banks' interest income was ₹ 40,599.44 crore, ₹ 38,075.83 crore, ₹ 47,647.72 crore, ₹ 21,470.04 crore and ₹ 29,329.81 crore, respectively, representing 85.58%, 82.86%, 87.03%, 89.31% and 90.30% respectively, of the Bank's total income (Interest Income/Total Income).

In Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and September 30, 2023, net interest income (Interest Earned – Interest Expended) was ₹ 14,269.84 crore, ₹ 14,062.10 crore, ₹ 20,274.90 crore, ₹ 9,156.04 crore and ₹ 11,653.54 crore, respectively, representing 30.08%, 30.60%, 37.03%, 38.09% and 35.88%, respectively, of the Bank's total income ((Interest Earned – Interest Expended)/ Total Income). Net interest income is the difference between the total interest earned on interest-earning assets and the total interest paid on interest-bearing liabilities. The Bank's net interest income is dependent on a number of factors including the general prevailing level of interest rates, its ability to allocate its funds to assets that provide high interest rates and its cost of funding.

Interest rates

Official interest rates as set by the RBI have a significant direct effect on the banking business because they affect the Bank's cost of funding. They also have an indirect effect as official rates flow through to the interest rates charged by commercial lenders, which can affect the profitability and financial health of existing businesses as well as levels of investment and overall economic activity.

The majority of the Bank's corporate and commercial loans are priced at a floating rate based on the RBI lending rates, subject to a published minimum base rate. Indian banks generally follow the direction of interest rates set by the RBI and adjust both their deposit rates and lending rates upwards or downwards accordingly. Decreases in the RBI policy rates would signal Indian banks to re-examine their Deposit rates and lending rates and could affect net interest income despite supporting loan growth and NPA reduction. Conversely, increases in the RBI policy rates could affect the ability of potential borrowers to take out loans despite partly mitigating higher deposit costs. For monetary policy transmission with a special focus on transmission to banks' deposit and lending interest rates, the RBI issued a Master Direction – Reserve Bank of India (Interest Rate on Advances) Directions, 2016. Taking cognizance of the key role of Banks in the financial system in India, RBI has endeavoured to address the impediments to improve transmission of Banks' lending rates. The external benchmark system has incentivized Banks to adjust their term as well as saving deposit rates as lending rates undergo frequent adjustments in line with the benchmark rates, to protect their net interest margins thus broadening the scope of transmission across sectors that are not even linked to external benchmark. Further, the RBI issued a circular on September 4, 2019 making it mandatory for banks to link all floating rate personal or retail loans and floating rate loans to micro and small enterprise borrowers to an external benchmark with effect from October 1, 2019. With a view to further strengthening monetary policy transmission, RBI issued a circular on February 26, 2020, to further link all new floating rate loans to the medium enterprises extended by banks to the external benchmarks with effect from April 1, 2020. The banks are free to choose one of the several benchmarks indicated in the circular. Banks are also free to choose their spread over the benchmark rate, subject to the condition that the credit risk premium may undergo change only when borrower's credit assessment undergoes a substantial change, as agreed upon in the loan contract. See "*Risk Factors — Risks Relating to the Bank's Business — The Bank's business is particularly vulnerable to interest rate risk, and any volatility in interest rates could decrease the value of our fixed income investments and have an adverse effect on our Net Interest Margin, which would adversely affect our Net Interest Income and, in turn, our results of operations and cash flows*" on page 46.

Cost of funding

The Bank's broad reach across India and strong brand and reputation, coupled with India's rising household incomes, enables us to rely on deposits as a primary means of accessing low cost funding for the Bank's lending activities. The Bank held total domestic deposits of ₹ 5,98,849.52 crore as of September 30, 2023 at an average cost of 4.35% for the six months ended September 30, 2023. The market to attract deposits is competitive, and the Bank must compete with private banks, small finance banks, payment banks, and other public sector banks on factors such as interest rates offered and customer service in order to attract and retain deposits.

Deposits in current and savings accounts (known as "**CASA deposits**") attract lower rates of interest and are therefore a particularly low-cost form of funding. The Bank monitors a measure known as "CASA ratio", which is the ratio of CASA deposits to all domestic deposits (including interbank). A higher CASA ratio generally indicates a lower average cost of deposits.

In addition to deposits, the Bank raises funds through the issuance and sale of debt and equity securities in domestic and international capital markets. The availability and cost of capital markets funding fluctuates according to perceptions of the Bank's future performance and creditworthiness as well as factors over which the Bank has no control, such as the amount of liquidity available in domestic and global capital markets and macro-economic factors. In order to meet the levels of capital required by regulations, including the Basel III requirements, from time to time, the Bank issues regulatory capital instruments such as Additional Tier 1 and Tier 2 instruments. As these instruments are subordinate to senior debt and may have other features that result in them absorbing losses ahead of other creditors in a stress situation, the cost of such funding may be more expensive than other types of capital markets instruments.

Allocation of funds

The Bank's ability to take advantage of increases in the RBI lending rates depends largely on its loan volume. Growth in the Indian economy has led to increased demand for funding across many sectors of the economy. This growth has contributed to the Bank's ability to reallocate funds from Government securities to loans, which offer us higher returns. However, asset mix also has an effect on profitability as the Bank's loans bear different interest rates reflecting different credit ratings and product profiles. If the volume of the Bank's loans decreases due to a general slowdown in the economy, increased competition or other factors, the Bank's net interest income will decrease as well. In addition, the Bank seeks to allocate funds in the optimum manner at any point of time depending on its liquidity and the prevailing interest rates.

Capital adequacy, liquidity and provisioning requirements

The Basel III framework on 'Liquidity Standards' includes 'Liquidity Coverage Ratio', 'Net Stable Funding Ratio' ("**NSFR**") and liquidity risk monitoring tools. In June, 2014, the RBI issued guidelines in relation to liquidity coverage ratio ("**LCR**"), liquidity risk monitoring tools and LCR disclosure standards pursuant to the publication of the 'Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools' in January, 2013 and the 'Liquidity Coverage Ratio Disclosure Standards' in January, 2014 by the Basel Committee which provided enhanced guidance on liquidity, risk governance, measurement, monitoring and reporting to the RBI on liquidity positions. The guidelines stipulate that banks were to ensure an LCR of 60% for the calendar year 2015 with effect from January 1, 2015, minimum 90% with effect from January 1, 2018 and were expected to make a transition to an LCR of 100% on January 1, 2019. In order to accommodate the burden on banks' cash flows on account of the Covid-19 pandemic, RBI vide notification dated April 17, 2020, permitted banks to maintain LCR as under:

From date of circular to September 30, 2020	80%
October 1, 2020 to March 31, 2021	90%
April 1, 2021 onwards-	100%

The notification further provides that banks shall prepare LCR restoration plans upon breach of the LCR requirement set out above, for scrutiny by the RBI's Department of Supervision. The LCR measures a bank's ability to manage and survive for 30 days under a significant stress scenario that combines idiosyncratic as well as market-wide shock situations that would result in accelerated withdrawal of deposits from retail as well as wholesale depositors, partial loss of secured funding, increase in collateral requirements and unscheduled drawdown of unused credit lines. At least 60% of the net cash outflows in the next 30 days, computed with these assumptions of a stressed scenario, are required to be supported by High Quality Liquid Assets ("**HQLA**"). Further, the Basel Committee on Banking Supervision issued the final rules on 'Net Stable Funding Ratio' on October 31, 2014 and RBI issued the guidelines on NFSR on May 17, 2018 with the objective to ensure that banks maintain a stable funding profile in relation to the composition of their assets and off- balance sheet activities. RBI has vide circular dated November 29, 2018 notified that the NSFR guidelines shall come into effect from April 1, 2020. RBI had vide circular dated March 27, 2020, deferred the implementation of NSFR guidelines by six months i.e. till October 1, 2020 and vide notification dated September 29, 2020, has decided to defer the implementation of NSFR guidelines by a further period of six months i.e till April 1, 2021. The NSFR guidelines came into effect on October 1, 2021 pursuant to notification dated February 5, 2021.

As of September 30, 2023, the Bank's capital adequacy ratio was 15.63% as per Basel III comprising Tier I capital of ₹ 50,676.20 crore and Tier II capital of ₹ 8,633.36 crore. As of March 31, 2023, the Bank's capital adequacy ratio was 16.28% as per Basel III comprising Tier I capital of ₹ 51,083.94 crore and Tier II capital of ₹ 6,643.48 crore. Although it currently exceeds the applicable capital adequacy requirements, certain adverse developments could affect the Bank's ability to satisfy these requirements in the future, including deterioration in asset quality, decline in the value of investments and inability to meet any regulatory requirements or changes. The regulatory minimum CET1, including capital conservation buffer, is 8% with effect from March 31, 2020.

The Bank's profit is affected by the amount of its provisions against loans. Banks are required to disclose the provisioning coverage ratio in the notes to accounts to their balance sheet. See "*Risk Factors — An increase in the Bank's NPAs or provisioning requirements under the applicable RBI regulations could materially and adversely affect our business, financial condition, results of operations and cash flows*" on page 46.

Competition

Although difficult to quantify, competition may significantly affect the Bank's results of operations and will continue to shape the products and services offered, efficiency and ultimately profitability of Indian banks. The Bank faces strong competition in all of its principal lines of business. The Bank's primary competitors are large public sector banks, other private sector banks, foreign banks and, in some product areas, development financial institutions. In particular, consolidation in the Indian banking industry has increased and may continue to increase competitive pressures experienced by the Bank. For example, five associate banks of State Bank of India and the Bharatiya Mahila Bank merged with State Bank of India, which became effective from April 1, 2017. In Fiscal 2019, the Government announced the merger of three other public sector banks, Bank of Baroda, Vijaya Bank and Dena Bank, effective from April 1, 2019. In Fiscal 2020, the Government announced several additional mergers of public banks including the Bank, each of which became effective from April 1, 2020: amalgamation of Syndicate Bank with Canara Bank;

amalgamation of United Bank of India and Oriental Bank of Commerce with Punjab National Bank; amalgamation of Andhra Bank and Corporation Bank; and Allahabad Bank's merger with Indian Bank. Following these mergers, the number of public sector banks is 12 in Fiscal 2023, as compared to 27 in Fiscal 2017.

As competitive pressures intensify, the Bank may be required to expend additional resources to offer a more attractive value proposition to its customers, which could negatively impact the Bank's profit margins. In addition, increasing competition may exert downward pressures on the interest rates the Bank is able to charge to its borrowers, which would ultimately erode the Bank's margins.

Basis of Preparation

The financial statements are prepared following the going concern concept, on historical cost basis unless otherwise stated and conform, in all material aspects, to the Generally Accepted Accounting Principles (GAAP) in India, which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India, Accounting Standards, pronouncements issued by the Institute of Chartered Accountants of India, Banking Regulation Act, 1949 and accounting practices prevalent in the banking industry in India. In respect of foreign offices/branches, statutory provisions and accounting practices prevailing in the respective foreign countries are complied with, except as specified elsewhere.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are prepared following the going concern concept, on historical cost basis unless otherwise stated and conform, in all material aspects, to the Generally Accepted Accounting Principles ("**GAAP**") in India, which encompasses applicable statutory provisions, regulatory norms prescribed by the RBI, Accounting Standards (AS), pronouncements issued by the ICAI, Banking Regulation Act, 1949 and accounting practices prevalent in the banking industry in India. In respect of foreign offices/branches, statutory provisions and accounting practices prevailing in the respective foreign countries are complied with, except as specified elsewhere.

The Financial Statements are prepared in accordance with Indian GAAP as applicable to banks. The preparation of the Financial Statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses as well as the disclosure of contingent liabilities. The notes to the Financial Statements contain a summary of its significant accounting policies. Certain of these policies are critical to the portrayal of the Group's financial condition, since they require management to make subjective judgments, some of which may relate to matters that are inherently uncertain. Below is a discussion of these critical accounting policies. The Bank bases its estimates and judgments on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. As a result of changes in applicable statutory requirements and accounting practices in India, the accounting policies of the Group have undergone changes during the periods covered by this discussion. Accordingly, this discussion should be read in conjunction with the Financial Statements and notes as applicable during the respective fiscal year.

Revenue Recognition (AS 9 - Revenue Recognition)

Income/ expenditure is recognised on accrual basis, unless otherwise stated. In respect of foreign offices, income/expenditure is recognised as per the local laws/ standards of the host country. Interest income is recognised on time proportion basis, except interest on non-performing assets. Commission on issue of bank guarantee and letter of credit is recognised over the tenure of the bank guarantee/ letter of credit. All other commission and exchange, brokerage, fees and other charges are recognised as income on realisation. Income (other than interest) on investments in "Held to Maturity" category acquired at a discount to the face value, is recognised as follows: (i) On interest-bearing securities, it is recognised only at the time of sale/ redemption, and (ii) On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

Profit or loss on sale of investments is recognised in the profit and loss account. As per RBI guidelines, in case of profit on sale of investments under ‘Held to Maturity’ category, an equivalent amount (net of taxes and amount required to be transferred to Statutory Reserves) is appropriated to ‘Capital Reserve Account’. Dividend income is recognised when the right to receive the dividend is established. Interest income on income tax refund is recognised in the year of passing of assessment order.

Appropriation of recoveries in NPAs:

In respect of NPAs, recoveries effected except through (i) compromise settlement /special OTS, (ii) judgement of a Court/DRT/NCLT, and (iii) assignment to Asset Reconstruction Company ("**ARC**") / Securitisation Company ("**SC**") are to be made in the following order: (i) charges debited to borrower’s account, (ii) expenses/out of pocket expenses incurred but not debited, (iii) unrealised interest, (iv) uncharged interest, and (v) principal. In other cases, the recoveries made are appropriated as per the order of the relevant authority.

Advances

Advances are classified into “Performing” and “Non-Performing Advances” in accordance with the applicable regulatory guidelines. NPAs are further classified into Sub-Standard, Doubtful and Loss Assets in terms of applicable regulatory guidelines.

In respect of domestic branches, NPA provisions (on the outstanding advances) are made at the rates given as under:

Category of NPAs	Provision % on net outstanding advance
Sub Standard:	
Exposures, which are unsecured ab initio	25%
Unsecured exposure in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available (unsecured – infra)	20%
Others	15%
Doubtful:	
Secured portion (Period for which advance has remained in doubtful category)	
- Upto one year	25%
- One year to three years	40%
- More than three years	100%
Unsecured portion	100%
Loss	100%

In respect of foreign branches, classification of advances as NPAs and provision in respect of NPAs is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent. Provisions in respect of NPAs, unrealised interest, ECGC claims, among others, are deducted from total advances to arrive at net advances as per RBI norms.

In respect of rescheduled/ restructured advances, provision is made for the diminution in the fair value of restructured advances measured in present value terms as per RBI guidelines. The said provision is reduced to arrive at net advances.

In case of financial assets sold to ARC/ SCs, if the sale is at a price below the net book value ("**NBV**"), (i.e. outstanding less provision held) the shortfall is debited to the profit and loss account as per the extant RBI guidelines issued from time to time. If the sale is at a price higher than the NBV, the excess provision on sale of NPAs may be reversed to profit and loss account in the year the amounts is received. However, any excess provision is reversed only when the cash received (by way of initial consideration only/or redemption of SR’s/PTC) is higher than the NBV of the asset. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

Provision for Standard assets, including restructured advances classified as standard, is made in accordance with RBI guidelines. In respect of foreign branches provision for Standard assets is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

Provision for net funded country exposures (direct/ indirect) is made on a graded scale in accordance with the RBI guidelines.

Floating provision

The Bank has framed a policy for creation and utilisation of floating provisions. The quantum of floating provisions to be created is assessed at the end of each financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India or on being specifically permitted by Reserve Bank of India for specific purposes. These provisions are netted off from gross NPAs to arrive at Net NPAs.

Debit/ credit cards reward points

Provision for reward points in relation to the debit cards is provided for on actuarial estimates and provision for reward points on credit cards is made based on the accumulated outstanding points.

Investments

Transactions in Government Securities are recognised on settlement date and all other investments are recognised on trade date.

Investments are classified under `Held to Maturity', 'Held for Trading' and 'Available for Sale' categories as per RBI guidelines. For the purpose of disclosure in the balance sheet in Schedule 8, (I) 'Investments in India' are classified under six categories, being (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Subsidiaries and Joint Ventures, and (vi) Others, and (II) 'Investments outside India' are classified under three categories, being (i) Government Securities, (ii) Subsidiaries and Joint Ventures abroad, and (iii) Other Investments.

Basis of classification

Classification of an investment is done at the time of its acquisition.

Held to Maturity

These comprise investments that the Bank intends to hold till maturity. Investments in equity of subsidiaries, joint ventures and associates are also categorised under Held to Maturity.

Held for Trading

These comprise investments acquired with the intention to trade by taking advantage of short term price/interest rate movements. Securities are to be sold within 90 days from the purchase date.

Available for Sale

These comprise investments which do not fall either under "Held to Maturity" or "Held for Trading" category.

Acquisition Cost of Investment:

Brokerage, commission, securities transaction tax, etc. paid on acquisition of equity investments are included in cost. Brokerage, commission, broken period interest paid/ received on debt investments is treated as expense/income and is excluded from cost/sale consideration. Brokerage and commission, if any, received on subscription of investments is credited to the profit and loss account.

Method of valuation

Investments in India are valued in accordance with the RBI guidelines and investments held at foreign branches are valued at lower of the value as per the statutory provisions prevailing at the respective foreign countries or as per RBI guidelines issued from time to time. Treasury bills and all other discounted instruments are valued at carrying cost (that is, acquisition cost plus discount accrued at the rate prevailing at the time of acquisition).

Held to Maturity ("HTM")

Investments included in this category are carried at their acquisition cost, net of amortisation, if any. The excess of acquisition cost, if any, over the face value is amortised over the remaining period of maturity using constant yield method. Such amortisation of premium is adjusted against income under the head "interest on investments".
Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost except for investments in regional rural banks, which are valued at carrying cost (i.e. book value). Suitable provision is made for diminution, other than of temporary nature, for each investment individually.

Held for Trading ("HTS")/ Available for Sale ("AFS")

Investments under these categories are individually valued at the market price or fair value determined as per Regulatory guidelines and only the net depreciation in each classification for each category is provided for and net appreciation is ignored. On provision for depreciation, the book value of the individual securities remains unchanged after marking to market.

For the purpose of valuation of quoted investments in "Held for Trading" and "Available for Sale" categories, the market rates / quotes on the Stock Exchanges, the rates declared by Fixed Income Money Market and Derivatives Association (FIMMDA)/ Financial Benchmark India Pvt. Ltd. (FBIL) are used. Investments for which such rates/quotes are not available are valued as per norms laid down by RBI, which are as under:

Classification	Basis of Valuation
Government Securities	on Yield to Maturity basis
Other Approved Securities	on Yield to Maturity basis
Equity Shares, PSU and Trustee shares	at break-up value as per the latest Balance Sheet (not more than 18 months old), otherwise ₹ 1 per company.
Preference Shares	on Yield to Maturity basis
PSU/Corporate Bonds	on Yield to Maturity basis
Units of Mutual Funds	at the latest repurchase price/NAV declared by the fund in respect of each scheme
Units of Venture Capital Funds (VCF)	declared NAV or break-up NAV as per audited financials which are not more than 18 months old. If NAV/audited financials are not available for more than 18 months then at ₹ 1 per VCF.
Security Receipts	at NAV as declared by Securitisation Companies which is not more than six months old.

Transfer of securities between categories

HTM to AFS/HFT

If the security was originally placed under the HTM category at a discount it is transferred at the acquisition price / book value. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided. If the security was originally placed in the HTM category at a premium, it is transferred to the AFS / HFT category at the amortised cost. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

AFS/HFT to HTM

Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In cases where the market value is higher than the book value at the time of transfer, the appreciation is ignored. In cases where the market value is less than the book value, the provision against depreciation held against this security is adjusted to reduce the book value to the market value and the security is transferred at the market value.

AFS TO HFT and vice-versa

In the case of transfer of securities from AFS to HFT category or vice-versa, the securities are not re-valued on the date of transfer and the provisions for the accumulated depreciation, if any, held are transferred to the provisions for depreciation against the HFT securities and vice-versa.

Non-performing Investments ("NPIs") and valuation thereof:

Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in case of domestic offices and respective regulators in case of foreign offices. In respect of NPIs, income is not recognised and provision is made for depreciation in value of such securities as per RBI guidelines.

Repo / Reverse Repo:

The securities sold and purchased under Repo/ Reverse repo are accounted as collateralised lending and borrowing transactions. However, securities are transferred as in case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo Account is classified as borrowings and balance in Reverse Repo account is classified as Balance with Banks and Money at Call and Short Notice in the balance sheet.

Investment in Security Receipts ("SRs") backed by assets:-

In terms of RBI guidelines issued *vide* circular no RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021, the bank has revised valuation methodology in respect of SRs under securitization,

Investments by banks in SRs / PTCs / other securities issued by ARCs shall be valued periodically by reckoning the Net Asset Value ("**NAV**") declared by the ARC based on the recovery ratings received for such instruments.
Provided that when the Bank invest in the SRs/PTCs issued by ARCs in respect of the stressed loans transferred by them to the ARC, the Bank shall carry the investment in their books on an ongoing basis, until its transfer or realization, at lower of the redemption value of SRs arrived based on the NAV as above, and the NBV of the transferred stressed loan at the time of bank.
Provided further that when the investment by the Bank in SRs backed by stressed loans transferred by it, is more than 10% of all SRs backed by its transferred loans and issued under that securitisation, the valuation of such SRs by the Bank will be additionally subject to a floor of face value of the SRs reduced by the provisioning rate as applicable to the underlying loans, had the loans continued in the books of the Bank.

SRs/PTCs which are not redeemed as at the end of the resolution period (i.e., five years or eight years as the case may be) shall be treated as loss asset in books of the Bank and fully provided for. The valuation, classification and other norms applicable to investment in non-SLR instruments prescribed by RBI from time to time shall be applicable to bank investment in debentures/ bonds/ SRs /PTCs issued by ARC. However, if any of the above instruments issued by ARC is limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Bank shall reckon the NAV obtained from ARC from time to time, for valuation of such investments.

Derivatives

The Bank presently deals in Forex Forward Contracts, interest rate, and currency derivatives. The interest rate derivatives dealt with by the Bank are Rupee Interest Rate Swaps, Foreign Currency Interest Rate Swaps, Forward Rate Agreements and Interest Rate Futures. Currency derivatives dealt with by the Bank are options, currency swaps and currency futures. Based on RBI guidelines, derivatives are valued as under:

- The hedge/non hedge (market making) transactions are recorded separately.
- Income/expenditure on hedging derivatives are accounted on accrual basis.
- Forex forward contracts are marked to market and the resultant gains and losses are recognized in the profit and loss account.
- MTM appreciation/ depreciation of hedging derivative is first set off with the depreciation / appreciation of the corresponding underlying and the resultant depreciation is recognized. Resultant appreciation, if any, is ignored.
- Interest Rate Derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the profit and loss account. Net profit if any, is ignored.
- Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the profit and loss account.
- Gains/ losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.
- Option fees/premium is amortised over the tenor of the option contract.

Property, plant and equipment (AS10 Property, plant and equipment)

Fixed assets are stated at historic cost, except in the case of assets which have been revalued, which are stated at revalued amount. The appreciation on revaluation is credited to revaluation reserve. Cost includes cost of purchase and all expenditure such as site preparation, installation costs, professional fees, etc. incurred on the asset before it is ready to use or capable of ready to use. Subsequent expenditure incurred on assets ready to use is capitalised only when it increases the future benefits from such assets or their functioning capability.

5% residual value has been kept for all the assets except for the assets with estimated useful life less than 5 Years (eg. Mobile Phones, Computers and Computer Software forming integral part of hardware), where the entire cost of the assets is amortised over the useful life.

The rates of depreciation and method of charging depreciation is given below:

Sr. No.	Particulars	Rate of Depreciation	Estimated useful life as determined by the Bank	Method of charging depreciation
1	**Land & Building:**			
1.a.	Land (Freehold)	NIL		
1.b.	Leasehold Land		Lease premium is amortised over the period of lease	
1.c.	Building (including cost of land if not ascertained separately)	1.58%	60 Years	Straight Line
2.	**Other Fixed Assets:-**			
a.	Furniture, Fixtures, Electrical fittings and Equipment's	9.50%	10 Years	Straight Line
b.	Electrical Fitting and Equipment's	9.50%	10 Years	Straight Line
c.	Air-conditioning plants, etc. and business machines	6.33%	15 Years	Straight Line
d.	Motor cars, Vans & Motor cycles	11.88%	8 Years	Straight Line
e.	Cycle	20.00%	5 Years	Straight Line
f.	Mobile phones	33.33%	3 Years	Straight Line

Sr. No.	Particulars	Rate of Depreciation	Estimated useful life as determined by the Bank	Method of charging depreciation
g.	Computers and Computer Software forming integral part of hardware	33.33%	3 Years	Straight Line
h.	Servers	20%	5 Years	Straight Line
i.	Computer Software, which do not form integral part of computer hardware	20%	5 Years	Straight Line

In respect of additions/sale during the year, depreciation is provided on proportionate basis for the number of days the assets have been ready to use during the year. The revalued portion is depreciated over the balance useful life of the assets as assessed at the time of revaluation. Such depreciation is charged to the profit and loss account and equivalent amount is transferred from revaluation reserve to revenue reserve.

Depreciation on fixed assets outside India is provided on Straight Line Method, except at the centres where different rates/method have been prescribed by the local statutory authorities. Computer Software, not forming integral part of computer hardware is classified as intangible asset and amortised over a period of 5 years. In respect of leasehold land, the lease premium, if any, is amortised over the period of lease.

Transaction involving foreign exchange

Transactions involving foreign exchange are accounted for in accordance with AS 11, "The Effect of Changes in Foreign Exchange Rates" read with extant RBI guidelines.

Translation in respect of Integral Foreign operations: Foreign currency transactions of Indian branches have been classified as integral foreign operations and foreign currency transactions of such operations are translated as follows.

Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount, the daily closing rate as available from Cogencis/ Reuter's page on date of the transaction. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India ("**FEDAI**") closing spot rates; (iii) Foreign currency non-monetary items, which are carried in terms of historical cost, are reported using the exchange rate at the date of the transaction, (iv) contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting notional profit or loss is recognised in the profit and loss account.

Outstanding foreign exchange forward contracts which are not intended for trading are valued at the closing spot rate as advised by FEDAI. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

Gains/ losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the profit and loss account.

*Translation in respect of Non-Integral Foreign operations***:** Transactions and balances of foreign branches are classified as non-integral foreign operations and their financial statements are translated as follows:

Assets and Liabilities (monetary and non-monetary as well as contingent liabilities) are translated at the closing rates notified by FEDAI. Income and expenses are translated at the quarterly average closing rates notified by FEDAI. All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments by the bank in the respective foreign branches. Assets and liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country.

Employee benefits (AS 15 Employee Benefits)

Short Term Employee Benefits

The undiscounted amount of short-term employee benefits, such as medical benefits etc. which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

Long Term Employee Benefits

Defined Benefit Plan

Gratuity

The Bank provides gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to a maximum prescribed as per The Payment of Gratuity Act, 1972 or Bank of India Gratuity Fund Rules,1975, whichever is higher. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by trustees based on an independent actuarial valuation carried out quarterly.

Pension

The Bank provides pension to all eligible employees. The benefit is in the form of monthly payments as per rules and payments to vested employees on retirement, on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the pension fund at 10% of pay in terms of Bank of India Pension Regulations, 1995. The pension liability is reckoned based on an independent actuarial valuation carried out quarterly and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

Defined Contribution Plan:

Provident Fund

The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a trust established for this purpose and are charged to Profit and Loss Account. The bank recognises such annual contributions as an expense in the year to which it relates.

Pension

All employees of the bank, who have joined from April 1, 2010 are eligible for contributory pension. Such employees contribute monthly at a predetermined rate to the pension scheme. The bank also contributes monthly at a predetermined rate to the said pension scheme. The Bank recognises its contribution to such scheme as expenses in the year to which it relates. The contributions are remitted to National Pension System Trust. The obligation of bank is limited to such predetermined contribution.

Other Long term Employee Benefit:

All eligible employees are entitled to the following: (i) Leave encashment benefit, which is a defined benefit obligation, is provided for on the basis of an actuarial valuation in accordance with AS 15 - Employee Benefits; (ii) Other employee benefits such as Leave Fare Concession, Milestone award, resettlement benefits, Sick leave etc. which are defined benefit obligations are provided for on the basis of an actuarial valuation in accordance with AS 15 - Employee Benefits, and (iii) In respect of overseas branches and offices, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

Segment reporting (AS 17 Segment reporting)

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

Lease Transactions (AS 19 Leases)

Lease where risks & rewards of ownership are retained by lessor are classified as Operating Lease as per AS 19 (Leases). Lease expenses on such lease are recognised in Profit & Loss Account.

Earnings per share (AS 20 Earnings per Share)

Basic and Diluted earnings per equity share are reported in accordance with AS 20 "Earnings per share". Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the period.

Taxes On Income (AS 22 Accounting for taxes on Income)

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - "Accounting for Taxes on Income" respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions.

Deferred Tax adjustments comprise changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable income.

Impairment of assets (AS 28 Impairment of Assets)

"Impairment losses, if any on Fixed Assets (including revalued assets) are recognised and charged to Profit and Loss account in accordance with AS 28 "Impairment of Assets". However, an impairment loss on a revalued asset is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset."

Provisions, contingent liablities and contingent assetS: (AS 29 Provisions, Contingent Liabilities and Contingent Assets)

As per AS 29 "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are not recognised in the financial statements.

Share issue expenses

Share issue expenses are charged to the share premium account in the year of issue of shares.

Changes in Accounting Policies

Other than as stated below, there have been no changes in the Bank's accounting policies during Fiscals 2021, 2022 and 2023 and in the six months ended September 30, 2022 and September 30, 2023:

Fiscal 2022:

Share issue expenses were debited to the Bank's share premium account as permitted by RBI, which were earlier charged to the Bank's profit and loss account. The change in accounting policy resulted in increase in profit before tax by ₹ 18.22 crore in Fiscal 2022.

Proposed Implementation of Ind AS

The Audited Financial Statements and other financial information included or incorporated by reference in this Placement Document are based on the Bank's audited financial statements prepared in accordance with Indian GAAP. The Ministry of Corporate Affairs (the "**MCA**"), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind-AS converged with IFRS for scheduled commercial banks, insurers, insurance companies and non-banking financial companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. These regulations would have required the Bank to prepare Ind-AS based financial statements for accounting period commencing April 1, 2018 with comparative financial statements for the accounting period ending March 31, 2018. On June 23, 2016, RBI directed all scheduled commercial banks (excluding regional rural banks) to submit proforma Ind AS financial statements, for the half year ended September 30, 2016 to Reserve Bank of India, Mumbai. RBI vide notification dated March 22, 2019, decided to defer the implementation of Ind AS at scheduled commercial banks (excluding regional rural banks) till further notice. The RBI does not permit banks to adopt Ind AS earlier than the official implementation timelines.

The nature and extent of the possible impact of Ind AS at the Bank's financial reporting and accounting practices is currently uncertain, and there can be no assurance that such impact will not be significant. The Bank cannot assure you that it has completed a comprehensive analysis of the effect of Ind AS at future financial information or that the application of Ind AS will not result in a materially adverse effect on the Bank's future financial information. For more information, see "*Risk Factors — Risks relating to the Bank – If Indian Accounting Standards ("Ind AS") are made applicable to banks, it is possible that our financial condition, results of operations, cash flows or changes in Shareholders' equity may appear materially different than under Indian GAAP*" on page 46.

Discussion of Financial Statements

The discussion set out below is based on the Bank's standalone Audited Financial statements as of and for the years ended March 31, 2021, 2022 and 2023 and the Bank's standalone Reviewed Financial Results as of and for the six months ended September 30, 2022 and September 30, 2023.

COMPONENTS OF INCOME AND EXPENDITURE

Income

Interest Earned

Interest earned consists of interest/discount on advances/ bills, income on investments, interest on balances with RBI and other inter-bank funds and other interest earned. Income from investments consists of interest on investments in India and outside India. The Bank's securities portfolio consists primarily of Government securities, debentures and bonds, equity shares, mutual fund units, certificates of deposit, commercial paper and security receipts. The Bank also has investments in its Subsidiaries, joint ventures and associate. On the balances that the Bank maintains with RBI to meet its cash reserve requirements, it does not receive any interest.

Other Income

The Bank's non-interest income consists principally of (i) commission, exchange and brokerage, (ii) profit on sale of investments, (iii) profit on revaluation of investments, (iv) profit on sale of land, buildings and other assets, (v) profit on exchange transactions, (vi) income earned by way of dividends etc. from subsidiaries/ companies and/or joint ventures abroad/ in India; and (vii) miscellaneous income, which primarily includes recoveries made in write-off accounts.

Expenditure

Interest Expended

The Bank's interest expended includes interest on deposits, interest on RBI and inter-bank borrowings and other interest/ discount, such as interest on subordinated debt/ capital bonds, discount on CBLO borrowings, penal interest paid, interest for delayed payments and other borrowings from other financial institutions. The Bank does not pay interest on demand deposits.

Operating Expenses

The Bank's operating expenses include, among others, (i) payments to and provisions for employees, (ii) rent, taxes and lighting, (iii) printing and stationery, (iv) advertisement and publicity, (v) depreciation on the Bank’s property, (vi) directors' fees, allowances and expenses, (vii) auditors’ fees and expenses, (viii) law charges, (ix) postage, telegrams, telephones, etc., (x) repairs and maintenance, (xi) insurance, and (xii) other expenditure.

Provisions and Contingencies

The Bank's provisions and contingencies consist of (i) provision made towards taxation, (ii) provision towards NPAs, (iii) provision for depreciation in the value of investments, (iv) provision towards standard assets, and (v) other provisions which includes provisions and contingencies towards restructured advances, office accounts and towards shifting loss.

RESULTS OF OPERATIONS

Six months ended September 30, 2023 compared to six months ended September 30, 2022

The following table sets forth a summary of the Bank's results of operations for the six months ended September 30, 2023 and September 30, 2022:

	Six months ended September 30,	
	2022	**2023**
	(*₹ in crore*)	
Income		
Interest earned	21,470.04	29,329.81
Other income	2,569.04	3,150.40
Total Income	**24,039.08**	**32,480.21**
Expenditure		
Interest expended	12,314.01	17,676.27
Operating expenses	6,168.08	7,296.43
Provisions and contingencies (Including provision for tax)	4,035.50	4,498.01
Total expenses	**22,517.59**	**29,470.71**
Net profit/(loss) for the period	**1,521.49**	**3,009.50**
Profit/ (loss) brought forward	**-**	**2,841.95**
Total	**1,521.49**	**5,851.45**

The Bank's results of operations for the six months ended September 30, 2023 were affected by the following key factors:

- Business growth gaining momentum: Gross advances have increased 9.99% to from ₹ 4,93,814.44 crore as of September 30, 2022 to ₹ 5,43,128.31 crore as of September 30, 2023, and total deposits grew by 8.68% from ₹ 6,47,541.29 crore as of September 30, 2022 to ₹ 7,03,750.60 crore as of September 30, 2023.

- Net interest income (Interest Earned – Interest Expended) has increased by 27.28% from ₹ 9,156.03 crore for the six months ended September 30, 2022 to ₹ 11,653.54 crore for the six months ended September 30, 2023.

- Reduction in NPAs: Gross NPAs (as a percentage of gross advances) and Net NPAs (as a percentage of net advances) decreased from 8.51% and 1.92% as of September 30, 2022 to 5.84% and 1.54%, respectively, as of September 30, 2023.

Total Income

Interest Earned

The Bank's interest earned increased by 36.61% from ₹ 21,470.04 crore in the six months ended September 30, 2022 to ₹ 29,329.81 crore in the six months ended September 30, 2023. This was primarily due to increases in:

(i) interest on advances/ bills by 34.24% from ₹ 15,099.48 crore in the six months ended September 30, 2022 to ₹ 20,269.19 crore in the six months ended September 30, 2023, on account of an increase in average advances from ₹ 4,51,467.29 crore in the six months ended September 30, 2022 to ₹ 5,05,295.09 crore in the six months ended September 30, 2023;

(ii) interest on investments by 22.91% from ₹ 5,661.62 crore in the six months ended September 30, 2022 to ₹ 6,958.86 crore in the six months ended September 30, 2023;

(iii) interest on balances with RBI and other inter-bank funds from ₹ 492.17 crore in the six months ended September 30, 2022 to ₹ 1,469.74 crore in the six months ended September 30, 2023, on account of increase in interest rates globally; and

(iv) other interest income increased from ₹ 216.77 crore in the six months ended September 30, 2022 to ₹ 632.02 crore in the six months ended September 30, 2023, due to receipt of interest on income tax refund.

Other Income

Other income increased by 22.63% from ₹ 2,569.04 crore in the six months ended September 30, 2022 to ₹ 3,150.40 crore in the six months ended September 30, 2023, primarily owing to increases in:

(i) commission, exchange and brokerage by 35.60% from ₹ 618.04 crore in the six months ended September 30, 2022 to ₹ 838.07 crore in the six months ended September 30, 2023;
(ii) net profit on sale of investments from ₹ 176.40 crore in the six months ended September 30, 2022 to ₹ 498.03 crore in the six months ended September 30, 2023;
(iii) income earned by way of dividends etc. from subsidiaries/ companies and/or joint ventures in India and abroad from nil in the six months ended September 30, 2022 to ₹ 15.43 crore in the six months ended September 30, 2023; and
(iv) other income (Total Other Income- Commission/ Exchange/ Brokerage- Net Profit on Sale of investments- Dividend Income), including recoveries made in write-off accounts, from ₹ 1,774.59 crore in the six months ended September 30, 2022 to ₹ 1,798.88 crore in the six months ended September 30, 2023.

Total Expenditure

Interest Expended

Interest expense increased by 43.55% from ₹ 12,314.01 crore in the six months ended September 30, 2022 to ₹ 17,676.27 crore in the six months ended September 30, 2023. This was primarily on account of increase in interest on deposits by 32.49% from ₹ 11,153.99 crore in the six months ended September 30, 2022 to ₹ 14,778.18 crore in the six months ended September 30, 2023, as well as an increase in interest on RBI/ inter-bank borrowings from ₹ 802.86 crore in the six months ended September 30, 2022 to ₹ 2,507.51 crore in the six months ended September 30, 2023.

Operating Expenses

Operating expenses increased by 18.29% from ₹ 6,168.08 crore in the six months ended September 30, 2022 to ₹ 7,296.43 crore in the six months ended September 30, 2023. This was primarily on account of increase in payments to and provisions for employees from ₹ 3,741.73 crore in the six months ended September 30, 2022 to ₹ 4,435.52 crore in the six months ended September 30, 2023, as a result of provision for wage arrears with effect from November 1, 2022 and routine increments offered.

Provisions and Contingencies

Provisions and contingencies increased by 11.46% from ₹ 4,035.50 crore in the six months ended September 30, 2022 to ₹ 4,498.01 crore in the six months ended September 30, 2023. The primary reason for the increase in provisions and contingencies was an increase in provisions on taxation from ₹ 801.70 crore in the six months ended September 30, 2022 to ₹ 2,855.54 crore in the six months ended September 30, 2023.

Net Profit/(Loss) for the period

The Bank recorded a net profit in the six months ended September 30, 2023 of ₹ 3,009.50 crore, which represented an increase of ₹ 1,488.01 crore, or 97.80%, from the Bank's net profit in the six months ended September 30, 2022 of ₹ 1,521.49 crore.

Fiscal 2023 compared to Fiscal 2022

The following table sets forth a summary of the Bank's results of operations for Fiscals 2022 and 2023:

	Fiscal	
	2022	**2023**
	(₹ in crore)	
Income		
Interest earned	38,075.83	47,647.72
Other income	7,878.73	7,099.89
Total Income	**45,954.56**	**54,747.61**
Expenditure		
Interest expended	24,013.73	27,372.82
Operating expenses	11,952.37	13,982.17
Provisions and contingencies	6,583.76	9,369.68
Total expenses	**42,549.86**	**50,724.67**
Net profit/(loss) for the period	**3,404.70**	**4,022.94**
Profit/ (loss) brought forward	**-**	**1,998.65**
Total	**3,404.70**	**6,021.59**

The Bank's results of operations for Fiscal 2023 were affected by the following key factors:

- Continued strengthening of liability franchise: CASA deposits increased by 2.72% from ₹ 2,45,463.64 crore as of March 31, 2022, to ₹ 2,52,149.09 crore as of March 31, 2023.

- Business growth gaining momentum: Gross advances increased by 12.87% from ₹ 4,57,013.65 crore as of March 31, 2022 to ₹ 5,15,852.48 crore as of March 31, 2023, and total deposits grew by 6.64% from ₹ 6,27,895.96 crore as of March 31, 2022 to ₹ 6,69,585.77 crore as of March 31, 2023.

- Net interest income has increased by 44.18% from ₹ 14,062.10 crore in Fiscal 2022 to ₹ 20,274.90 crore in Fiscal

2023.

- Reduction in NPAs: Gross NPAs (as a percentage of gross advances) and Net NPAs (as a percentage of net advances) decreased from 9.98% and 2.34% as of March 31, 2022 to 7.31% and 1.66%, respectively, as of March 31, 2023.

Total Income

Interest Earned

The Bank's interest earned increased by 25.14% from ₹ 38,075.83 crore in Fiscal 2022 to ₹ 47,647.72 crore in Fiscal 2023. This was primarily due to increases in:

(i) interest on advances/ bills by 29.12% from ₹ 25,841.51 crore in Fiscal 2022 to ₹ 33,367.61 crore in Fiscal 2023, on account of an increase in average advances from ₹ 3,93,012.50 crore in Fiscal 2022 to ₹ 4,66,233.76 crore in Fiscal 2023;
(ii) interest on investments by 7.44% from ₹ 11,116.26 crore in Fiscal 2022 to ₹ 11,943.20 crore in Fiscal 2023;
(iii) interest on balances with RBI and other inter-bank funds by 167.31% from ₹ 623.39 crore in Fiscal 2022 to ₹ 1,666.38 crore in Fiscal 2023, on account of increase in interest rates globally; and
(iv) other interest income by 35.55% from ₹ 494.67 crore in Fiscal 2022 to ₹ 670.54 crore in Fiscal 2023, due to receipt of interest on income tax refund.

Other Income

Other income decreased by 9.89% from ₹ 7,878.73 crore in Fiscal 2022 to ₹ 7,099.89 crore in Fiscal 2023, primarily due to decreases in:

(i) net profit on sale of investments by 85.15% from ₹ 1,759.44 crore in Fiscal 2022 to ₹ 261.35 crore in Fiscal 2023; and
(ii) net profit on exchange transactions by 60.80% from ₹ 2,560.43 crore in Fiscal 2022 to ₹ 1,003.76 crore in Fiscal 2023.

Total Expenditure

Interest Expended

Interest expended increased by 13.99% from ₹ 24,013.73 crore in Fiscal 2022 to ₹ 27,372.82 crore in Fiscal 2023. The primary reasons for the increase in interest expended was the increase in interest on deposits by 4.41% from ₹ 22,629.49 crore in Fiscal 2022 to ₹ 23,627.03 crore in Fiscal 2023, as well as an increase in interest on RBI/ inter-bank borrowings from ₹ 622.49 crore in Fiscal 2022 to ₹ 3,016.69 crore in Fiscal 2023.

Operating Expenses

Operating expenses increased by 16.98% from ₹ 11,952.37 crore in Fiscal 2022 to ₹ 13,982.17 crore in Fiscal 2023. The primary reason for the increase in operating expenses was the increase in payments to and provisions for employees from ₹ 7,055.53 crore in Fiscal 2022 to ₹ 8,391.84 crore in Fiscal 2023 as a result of provision for wage arrears with effect from November 1, 2022 and routine increments offered. Other expenditure also increased from ₹ 4,896.85 crore in Fiscal 2022 to ₹ 5,590.34 crore in Fiscal 2023.

Provisions and Contingencies

Provisions and contingencies increased by 42.32% from ₹ 6,583.76 crore in Fiscal 2022 to ₹ 9,369.68 crore in Fiscal 2023, owing to increase in provisions for non-performing investments from ₹ 232.72 crore in Fiscal 2022 to ₹ 1,207.76 crore in Fiscal 2023.

Net Profit/(Loss)

The Bank recorded a net profit of ₹ 4,022.94 crore in Fiscal 2023, which represented an increase of ₹ 618.24 crore, or 18.16%, from the Bank's net profit in Fiscal 2022 of ₹ 3,404.70 crore.

Fiscal 2022 compared to Fiscal 2021

The following table sets forth a summary of the Bank's results of operations for Fiscals 2021 and 2022:

	Fiscal	
	2021	**2022**
	(*₹ in crore*)	
Income		
Interest earned	40,599.44	38,075.83
Other income	7,441.49	7,878.73
Total Income	**48,040.93**	**45,954.56**
Expenditure		
Interest expended	26,329.60	24,013.73
Operating expenses	10,839.11	11,952.37
Provisions and contingencies	8,711.92	6,583.76
Total Expenses	**45,880.63**	**42,549.86**
Net profit/(loss) for the period	**2,160.30**	**3,404.70**
Profit/ (loss) brought forward	**(23,782.39)**	**-**
Total	**(21,622.09)**	**3,404.70**

The Bank's results of operations for Fiscal 2022 were affected by the following key factors:

- The banking sector continued to be impacted by the adverse effects from the COVID-19 pandemic in the first half of Fiscal 2022. Following the gradual lifting of COVID-19-related restrictions in the second half of Fiscal 2022s, the Bank started to witness a turnaround in credit, especially to the industry and retail sectors.

- Continued strengthening of liability franchise: CASA deposits increased by 9.26% from ₹ 2,24,669.14 crore as of March 31, 2022 to ₹ 2,45,463.64 crore as of March 31, 2022.

- Business growth gaining momentum: Gross advances have increased by 11.35% from ₹ 4,10,435.57 crore as of March 31, 2021 to ₹ 4,57,013.64 crore as of March 31, 2022, and total deposits grew by 0.12% from ₹ 6,27,113.56 crore as of March 31, 2021 to ₹ 6,27,895.96 crore as of March 31, 2022.

- Reduction in NPAs: Gross NPA (as a percentage of gross advances) and Net NPA (as a percentage of net advances) decreased from 13.77% and 3.35%, respectively, as of March 31, 2021, to 9.98% and 2.34%, respectively, as of March 31, 2022.

Total Income

Interest Earned

The Bank's interest earned decreased by 6.22% from ₹ 40,599.44 crore in Fiscal 2021 to ₹ 38,075.83 crore in Fiscal 2022. This was primarily due to decreases in:

(i) interest on advances/ bills by 5.71% from ₹ 27,406.74 crore in Fiscal 2021 to ₹ 25,841.51 crore in Fiscal 2022, due to decrease in RBI repo rates and consequential impact on yield on advances;
(ii) interest on investments by 3.74% from ₹ 11,547.78 crore in Fiscal 2021 to ₹ 11,116.26 crore in Fiscal 2022;
(iii) interest on balances with RBI and other inter-bank funds by 45.42% from ₹ 1,142.09 crore in Fiscal 2021 to ₹ 623.39 crore in Fiscal 2022, on account of decrease in interest rate in India and globally; and
(iv) other interest income by 1.62% from ₹ 502.82 crore in Fiscal 2021 to ₹ 494.67 crore in Fiscal 2022.

Other Income

Other income increased by 5.88% from ₹ 7,441.49 crore in Fiscal 2021 to ₹ 7,878.73 crore in Fiscal 2022, primarily due to increases in:

(i) net profit on exchange transactions by 35.73% from ₹ 1,886.44 crore in Fiscal 2021 to ₹ 2,560.43 crore in Fiscal 2022; and
(ii) other income, including recoveries made in write-off accounts (other than net profit on sale of investments and net profit on exchange transactions), from ₹ 3,007.93 crore in Fiscal 2021 to ₹ 3,558.87 crore in Fiscal 2022.

Total Expenditure

Interest Expended

Interest expended decreased by 8.80% from ₹ 26,329.60 crore in Fiscal 2021 to ₹ 24,013.73 crore in Fiscal 2022. The primary reason for the decrease in interest expended was the decrease in interest on deposits by 7.57% from ₹ 24,482.29 crore in Fiscal 2021 to ₹ 22,629.49 crore in Fiscal 2022, as well a decrease in interest on Reserve Bank of India / inter-bank borrowings by 46.15% from ₹ 1,155.89 crore in Fiscal 2021 to ₹ 622.49 crore in Fiscal 2022.

Operating Expenses

Operating expenses increased by 10.27% from ₹ 10,839.11 crore in Fiscal 2021 to ₹ 11,952.37 crore in Fiscal 2022. The primary reason for the increase in operating expenses was the increase in payments to and provisions for employees from ₹ 6,472.99 crore in Fiscal 2021 to ₹ 7,055.53 crore in Fiscal 2022 as a result of increase in provision for employee benefits and routine increments offered. Other expenditure also increased from ₹ 4,366.12 crore in Fiscal 2021 to ₹ 4,896.85 crore in Fiscal 2022.

Provisions and Contingencies

Provisions and contingencies decreased by 24.43% from ₹ 8,711.92 crore in Fiscal 2021 to ₹ 6,583.76 crore in Fiscal 2022, owing to decrease in provisions for non-performing assets from ₹ 6,612.54 crore in Fiscal 2021 to ₹ 2,942.95 crore in Fiscal 2022.

Net Profit/(Loss)

The Bank recorded a net profit of ₹ 3,404.70 crore in Fiscal 2022, which represented an increase of ₹ 1,244.40 crore, or 57.60%, from the Bank's net profit in Fiscal 2021 of ₹ 2,160.30 crore.

FINANCIAL CONDITION

Assets

The table below sets out the principal components of the Bank's assets as of the dates indicated:

	As of March 31,			**As of September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
	(₹ in crore)				
Cash and balances with the RBI	60,697.57	40,280.58	44,034.51	39,858.20	40,496.84
Balance with banks and money at call and short notice	65,883.10	51,277.06	40,360.81	44,796.53	42,189.94
Investments	1,87,252.85	1,74,448.41	2,04,397.88	1,84,038.16	2,11,848.14
Advances	3,65,686.52	4,20,841.79	4,85,899.64	4,60,231.59	5,19,088.54
Fixed assets	8,914.13	9,774.95	9,961.00	9,865.13	10,120.31
Other assets	37,422.28	37,991.22	30,901.78	30,636.46	29,283.94
Total assets	7,25,856.45	7,34,614.01	8,15,555.61	7,69,426.07	8,53,027.72

Total assets increased by 4.59% from ₹ 8,15,555.61 crore as of March 31, 2023 to ₹ 8,53,027.72 crore as of September 30, 2023. Total assets increased by 6.00% from ₹ 7,69,426.07 crore as of September 30, 2022 to ₹ 8,15,555.61 crore as of March 31, 2023. Total assets increased by 4.74% from ₹ 7,34,614.01 crore as of March 31, 2022 to ₹ 7,69,426.07 crore as of September 30, 2022. Total assets increased by 1.21% from ₹ 7,25,856.45 crore as of March 31, 2021 to ₹ 7,34,614.01 crore as of March 31, 2022.

Cash and Balances with the Reserve Bank of India

The following table sets forth a breakdown of the Bank's cash and balances with the RBI as of the dates indicated:

	As of March 31,			**As of September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
	(*₹ in crore*)				
Cash in hand (including foreign currency notes)	3,295.51	2,424.49	2,134.33	2,288.60	2,563.22
Balances with Reserve Bank of India:*					
i) In Current Account	57,402.06	33,356.09	36,518.26	36,569.60	37,927.67
ii) In Other Accounts	-	4,500.00	5,381.92	1,000.00	5.95
Total	**60,697.57**	**40,280.58**	**44,034.51**	**39,858.20**	**40,496.84**

** Including balances with Central Banks outside India*

The Bank's cash and balances with the RBI decreased by 33.64% from ₹ 60,697.57 crore as of March 31, 2021 to ₹ 40,280.58 crore as of March 31, 2022, and further to ₹ 39,858.20 crore as of September 30, 2022, owing to decreases in the Bank's cash in hand, and balances with the RBI in current account. Cash and balances with the RBI increased by 10.48% from ₹ 39,858.20 crore as of September 30, 2022 to ₹ 44,034.51 crore as of March 31, 2023 on account of increase in balance with the RBI in other accounts but subsequently decreased to ₹ 40,496.84 crore as of September 30, 2023 due to a decrease in balances with the RBI in other accounts.

Balances with banks and money at call and short notice

The following table sets forth a breakdown of the Bank's balances with banks and money at call and short notice as of the dates indicated:

	As of March 31,			**As of September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
	(*₹ in crore*)				
In India					
Balances with Banks:					
- in current accounts	102.10	100.23	40.68	87.50	70.48
- in other deposit accounts	-	189.48	616.28	-	-
Money at call and short notice					
- with banks	25.45	100.00	-	50.00	4.61
- with other institutions	9,599.81	503.35	30.17	261.91	-
Subtotal (in India)	**9,727.36**	**893.06**	**687.13**	**399.40**	**75.09**
Outside India					
In current accounts	2,448.21	2,205.07	475.65	496.97	575.79
In other deposit accounts	47,777.99	39,911.43	25,968.84	31,496.06	26,329.32
Money at call and short notice	5,929.54	8,267.50	13,229.19	12,404.09	15,209.75
Subtotal (outside India)	**56,155.74**	**50,384.00**	**39,673.69**	**44,397.13**	**42,114.85**
Total Balances with Banks and Money at Call and Short Notice	**65,883.10**	**51,277.06**	**40,360.81**	**44,796.53**	**42,189.94**

The Bank's balances with banks and money at call and short notice decreased by 22.17% from ₹ 65,883.10 crore as of March 31, 2021 to ₹ 51,277.06 crore as of March 31, 2022 and further to ₹ 44,796.53 crore as of September 30, 2022 due to a decrease in money at call and short notice with other institutions in India, and well as a decrease in other deposit accounts outside India. The Bank's balances with banks and money at call and short notice decreased by 9.90% from ₹ 44,796.53 crore as of September 30, 2022 to ₹ 40,360.81 crore as of March 31, 2023 due to a decrease in other deposit accounts outside India and a decrease in money at call and short notice with other institutions in India, but subsequently increased to ₹ 42,189.94 crore as of September 30, 2023.

Advances

The following table sets forth a breakdown of the Bank's advances as of the dates indicated:

	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(*₹ in crore*)				
Bills purchased and discounted	9,246.20	17,463.44	36,198.32	29,363.58	36,462.06
Cash credits, overdrafts and loans repayable on demand	1,51,256.71	1,64,927.88	1,85,985.52	1,77,176.91	1,96,428.59
Term loans	2,05,183.61	2,38,450.47	2,63,715.80	2,53,691.10	2,86,197.89
Total Advances	**3,65,686.52**	**4,20,841.79**	**4,85,899.64**	**4,60,231.59**	**5,19,088.54**

The Bank's advances increased by 15.08% from ₹ 3,65,686.52 crore as of March 31, 2021 to ₹ 4,20,841.79 crore as of March 31, 2022, primarily due to an increase in (i) term loans by 16.21% from ₹ 2,05,183.61 crore as of March 31, 2021 to ₹ 2,38,450.47 crore as of March 31, 2022; and (ii) cash credits, overdrafts and loans repayable on demand by 9.04% from ₹ 1,51,256.71 crore as of March 31, 2021 to ₹ 1,64,927.88 crore as of March 31, 2022.

Advances increased by 9.36% from ₹ 4,20,841.79 crore as of March 31, 2022 to ₹ 4,60,231.59 crore as of September 30, 2022, primarily due to an increase in (i) term loans by 6.39% from ₹ 2,38,450.47 crore as of March 31, 2022 to ₹ 2,53,691.10 crore as of September 30, 2022; and (ii) cash credits, overdrafts and loans repayable on demand by 7.43% from ₹ 1,64,927.88 crore as of March 31, 2022 to ₹ 1,77,176.91 crore as of September 30, 2022.

Advances increased further, to ₹ 4,85,899.64 crore as of March 31, 2023, on account of an increase in (i) term loans from ₹ 2,53,691.10 crore as of September 30, 2022 to ₹ 2,63,715.80 crore as of March 31, 2023; and (ii) cash credits, overdrafts and loans repayable on demand by 4.97% from ₹ 1,77,176.91 crore as of September 30, 2022 to ₹ 1,85,985.52 crore as of March 31, 2023.

From March 31, 2023 to September 30, 2023, advances increased by 6.83% from ₹ 4,85,899.64 crore as of March 31, 2023 to ₹ 5,19,088.54 crore as of September 30, 2023, on account of growth in the Bank's loan portfolio. The Bank's term loans increased from ₹ 2,63,715.80 crore as of March 31, 2023 to ₹ 2,86,197.89 crore as of September 30, 2023 and the Bank's Cash credits, overdrafts and loans repayable on demand increased from ₹ 1,85,985.52 crore as of March 31, 2023 to ₹ 1,96,428.59 crore as of September 30, 2023.

Investments

The following table sets forth a breakdown of the Bank's investments as of the dates indicated:

	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(*₹ in crore*)				
Investments in India					
Government securities	1,65,637.33	1,52,747.52	1,79,725.78	1,61,580.48	1,87,582.05
Other approved securities	-	-	-	-	-
Shares	757.99	848.68	1,033.40	990.26	982.96
Debentures and bonds	12,646.31	10,190.98	9,978.71	8,683.47	9,417.39
Subsidiaries and Joint Ventures / Associate	549.74	871.55	1,205.86	876.57	1,200.27
Others (Commercial Papers, Units of Mutual Funds, Pass Through Certificates, Security Receipts, Venture Fund, Gold etc.)	885.10	694.19	1,993.54	1,476.55	1,443.75

	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(*₹ in crore*)				
Net value of investment in India	**1,80,476.47**	**1,65,352.90**	**1,93,937.30**	**1,73,607.32**	**2,00,626.42**
Investments outside India					
Government securities (including local authorities)	4,108.07	6,584.04	7,440.70	7,214.21	7,489.51
In Subsidiaries and/ or Joint Ventures abroad	942.26	942.26	1,472.24	1,472.91	2,296.59
Other investments (debentures, bonds etc.)	1,726.05	1,569.20	1,547.64	1,743.71	1,435.63
Net value of investment outside India	**6,776.38**	**9,095.50**	**10,460.58**	**10,430.84**	**11,221.72**
Total Investments	**1,87,252.85**	**1,74,448.41**	**2,04,397.88**	**1,84,038.16**	**2,11,848.14**

The Bank’s investments primarily represent investments in government securities and other approved securities, investments in debt instruments such as debentures and bonds of public sector undertakings and corporates, investments in equity shares, security receipts, short term money market instruments such as commercial paper, certificates of deposits and investments in the Bank's subsidiaries and associate.

The Bank’s investments decreased by 6.84% from ₹ 1,87,252.85 crore as of March 31, 2021 to ₹ 1,74,448.41 crore as of March 31, 2022, primarily due to a decrease in investment in (i) government securities in India by 7.78% from ₹ 1,65,637.33 crore as of March 31, 2021 to ₹ 1,52,747.52 crore as of March 31, 2022; and (ii) debentures and bonds by 19.42% from ₹ 12,646.31 crore as of March 31, 2021 to ₹ 10,190.98 crore as of March 31, 2022.

Investments increased by 5.50% from ₹ 1,74,448.41 crore as of March 31, 2022 to ₹ 1,84,038.16 crore as of September 30, 2022, primarily due to an increase in investment in (i) government securities in India by 5.78% from ₹ 1,52,747.52 crore as of March 31, 2022 to ₹ 1,61,580.48 crore as of September 30, 2022; (ii) other instruments from ₹ 694.19 crore as of March 31, 2022 to ₹ 1,476.55 crore as of September 30, 2022; and (iii) net value of investment outside India by 14.68% from ₹ 9,095.50 crore as of March 31, 2022 to ₹ 10,430.84 crore as of September 30, 2022.

Investments increased further, to ₹ 2,04,397.88 crore as of March 31, 2023, on account of an increase in investment in (i) government securities in India by 11.23% from ₹ 1,61,580.48 crore as of September 30, 2022 to ₹ 1,79,725.78 crore as of March 31, 2023; (ii) debentures and bonds by 14.92% from ₹ 8,683.47 crore as of September 30, 2022 to ₹ 9,978.71 crore as of March 31, 2023; and (iii) other instruments by 35.01% from ₹ 1,476.55 crore as of September 30, 2022 to ₹ 1,993.54 crore as of March 31, 2023.

From March 31, 2023 to September 30, 2023, investments increased by 3.64% from ₹ 2,04,397.88 crore as of March 31, 2023 to ₹ 2,11,848.14 crore as of September 30, 2023, on account of (i) increase in investments in India from ₹ 1,93,937.30 crore as of March 31, 2023 to ₹ 2,00,626.42 crore as of September 30, 2023, and (ii) increase in investments outside India from ₹ 10,460.58 crore as of March 31, 2023 to ₹ 11,221.72 crore as of September 30, 2023.

Fixed Assets

The Bank's fixed assets increased from ₹ 8,914.13 crore as of March 31, 2021 to ₹ 9,774.95 crore as of March 31, 2022, ₹ 9,865.13 crore as of September 30, 2022, on account of revaluation of fixed assets in March 2022 and additional purchases. Fixed assets increased to ₹ 9,961.00 crore as of March 31, 2023 and further to ₹ 10,120.31 crore as of September 30, 2023.

Other Assets

The Bank's other assets increased from ₹ 37,422.28 crore as of March 31, 2021 to ₹ 37,991.22 crore as of March 31, 2022, on account of increase in tax paid in advance/ tax deducted at source and net inter-office adjustments, as well as other assets. The Bank's other assets decreased from ₹ 37,991.22 crore as of March 31, 2022 to ₹ 30,636.46 crore as of September 30, 2022. Other assets increased to ₹ 30,901.78 crore as of March 31, 2023 but subsequently decreased to ₹ 29,283.94 crore as of September 30, 2023.

Capital and Liabilities

The table below sets out the principal components of the Bank's capital and liabilities as of the dates indicated:

	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(₹ *in crore*)				
Capital	3,277.66	4,104.31	4,104.31	4,104.31	4,104.31
Reserves and surplus	42,407.93	51,026.93	54,866.31	52,192.43	56,792.10
Share application money, pending allotment	3,000.00	-	-	-	-
Deposits	6,27,113.56	6,27,895.96	6,69,585.77	6,47,541.29	7,03,750.60
Borrowings	32,464.11	26,760.37	64,979.02	45,872.22	65,360.10
Other liabilities and provisions	17,593.19	24,826.45	22,020.21	19,715.82	23,020.61
Total	**7,25,856.45**	**7,34,614.01**	**8,15,555.61**	**7,69,426.07**	**8,53,027.72**

Deposits

The following table sets forth a breakdown of the Bank's deposits, as well as the percentage of total deposits that each item contributes, as of the dates indicated:

	As of March 31,					
	2021		2022		2023	
	Amount (₹ *in crore*)	Percentage of total deposits	Amount (₹ *in crore*)	Percentage of total deposits	Amount (₹ *in crore*)	Percentage of total deposits
	(Audited)					
Demand deposits	32,583.50	5.20%	34,982.64	5.57%	34,941.55	5.22%
Savings bank deposits	1,97,501.57	31.49%	2,16,681.39	34.51%	2,22,277.76	33.20%
Term deposits	3,97,028.49	63.31%	3,76,231.94	59.92%	4,12,366.46	61.59%
Total deposits	**6,27,113.56**	**100.00%**	**6,27,895.96**	**100.00%**	**6,69,585.77**	**100.00%**

	As of September 30,			
	2022		2023	
	Amount (₹ *in crore*)	Percentage of total deposits	Amount (₹ *in crore*)	Percentage of total deposits
Demand deposits	32,792.64	5.06%	34,536.45	4.91%
Savings bank deposits	2,15,021.03	33.21%	2,27,127.15	32.27%
Term deposits	3,99,727.62	61.73%	4,42,087.00	62.82%
Total deposits	**6,47,541.29**	**100.00%**	**7,03,750.60**	**100.00%**

Deposits increased by 0.12% from ₹ 6,27,113.56 crore as of March 31, 2021 to ₹ 6,27,895.96 crore as of March 31, 2022, as a result of increases in (i) savings bank deposits by 9.71% from ₹ 1,97,501.57 crore as of March 31, 2021 to ₹ 2,16,681.39 crore as of March 31, 2022, and (ii) demand deposits by 7.36% from ₹ 32,583.50 crore as of March 31, 2021 to ₹ 34,982.64 crore as of March 31, 2022. This was partially offset by a decrease in term deposits from ₹ 3,97,028.49 crore as of March 31, 2021 to ₹ 3,76,231.94 crore as of March 31, 2022.

Deposits increased by 3.13% from ₹ 6,27,895.96 crore as of March 31, 2022 to ₹ 6,47,541.29 crore as of September 30, 2022, primarily as a result of increase in term deposits by 6.25% from ₹ 3,76,231.94 crore as of March 31, 2022 to ₹ 3,99,727.62 crore as of September 30, 2022.

Deposits increased by 3.40% from ₹ 6,47,541.29 crore as of September 30, 2022 to ₹ 6,69,585.77 crore as of March 31, 2023, primarily due to increases in (i) savings bank deposits by 3.37% from ₹ 2,15,021.03 crore as of September 30, 2022 to ₹ 2,22,277.76 crore as of March 31, 2023, (ii) demand deposits by 6.55% from ₹ 32,792.64 crore as of September 30, 2022 to ₹ 34,941.55 crore as of March 31, 2023, and (iii) term deposits by 3.16% from ₹ 3,99,727.62

crore as of September 30, 2022 to ₹ 4,12,366.46 crore as of March 31, 2023.

Deposits increased by 5.10% from ₹ 6,69,585.77 crore as of March 31, 2023 to ₹ 7,03,750.60 crore as of September 30, 2023, primarily due to increases in (i) savings bank deposits by 2.18% from ₹ 2,22,277.76 crore as of March 31, 2023 to ₹ 2,27,127.15 crore as of September 30, 2023, and (ii) term deposits by 7.21% from ₹ 4,12,366.46 crore as of March 31, 2023 to ₹ 4,42,087.00 crore as of September 30, 2023.

Borrowings

Borrowings mainly comprise capital instruments (which includes perpetual bonds, upper tier II bonds and tier II bonds), borrowings in India (which includes borrowings from institutions and agencies such as Micro Units Development and Refinance Agency, National Bank for Agriculture and Rural Development and National Housing Bank), and borrowings outside India (which includes intra-day foreign currency borrowings and indebtedness pursuant to issuance of bonds and medium term notes to subscribers).

The following table sets forth a breakdown of the Bank's borrowings, as of the dates indicated:

	As of March 31,			As of September 30,	
	2021	**2022**	**2023**	**2022**	**2023**
	(₹ in crore)				
Borrowings in India					
i. Reserve Bank of India	3,519.00	3,519.00	2,692.00	3,519.00	3,000.00
ii. Other Banks					
a. Tier I Capital	693.00	402.00	754.00	261.00	779.00
b. Tier II Capital	25.00	314.00	337.00	337.00	677.00
c. Others	13.93	52.14	8.96	-	300.00
iii. Other Institutions and Agencies					
a. Tier I Capital	659.00	950.00	2,098.00	1,091.00	2,073.00
b. Tier II Capital	6,975.00	5,986.00	5,963.00	5,963.00	6,123.00
c. Others	20,302.27	15,281.21	50,377.38	32,120.13	48,260.16
Sub-total (i+ii+iii)	**32,187.20**	**26,504.35**	**62,230.34**	**43,291.13**	**61,212.16**
Borrowings outside India					
a. Tier I Capital	-	-	-	-	-
b. Tier II Capital	-	-	-	-	-
c. Others	276.91	256.01	2,748.68	2,581.10	4,147.94
Sub-total	276.91	256.01	2,748.68	2,581.10	4,147.94
Total	**32,464.11**	**26,760.37**	**64,979.02**	**45,872.22**	**65,360.10**

The Bank's borrowings decreased by 17.57% from ₹ 32,464.11 crore as of March 31, 2021 to ₹ 26,760.37 crore as of March 31, 2022, primarily attributable to a decrease in borrowings in India by 17.66% from ₹ 32,187.20 crore as of March 31, 2021 to ₹ 26,504.35 crore as of March 31, 2022; which was largely due to a surplus liquidity position.

The Bank's borrowings increased by 71.42% from ₹ 26,760.37 crore as of March 31, 2022 to ₹ 45,872.22 crore as of September 30, 2022, primarily attributable to an increase in borrowings in India from ₹ 26,504.35 crore as of March 31, 2022 to ₹ 43,291.13 crore as of September 30, 2022.

Borrowings increased further, from ₹ 45,872.22 crore as of September 30, 2022 to ₹ 64,979.02 crore as of March 31, 2023 and further to ₹ 65,360.10 crore as of September 30, 2023, owing to increase in borrowings in India for short term liquidity requirements and credit outflow of branches for disbursement requirements.

Other Liabilities and Provisions

Other liabilities and provisions represent bills payable, inter-office adjustments (net), interest accrued, deferred tax liabilities and others, including provisions.

Other liabilities and provisions increased by 41.11% from ₹ 17,593.19 crore as of March 31, 2021 to ₹ 24,826.45 crore as of March 31, 2022, owing to increase in bills payable and others, including provisions. Other liabilities subsequently decreased to ₹ 19,715.82 crore as of September 30, 2022. Other liabilities increased to ₹ 22,020.21 crore as of March 31, 2023 and further to ₹ 23,020.61 crore as of September 30, 2023.

LIQUIDITY AND CAPITAL RESOURCES

The Bank regularly monitors its funding levels to ensure that it is able to satisfy requirements of loan disbursements and those that would arise upon maturity of liabilities. The Bank maintains diverse sources of funding and liquid assets to facilitate flexibility in meeting its liquidity requirements.

CASH FLOWS

The following table sets forth the Bank's standalone statement of cash flows for the periods indicated:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six months ended September 30,	
				2022	2023
	(₹ in crore)				
Net cash flow from/ (used in) operating activities	38,063.06	(35,316.27)	(5,799.42)	(4,922.69)	209.25
Net cash flow (used in) investing activities	(336.86)	(834.66)	(1,345.02)	(831.16)	(1,200.00)
Net cash flow from/ (used in) financing activities	2,398.16	1,127.90	(17.88)	(1,149.06)	(717.79)
Net increase in cash and cash equivalents	40,124.36	(35,023.03)	(7,162.32)	(6,902.91)	(1,708.54)

Operating Activities

Six months ended September 30, 2023

Net cash flow from operating activities was ₹ 209.25 crore in the six months ended September 30, 2023, while net profit before taxes was ₹ 5,865.04 crore. The difference was primarily attributable to adjustments for non-cash and non-operating activities items such as provision for NPA of ₹ 1,454.73 crore, depreciation of fixed assets of ₹ 237.06 crore and interest on AT1 and Tier II capital bonds of ₹ 397.07 crore. Working capital adjustments in the six months ended September 30, 2023 comprised increase in investments of ₹ 6,724.78 crore, increase in advances of ₹ 34,643.63 crore and increase in other assets of ₹ 3,207.50 crore.

Six months ended September 30, 2022

Net cash used in operating activities was ₹ 4,922.69 crore in the six months ended September 30, 2022, while net profit before taxes was ₹ 2,323.20 crore. The difference was primarily attributable to adjustments for non-cash and non-operating activities items such as provision for NPA of ₹ 1,968.88 crore, provision for standard assets of ₹ 958.78 crore and interest on AT1 and Tier II capital bonds of ₹ 328.35 crore. Working capital adjustments in the six months ended September 30, 2022 comprised increase in investments of ₹ 9,400.71 crore, increase in advances of ₹ 41,358.68 crore.

Fiscal 2023

Net cash used in operating activities was ₹ 5,799.42 crore in Fiscal 2023, while net profit before taxes was ₹ 6,229.31 crore. The difference was primarily attributable to adjustments toward increase in investments of ₹ 28,868.91 crore and increase in advances of ₹ 68,659.70 crore.

Fiscal 2022

Net cash used in operating activities was ₹ 35,316.27 crore in Fiscal 2022, while net profit before taxes was ₹ 5,566.75

crore. The difference was primarily attributable to adjustments toward decrease in investments of ₹ 12,139.96 crore, increase in advances of ₹ 58,098.22 crore and taxes paid of ₹ 560.97 crore.

Fiscal 2021

Net cash generated from operating activities was ₹ 38,063.06 crore in Fiscal 2021, while net profit before taxes was ₹ 3,236.72 crore. The difference was primarily attributable to adjustments toward increase in investments of ₹ 29,795.30 crore, increase in advances of ₹ 3,415.76 crore, decrease in borrowings of ₹ 7,340.36 crore and taxes refunded of ₹ 709.00 crore.

Investing Activities

Six months ended September 30, 2023

Net cash used in investing activities in the six months ended September 30, 2023 was ₹ 1,200.00 crore, primarily owing to purchase of fixed assets of ₹ 403.89 crore and net additional investment in subsidiary/ joint venture/ associate of ₹ 824.36 crore.

Six months ended September 30, 2022

Net cash used in investing activities in the six months ended September 30, 2022 was ₹ 831.16 crore, primarily owing to purchase of fixed assets of ₹ 345.36 crore and net additional investment in subsidiary/ joint venture/ associate of ₹ 530.65 crore.

Fiscal 2023

Net cash used in investing activities was ₹ 1,345.02 crore in Fiscal 2023, primarily due to purchase of fixed assets of ₹ 641.94 crore and net additional investment in subsidiary/ joint venture/ associate of ₹ 862.77 crore. This was partially offset by sale of fixed assets of ₹ 138.44 crore.

Fiscal 2022

Net cash used in investing activities was ₹ 834.66 crore in Fiscal 2022, primarily due to purchase of fixed assets of ₹ 569.13 crore and net additional investment in subsidiary/ joint venture/ associate of ₹ 304.39 crore.

Fiscal 2021

Net cash used in investing activities was ₹ 336.86 crore in Fiscal 2021, primarily due to purchase of fixed assets of ₹ 327.59 crore and net additional investment in subsidiary/ joint venture/ associate of ₹ 47.22 crore.

Financing Activities

Six months ended September 30, 2023

Net cash used in financing activities was ₹ 717.79 crore in the six months ended September 30, 2023, primarily on account of dividend paid of ₹ 820.71 crore and interest paid on AT1 and Tier II capital bonds of ₹ 397.08 crore, which were partially offset by net issue of Tier I and Tier II bonds amounting to ₹ 500.00 crore.

Six months ended September 30, 2022

Net cash used in financing activities was ₹ 1,149.06 crore in the six months ended September 30, 2022, primarily on account of dividend paid of ₹ 820.71 crore and interest paid on AT1 and Tier II capital bonds of ₹ 328.35 crore.

Fiscal 2023

Net cash used in financing activities was ₹ 17.88 crore in Fiscal 2023, primarily on account of dividend paid of ₹

820.71 crore and interest paid on AT1 and Tier II capital bonds of ₹ 697.17 crore, which were partially offset by net issue of Tier I and Tier II bonds amounting to ₹ 1,500.00 crore.

Fiscal 2022

Net cash generated from financing activities was ₹ 1,127.90 crore in Fiscal 2022, primarily on account of share capital of ₹ 405.47 crore and share premium of ₹ 2,126.32 crore. These were partially offset by interest paid on AT1 and Tier II capital bonds of ₹ 703.89 crore and net issue of Tier I and Tier II bonds amounting to ₹ 700.00 crore.

Fiscal 2021

Net cash generated from financing activities was ₹ 2,398.16 crore in Fiscal 2021, primarily on account of share application of ₹ 3,000.00 crore and issue of AT I capital bonds of ₹ 52.00 crore, which were partially offset by interest on AT1 and Tier II bonds of ₹ 653.84 crore.

Capital

The Bank calculated its Capital to Risk Weighted Assets Ratio under Basel III guidelines. The Bank's CRAR under Basel III (on a standalone basis) was 15.63% as of September 30, 2023.

The Bank is registered with and subject to supervision by the RBI, including the RBI's detailed guidelines for implementation of Basel III capital regulations that were issued in May 2012. Basel III Capital Regulations are being implemented in India with effect from April 1, 2013 in a phased manner, which the Bank has complied with. The Bank's regulatory capital and capital adequacy ratios calculated under Basel III as of the dates indicated, are as follows:

Particulars	**As of March 31,**			**As of September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
	(₹ in crore, except percentages)				
Tier I Capital	36,041.55	44,047.01	51,083.94	43,694.04	50,676.20
Of which: ***— Innovative perpetual debt instruments***	1,352.00	1,352.00	2,852.00	1,352.00	2,852.00
Tier II Capital	8,948.64	8,205.57	6,643.48	6,961.66	8,633.36
Of which: **— *Subordinated debt and tier II instruments***	5,500.00	3,900.00	3,000.00	3,700.00	5000.00
Total Capital Funds	**44,990.19**	**52,252.58**	**57,727.42**	**50,655.71**	**59,309.56**
Total risk weighted assets	**3,01,305.29**	**3,16,395.31**	**3,54,534.30**	**3,26,559.87**	**3,79,509.09**
Total Assets	**7,25,856.45**	**7,34,614.01**	**8,15,555.61**	**7,69,426.07**	**8,53,027.72**
Total Risk weighted assets to Total assets	**41.51%**	**43.07%**	**43.47%**	**42.44%**	**44.49%**
Capital adequacy ratios:					
Common equity Tier I ratio (i)	**9.01%**	**10.99%**	**11.10%**	**10.47%**	**10.10%**
Capital Conservation Buffer (comprising common equity) (ii)	**2.50%**	**2.50%**	**2.50%**	**2.50%**	**2.50%**
Common equity Tier I ratio plus Capital Conservation Buffer (iii) = (i)+(ii)	**11.51%**	**13.49%**	**13.60%**	**12.97%**	**12.60%**
Additional Tier I capital ratio (iv)	**0.45%**	**0.43%**	**0.80%**	**0.41%**	**0.75%**
Tier I capital adequacy ratio (v) = (i)+(iv)	**9.46%**	**11.42%**	**11.90%**	**10.88%**	**10.85%**
Tier II capital adequacy ratio (vi)	**2.97%**	**2.59%**	**1.87%**	**2.13%**	**2.27%**

Particulars	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(*₹ in crore, except percentages*)				
Total capital adequacy ratio (vii) = (v)+(vi)	**12.43%**	**14.01%**	**13.78%**	**13.01%**	**13.13%**
Total capital adequacy ratio plus Capital Conservation Buffer (viii) = (vii)+(ii)	**14.93%**	**16.51%**	**16.28%**	**15.51%**	**15.63%**
Minimum capital adequacy ratios required by the RBI:					
Common equity tier I capital adequacy ratio plus CCB	**8.00%**	**8.00%**	**8.00%**	**8.00%**	**8.00%**
Common equity total capital adequacy ratio plus CCB	**11.50%**	**11.50%**	**11.50%**	**11.50%**	**11.50%**

Capital Expenditure

The Bank's capital expenditure consists principally of expenditure relating to branch network expansion as well as investment in technology and communication infrastructure, in each case principally in India. During Fiscals 2021, 2022 and 2023, and the six months ended September 30, 2022 and September 30, 2023, the Bank incurred ₹ 252.64 crore, ₹ 527.59 crore, ₹ 791.57 crore, ₹ 240.60 crore and ₹ 389.63 crore, respectively, as capital expenditure.

Contractual Obligations

The following table sets forth the Bank's contractual obligations in respect of subordinated debt and Upper Tier II instruments as of September 30, 2023 payable in the periods indicated:

Final Maturity due by period as of September 30, 2023					
	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
(*₹ in crore*)					
Subordinated debt	**6,800.00**	-	3,000.00	-	3,800.00
Lower Tier II instruments	--	-	-	-	-
Total	**6,800.00**	-	3,000.00	-	3,800.00

The following table sets forth the Bank's contractual obligations in respect of subordinated debt and Upper Tier II instruments as of March 31, 2023 payable in the periods indicated:

Final Maturity due by period as of March 31, 2023					
	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
(*₹ in crore*)					
Subordinated debt	**6,300.00**	1,500.00	3,000.00	-	1,800.00
Lower Tier II instruments	-	-	-	-	-
Total	**6,300.00**	1,500.00	3,000.00	-	1,800.00

Contingent Liabilities

The Bank's contingent liabilities primarily relate to claims against us not acknowledged as debts which represent claims filed against us in the normal course of business relating to various legal cases currently in progress. These also include demands raised by income tax and other statutory authorities and disputed by the Bank. Contingent liabilities also include liabilities on account of outstanding forward exchange contracts that the Bank enters into on its own account and on behalf of its customers. Guarantees given on behalf of entities, acceptances, endorsements and other obligations also form part of the contingent liabilities.

The table below sets forth, as of the dates indicated, the principal components of the Bank's contingent liabilities as of the dates indicated:

	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(*₹ in crore*)				
I. Claims against the Bank not acknowledged as debts	2,620.26	1,810.05	1,703.92	1,844.52	1,720.62
II. Liability for partly paid Investments	101.03	97.30	94.71	105.72	98.51
III. Liability on account of outstanding forward exchange contracts	4,04,662.09	3,69,179.81	3,26,333.11	3,38,925.95	3,39,278.09
IV. Guarantees given on behalf of Constituents					
- in India	21,803.01	20,774.96	21,684.29	20,947.62	21,722.85
- outside India	3,085.24	3,914.05	2,748.54	4,515.61	2,280.21
V. Acceptances, endorsements and other obligations	18,304.71	24,047.77	22,443.48	22,916.43	22,614.18
VI. Derivative contracts other than listed at III above	1,486.60	1,563.03	841.13	1,265.79	781.66
VII. Other items for which the Bank is contingently liable	1,571.90	1,811.23	3,121.17	2,585.45	3,069.62
Total	**4,53,634.85**	**4,23,198.21**	**3,78,970.34**	**3,93,107.09**	**3,91,565.73**

Related Party Transactions

The Bank enters into various transactions with related parties in the ordinary course of business. These transactions principally include remuneration paid to KMP and others. For further information relating to the Bank's related party transactions, see "*Financial Statements*" on page 301.

Off Balance Sheet Arrangements

Except as disclosed in the Financial Statements or elsewhere in this Placement Document, there are no off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates, other unconsolidated entities or financial partnerships that have or are reasonably likely to have a current or future effect on the Bank's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Auditor Observations and Matters of Emphasis

Except as set forth below, there are no emphasis of matters, reservations, qualifications or adverse remarks highlighted by the statutory auditors in their reports to the Bank's financial statements/results for Fiscals 2021, 2022 and 2023, and the six months ended September 30, 2022 and September 30, 2023.

Six months ended September 30, 2023

"(a) Note No. 8 to the accompanying Statement of Unaudited Standalone Financial Results, regarding amortization of additional liability on account of revision in family pension amounting to ₹ 612.09 Crores. The Bank has charged

an amount of ₹ 30.60 Crores and ₹ 81.20 Crores to the Profit and Loss Account for the quarter and half year ended September 30, 2023 respectively, and balance unamortized expense of ₹ 102.42 Crores has been carried forward; and

(b) Note No. 24 to the accompanying Statement of Unaudited Standalone Financial Results, regarding Bank's exercising the irreversible option to shift to the new tax regime under section 115BAA of the Income-tax Act, 1961, effective for the financial year ended March 31, 2023 and onwards and resultant additional one-time charge of ₹ 1,459.89 Crores in the Profit and Loss Account for the quarter and half year ended September 30, 2023 on account of remeasurement of deferred tax assets (net)."

<u>Six months ended September 30, 2022</u>

"(a) We draw attention to Note No. 9 of the accompanying unaudited financial results, regarding amortization of additional liability on account of revision in family pension amounting to ₹ 612.09 Crores. The Bank has charged an amount of ₹ 30.60 Crores and ₹ 61.20 Crores to the profit and loss account for the quarter and half year ended September 30, 2022, respectively, and balance unamortized expense of ₹ 428.46 Crores has been carried forward. Our conclusion is not modified in respect of this matter; and

(b) We draw attention to Note No. 11 (b) of the accompanying unaudited standalone financial results, regarding deferment of provision of ₹ 1,419 Crores for certain standard assets identified by the Reserve Bank of India in their inspection report for the financial year ended March 31, 2022. As permitted by the Reserve Bank of India. The Bank has charged an amount of ₹ 473 Crores to the profit and loss account for the half year ended September 30, 2022, and balance unamortized provision of ₹ 946 Crores has been carried forward and to be provided in two subsequent quarters equally. Also, the Bank has made provision of ₹ 61.29 crore in respect of standard assets covered by RBI circular on Prudential Framework for Resolution of Stressed Assets dated June 7, 2019, where the default is continuing only, on or after 1st April, 2022 till 30th September, 2022. Our conclusion is not modified in respect of this matter."

<u>Fiscal 2023</u>

"We draw attention to Note No. 9 of the standalone financial statements, regarding amortization of additional liability on account of revision in family pension. The Bank has charged an amount of ₹ 306.04 Crores to the profit and loss account for the year ended March 31, 2023 and balance unamortized expense of ₹ 183.63 Crores has been carried forward. Our opinion is not modified in respect of this matter."

<u>Fiscal 2022</u>

We draw attention to Note No. 14(i) of Schedule 18 of the standalone financial statements, regarding amortization of additional liability on account of revision in family pension amounting to ₹ 612.09 Crores. The Bank has charged an amount of ₹ 61.21 Crores and ₹ 122.42 Crores to the profit and loss account for the quarter and year ended March 31, 2022 and balance unamortized expense of ₹ 489.67 Crores has been carried forward. Our opinion is not modified in respect of this matter."

<u>Fiscal 2021</u>

"(a) Note No 7.18 of Schedule-18 of the accompanying Standalone Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the management of the Bank is evaluating the situation and impact on its Domestic & International business operations of the Bank on an ongoing basis; and

(b) Note No. 7.3 of Schedule 18 of the accompanying Standalone Financial Statements relating to utilisation of share premium for setting of accumulated losses."

Qualitative Disclosure about Risks and Risk Management

The Bank is exposed to various risks that are an inherent part of any banking business, with the major risks being credit risk, market risk, liquidity risk and operational risk. The Bank has various policies and procedures in place to measure, manage and monitor these risks systematically across all its portfolios.

For the Bank's interest rate sensitivity analysis, see "*Selected Statistical Information —Advances Portfolio –Interest Rate Sensitivity Analysis*" on page 122.

Foreign Exchange and Derivative Contracts

The Bank enters into foreign exchange and derivative transactions for customers and for its own account. Foreign exchange products offered include forward exchange contracts, currency swaps and currency options. The derivative products offered by the Bank include interest rate swaps, forward rate agreements, interest rate futures, exchange traded currency options and cross-currency derivatives primarily for corporate customers. The Bank also trades in interest rate swaps for its own account and enters into foreign exchange contracts to cover its exposure. The Bank earns profit on customer transactions by way of margin as a mark-up over the interbank exchange rate. The Bank earns profit on interbank transactions based on the spread between the purchase rate and the sale rate. These profits are booked as income from foreign exchange and derivative transactions. For qualitative and quantitative disclosures on the Bank's derivative contracts, see "*Financial Statements*" on page 301.

Total Turnover of each Major Industry Segment in which the Bank Operated

The Bank has recognised Business Segments as its primary reporting segment in line with RBI guidelines in compliance with Accounting Standard 17.

Business segments:

Treasury**:** 'Treasury' segment includes the entire investment portfolio i.e. dealing in Government and other Securities, Money Market Operations and Forex Operations including Derivative contracts.

Wholesale Banking**:** Wholesale Banking includes all lending activities which are not included under Retail Banking.

Retail Banking: Retail Banking segment comprises of Digital Banking and Other Retail Banking. Digital Banking includes digital banking products acquired by DBUs. Other Retail Banking includes all housing loan accounts and borrower accounts having exposure up to ₹ 7.50 crore.

For further information, see "*Financial Statements*" on page 301.

New Products or Business Segments

Other than as disclosed in the section titled "*Our Business*" on page 174, the Bank has not publicly announced any new products or business segments nor have there been any material increases in the Bank's revenues due to increased disbursements and introduction of new products.

Unusual or Infrequent Events or Transactions

Except as described in this Placement Document, there have been no other events or transactions that, to the Bank's knowledge, may be described as "unusual" or "infrequent."

Significant Economic Changes that materially affect or are likely to affect Income from Continuing Operations

The Bank's business has been subject, and is expected to continue to be subject, to significant economic changes that materially affect or are likely to affect income from the Bank's operations identified above in "*—Factors Affecting*

Results of Operations and Financial Condition” and the uncertainties described in the section “*Risk Factors*” on page 46.

Known Trends or Uncertainties

Other than as described in this Placement Document, particularly in this section and “*Risk Factors*” on page 46, to the Bank's knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on the Bank's revenues or income from continuing operations.

Future Relationship between Cost and Income

Other than as described elsewhere in this section and the sections “*Risk Factors*” on page 46 and “*Business*” on page 46, to the Bank's knowledge there are no known factors that will have a material adverse impact on the Bank's operations and finances.

Competitive Conditions

The Bank operates in a competitive environment. See, “*Business*” on page 174, “*Industry Overview*” on page 158, *“Risk Factors*” on page 46 and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Results of Operations and Financial Condition*” on page 86.

Significant Developments after September 30, 2023 that may affect the Bank's Future Results of Operations

Except as discussed above and as otherwise stated in this Placement Document, to the Bank's knowledge, no circumstances have arisen since September 30, 2023 which materially and adversely affects or is likely to affect, its profitability, or the value of its assets or its ability to pay its liabilities.

SELECTED STATISTICAL INFORMATION

The Bank's fiscal year ends on March 31 of each year, and references to a particular Fiscal are to the year ended March 31 of that year. Unless otherwise specified or unless the context otherwise requires, the financial information contained herein for Fiscals 2021, 2022, 2023 is based on or derived from the Bank's Audited Financial Statements, and the financial information included herein for the six months ended September 30, 2023 (including the comparative financial information with respect to the six months ended September 30, 2022) is based on or derived from the Reviewed Financial Results, included in this Placement Document. The following information should be read together with the information included in the sections "Selected Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" included elsewhere in this Placement Document.

The degree to which the financial information prepared in accordance with Indian GAAP will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

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

Average Balance Sheet of the Bank

The table below presents the average balances for interest-earning assets and interest-bearing liabilities of the Bank together with the related interest revenue and expense amounts, resulting in the presentation of the average yields and cost for each period. The average balance is the average of quarterly balances outstanding. The average yield on average assets is the ratio of interest revenue to average interest-earning assets (except that investments include equity investments and interest revenue with respect to investments includes dividends on such equity investments). The average cost on average interest-bearing liabilities is the ratio of interest expense to average interest-bearing liabilities.

	Year ended March 31,								
	2021			**2022**			**2023**		
	Average Balance	**Interest Income/ Expense**	**Avg. Yield/ Cost (%)**	**Average Balance**	**Interest Income/ Expense**	**Avg. Yield/ Cost (%)**	**Average Balance**	**Interest Income/ Expense**	**Avg. Yield/ Cost (%)**
	(₹ crore, except percentages)								
Interest-earning assets:									
Advances	3,66,694.77	27,406.74	7.47%	3,93,012.50	25,841.51	6.58%	4,66,233.76	33,367.61	7.16%
Investment	1,76,739.00	11,547.78	6.53%	1,76,515.44	11,116.26	6.30%	1,88,584.29	11,943.20	6.33%
Others	67,932.99	1,644.91	2.42%	61,516.60	1,118.06	1.82%	43,372.37	2,336.92	5.39%
Total interest-	**6,11,366.77**	**40,599.44**	**6.64%**	**6,31,044.54**	**38,075.83**	**6.03%**	**6,98,190.42**	**47,647.72**	**6.82%**

	Year ended March 31,								
	2021			2022			2023		
	Average Balance	**Interest Income/ Expense**	**Avg. Yield/ Cost (%)**	**Average Balance**	**Interest Income/ Expense**	**Avg. Yield/ Cost (%)**	**Average Balance**	**Interest Income/ Expense**	**Avg. Yield/ Cost (%)**
	(₹ crore, except percentages)								
earning assets									
Non-interest earning assets:									
Fixed assets	8,905.35	-	-	9,142.19	-	-	9,888.25	-	-
Other assets	81,610.62	-	-	81,388.16	-	-	71,114.73	-	-
Total non-interest earning assets	**90,515.97**	**-**	**-**	**90,530.35**	**-**	**-**	**81,002.98**	**-**	**-**
Total Assets	**7,01,882.74**	**40,599.44**	**5.78%**	**7,21,574.89**	**38,075.83**	**5.28%**	**7,79,193.40**	**47,647.72**	**6.12%**
Interest-bearing liabilities:									
Total deposits	6,10,439.15	24,482.29	4.01%	6,21,840.72	22,629.49	3.64%	6,52,888.11	23,627.03	3.62%
Subordinated loan	7,413.00	653.84	8.82%	8,327.00	703.89	8.45%	8,402.00	697.17	8.30%
Borrowings	20,688.11	1,193.47	5.77%	19,310.01	680.35	3.52%	39,831.63	3,048.62	7.65%
Total interest-bearing liabilities	**6,38,540.26**	**26,329.60**	**4.12%**	**6,49,477.73**	**24,013.73**	**3.70%**	**7,01,121.74**	**27,372.82**	**3.90%**
Non-interest bearing liabilities:									
Capital and reserves	46,018.01	-	-	52,927.86	-	-	57,237.05	-	-
Bills payable	1,189.43	-	-	1,469.62	-	-	1,527.66	-	-
Other liabilities	16,135.04	-	-	17,699.67	-	-	19,306.94	-	-
Total non-interest bearing liabilities	63,342.48	-	-	72,097.15	-	-	78,071.66	-	-
Total liabilities	**7,01,882.74**	**26,329.60**	**3.75%**	**7,21,574.89**	**24,013.73**	**3.33%**	**7,79,193.40**	**27,372.82**	**3.51%**

	Six months ended September 30,					
	2022			2023		
	Average Balance	Interest Income/ Expense	Avg. Yield/ Cost (%)	Average Balance	Interest Income/ Expense	Avg. Yield/ Cost (%)
	(₹ crore, except percentages)					
Interest-earning assets:						
Advances	4,51,467.29	15,099.48	6.69%	5,05,295.09	20,269.19	8.02%
Investment	1,81,207.27	5,661.62	6.25%	2,09,997.85	6,958.86	6.63%
Others	45,747.17	708.95	3.10%	44,142.63	2,101.75	9.52%
Total interest-earning assets	**6,78,421.72**	**21,470.04**	**6.33%**	**7,59,435.57**	**29,329.81**	**7.72%**
Non-interest earning assets:						
Fixed assets	9,828.65	-	-	10,045.64	-	-
Other assets	67,047.78	-	-	68,727.47	-	-
Total non-interest earning assets	76,876.43	-	-	78,773.10	-	-
Total Assets	**7,55,298.15**	**21,470.04**	**5.69%**	**8,38,208.67**	**29,329.81**	**7.00%**
Interest-bearing liabilities:						
Total deposits	6,44,137.89	11,153.99	3.46%	7,00,147.35	14,778.18	4.22%
Subordinated loan	7,652.00	328.35	8.58%	9,402.00	397.07	8.45%
Borrowings	26,472.56	831.67	6.28%	46,953.82	2,501.02	10.65%
Total interest-bearing liabilities	**6,78,262.45**	**12,314.01**	**3.63%**	**7,56,503.17**	**17,676.27**	**4.67%**
Non-interest bearing liabilities:						
Capital and reserves	56,105.37	-	-	60,587.29	-	-
Bills payable	1,508.30	-	-	1,586.08	-	-
Other liabilities	19,422.04	-	-	19,532.13	-	-
Total non-interest bearing liabilities	77,035.71	-	-	81,705.50	-	-
Total liabilities	**7,55,298.15**	**12,314.01**	**3.26%**	**8,38,208.67**	**17,676.27**	**4.22%**

Yields, Spreads and Margins

The following table sets forth, for the periods indicated, the yields, spreads and interest margins on our interest-earning assets.

	Year ended March 31,			Six months ended September 30,	
	2021	2022	2023	2022	2023
	(₹ crore, except percentages)				
Interest income on interest-earning assets	40,599.44	38,075.83	47,647.72	21,470.04	29,329.81
Interest expense on interest-bearing liabilities	26,329.60	24,013.73	27,372.82	12,314.01	17,676.27
Average interest-earning assets	6,11,366.77	6,31,044.54	6,98,190.42	6,78,421.72	7,59,435.57
Average interest-bearing liabilities	6,38,540.26	6,49,477.73	7,01,121.74	6,78,262.45	7,56,503.17
Average total assets	7,01,882.74	7,21,574.89	7,79,193.40	7,55,298.15	8,38,208.67
Average interest-earning assets as a percentage of average total assets	87.10%	87.45%	89.60%	89.82%	90.60%
Average interest-bearing liabilities as a percentage of average total assets	90.98%	90.01%	89.98%	89.80%	90.25%
Average interest-earning assets as a percentage of average interest-bearing liabilities	95.74%	97.16%	99.58%	100.02%	100.39%
Yield(1)	6.64%	6.03%	6.82%	6.33%	7.72%
Cost of funds(2)	4.12%	3.70%	3.90%	3.63%	4.67%
Spread	2.52%	2.33%	2.92%	2.70%	3.05%
Net interest margin(3) (annualized)	2.33%	2.23%	2.90%	2.70%	3.07%

Notes:

(1) Yield is interest income divided by total quarterly average interest-earning assets.

(2) Cost of funds is interest expense divided by total quarterly interest-bearing liabilities.

(3) Net interest margin is the difference of interest earned and interest expended divided by the total quarterly average interest-earning assets.

Analysis of Changes in Interest Revenue and Interest Expense By Volume and Rate

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

	Fiscal 2021 vs. Fiscal 2022			Fiscal 2022 vs. Fiscal 2023		
	Increase/ (Decrease) Due to			Increase/ (Decrease) Due to		
	Net Change	Change in Average Volume	Change in Average Rate	Net Change	Change in Average Volume	Change in Average Rate
	(₹ crore, except percentages)					
Interest revenue						
Advances	(1,565.23)	1,966.99	(3,532.22)	7,526.10	4,814.47	2,711.63
Investments	(431.52)	(14.61)	(416.92)	826.94	760.05	66.89
Others	(526.86)	(155.37)	(371.49)	1,218.86	(329.77)	1,548.63
Total interest-earning assets	**(2,523.61)**	**1,797.01**	**(4,320.63)**	**9,571.90**	**5,244.75**	**4,327.14**
Interest expenses						
Total deposits	(1,852.80)	457.27	(2,310.07)	997.54	1,129.85	(132.31)
Subordinated loan	50.05	80.62	(30.57)	(6.72)	6.34	(13.06)
Borrowings	(513.13)	(79.50)	(433.62)	2,368.27	723.04	1,645.23
Total interest-bearing liabilities	(2,315.87)	458.39	(2,774.26)	3,359.09	1,859.23	1,499.86
Net interest revenue	**(207.74)**	**1,338.63**	**(1,546.36)**	**6,212.81**	**3,385.53**	**2,827.28**

	Six months ended September 30, 2022 vs. Six months ended September 30, 2023		
	Increase/ (Decrease) Due to		
	Net Change	Change in Average Volume	Change in Average Rate
	(₹ crore, except percentages)		
Interest revenue			
Advances	5,169.71	1,800.29	3,369.42
Investments	1,297.24	899.53	397.71
Others	1,392.81	(24.87)	1,417.68
Total interest-earning assets	**7,859.76**	**2,674.95**	**5,184.81**
Interest expenses			

	Six months ended September 30, 2022 vs. Six months ended September 30, 2023		
	Increase/ (Decrease) Due to		
	Net Change	Change in Average Volume	Change in Average Rate
	(₹ crore, except percentages)		
Total deposits	3,624.19	969.87	2,654.33
Subordinated loan	68.72	75.09	(6.37)
Borrowings	1,669.36	643.45	1,025.90
Total interest-bearing liabilities	**5,362.27**	**1,688.41**	**3,673.86**
Net interest revenue	**2,497.49**	**986.54**	**1,510.95**

Financial Ratios of the Bank

The following table sets forth certain key financial indicators as of and for the dates and periods indicated.

	As of/ For the Year Ended March 31,			As of/ For the Six Months Ended September 30,	
	2021	2022	2023	2022	2023
	(in percentages)				
Return on average equity(1)	8.81%	10.55%	10.31%	8.27%	13.72%
Return on average assets(2)	0.28%	0.43%	0.49%	0.38%	0.68%
Dividend payout ratio(3)	-	22.62%	20.41%	-	-
Cost to average assets(4)	1.57%	1.64%	1.80%	1.64%	1.80%
Tier I capital adequacy ratio	11.96%	13.92%	14.41%	13.38%	13.35%
Tier II capital adequacy ratio	2.97%	2.59%	1.87%	2.13%	2.28%
Total capital adequacy ratio	14.93%	16.51%	16.28%	15.51%	15.63%
Net non-performing assets ratio(5)	3.35%	2.34%	1.66%	1.92%	1.54%
Allowance as percentage of gross non-performing assets(6)	86.24%	87.76%	89.68%	88.96%	89.58%
Average net worth to total average assets(7)	3.55%	4.42%	5.04%	4.90%	5.40%

Notes:

(1) Return on average equity is the ratio of the net profit after tax to the average net worth (capital plus reserves).

(2) Return on average assets is the ratio of the net profit after tax to the monthly average assets.

(3) Dividend payout ratio is the ratio of dividend to adjusted net profit (after exclusion of a one-off income item from net profit).

(4) Cost to monthly average assets is the ratio of the operating expenses, excluding lease depreciation, to the quarterly average

assets.

(5) *Net non-performing assets ratio is the ratio of net non-performing assets divided by net advances.*

(6) *Allowance as a percentage of gross non-performing assets is the ratio of non-performing asset provisions made to the gross non-performing assets.*

(7) *Average net worth to total average assets is the ratio of average capital and reserves divided by total average assets.*

Investment Portfolio

As of September 30, 2023, the Bank's investments comprised 24.83% of its total unconsolidated assets, while total advances were 60.85% of the Bank's total unconsolidated assets. The Bank carries out its investment activities according to various investment and trading policies. These policies set forth delegation of powers, types of instruments, maximum limits on investments in different types of securities, position limits, stop loss limits, duration limits and minimum acceptable credit spreads.

The Bank is required to maintain a minimum holding of 18% of its demand and time liabilities in SLR securities. In addition, the surplus funds of the Bank's deposits and advances are invested by the domestic treasury department. These investments are in conformity with the Bank's policy on investments and the risk limits set by the Bank's Board.

Total Domestic Investment Portfolio

The following tables sets forth, as of the dates indicated, information relating to the Bank's total domestic investment portfolio. Domestic investments constituted 97.60% of the Bank's investment portfolio as of September 30, 2023.

Investment	**As of March 31,**											
	2021				**2022**				**2023**			
	Book Value	**Market Value**	**Unrealized Gain**	**Unrealized Loss**	**Book Value**	**Market Value**	**Unrealized Gain**	**Unrealized Loss**	**Book Value**	**Market Value**	**Unrealized Gain**	**Unrealized Loss**
	(₹ crore)											
Government securities	1,65,843.59	1,67,144.37	2,455.82	1,155.04	1,52,889.46	1,50,992.88	612.05	2,508.62	1,79,725.95	175,569.45	238.08	4,394.57
Other debt securities (1)	13,536.56	13,067.16	339.55	808.95	12,047.40	10,771.37	177.85	1,453.88	13,172.46	11,661.91	44.79	1,555.34
Total debt securities	1,79,380.15	1,80,211.52	2,795.36	1,963.99	1,64,936.86	1,61,764.26	789.90	3,962.50	192,898.40	187,231.36	282.87	5,949.91
Non-debt securities (2)	5,236.57	1,961.63	580.31	3,855.24	5,206.54	1,947.70	648.45	3,907.29	4,811.92	2,583.20	792.72	3,021.43
Subsidiaries, Joint Ventures, and associates — at cost	1,259.96	1,217.32	0.00	42.64	1,267.75	1,242.52	0.00	25.23	1,860.27	1,836.57	0.00	23.70
Total	**1,85,876.67**	**1,83,390.47**	**3,375.67**	**5,861.87**	**1,71,411.14**	**1,64,954.47**	**1,438.35**	**7,895.02**	**1,99,570.59**	**1,91,651.14**	**1,075.59**	**8,995.04**

Notes:

(1) *Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.*
(2) *Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture funds.*

Investment	**As of September 30,**							
	2022				**2023**			
	Book Value	**Market Value**	**Unrealized Gain**	**Unrealized Loss**	**Book Value**	**Market Value**	**Unrealized Gain**	**Unrealized Loss**
	(₹ crore)							
Government securities	1,61,635.34	1,56,673.70	173.82	5,135.46	1,87,588.47	1,84,011.14	337.81	3,915.15
Other debt securities[1]	11,571.66	9,954.02	55.80	1,673.44	11,919.81	10,462.36	45.85	1,503.30
Total debt securities	1,73,207.00	1,66,627.72	229.63	6,808.90	1,99,508.28	1,94,473.50	383.66	5,418.45
Non-debt securities[2]	4,883.75	2,115.44	700.40	3,468.71	4,508.69	2,788.60	834.74	2,626.83
Subsidiaries, Joint Ventures, and associates — at cost	1,798.40	1,778.19	0.00	20.20	2,684.62	2,655.33	0.00	29.29
Total	**1,79,889.15**	**1,70,521.36**	**930.03**	**10,297.81**	**2,06,773.60**	**1,99,917.43**	**1,218.40**	**8,074.57**

Notes:
(1) *Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.*
(2) *Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture funds.*

Available for Sale Investments

Available for Sale	**As of March 31,**											
	2021				**2022**				**2023**			
	Book Value	**Market Value**	**Unrealized Gain**	**Unrealized Loss**	**Book Value**	**Market Value**	**Unrealized Gain**	**Unrealized Loss**	**Book Value**	**Market Value**	**Unrealized Gain**	**Unrealized Loss**
	(₹ crore)											
Government securities	40,242.01	40,107.23	132.80	267.58	26,363.38	26,255.81	106.52	214.09	30,943.50	30,974.86	129.56	98.20
Other debt securities[1]	7,664.41	7,019.50	153.13	798.04	7,556.80	6,189.75	86.82	1,453.88	9,830.17	8,322.59	27.21	1,534.79
Total debt securities	47,906.42	47,126.73	285.93	1,065.62	33,920.18	32,445.55	193.34	1,667.97	40,773.67	39,297.45	156.77	1,632.99
Non-debt securities[2]	4,896.35	1,606.03	553.85	3,844.17	4,584.15	1,297.61	615.46	3,902.01	3,895.38	1,633.34	758.28	3,020.31
Total	**52,802.77**	**48,732.76**	**839.78**	**4,909.79**	**38,504.34**	**33,743.16**	**808.80**	**5,569.98**	**44,669.05**	**40,930.79**	**915.05**	**4,653.31**

Notes:
(1) *Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.*
(2) *Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture funds.*

Available for Sale	As of September 30,							
	2022				2023			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ crore)							
Government securities	26,030.85	25,980.14	109.91	160.62	32,334.05	32,385.41	207.02	155.67
Other debt securities(1)	8,276.74	6,642.12	27.35	1,661.97	10,991.48	9,520.59	25.96	1,496.86
Total debt securities	34,307.59	32,622.26	137.26	1,822.59	43,325.54	41,906.00	232.98	1,652.52
Non-debt securities(2)	4,255.87	1,454.17	665.96	3,467.65	3,675.55	1,842.94	792.75	2,625.36
Total	**38,563.46**	**34,076.44**	**803.22**	**5,290.25**	**47,001.09**	**43,748.94**	**1,025.74**	**4,277.89**

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture funds.

Held to Maturity Investments

Held to Maturity	As of March 31,											
	2021				2022				2023			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ crore)											
Government securities	125,625.49	127,061.54	2,323.01	886.97	126,901.15	125,111.82	505.14	2,294.47	148,812.37	144,624.48	108.48	4,296.37
Other debt securities(1)	5,872.15	6,047.66	186.42	10.90	4,490.60	4,581.63	91.03	0.00	3,292.28	3,289.32	17.58	20.54
Total debt securities	131,497.64	133,109.20	2,509.43	897.87	131,391.75	129,693.45	596.17	2,294.47	152,104.66	147,913.80	126.06	4,316.92
Non-debt securities(2)	312.08	329.64	26.46	8.90	621.37	649.07	32.98	5.28	914.99	948.38	34.44	1.06
Subsidiaries, Joint Ventures, and associates — at cost	1,259.96	1,217.32	0.00	42.64	1,267.75	1,242.52	0.00	25.23	1,860.27	1,836.57	0.00	23.70
Total	**133,069.68**	**134,656.15**	**2,535.89**	**949.41**	**133,280.86**	**131,585.03**	**629.15**	**2,324.98**	**154,879.92**	**150,698.75**	**160.50**	**4,341.67**

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture funds.

Held to Maturity	As of September 30,							
	2022				2023			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ crore)							
Government securities	1,35,539.27	1,30,628.73	63.06	4,973.60	1,53,570.25	1,49,942.53	130.74	3,758.47
Other debt securities(1)	3,294.92	3,311.90	28.45	11.46	873.42	886.92	19.89	6.39
Total debt securities	1,38,834.19	1,33,940.64	91.51	4,985.06	1,54,443.67	1,50,829.45	150.63	3,764.85
Non-debt securities(2)	627.88	661.27	34.44	1.05	901.65	942.32	41.99	1.32
Subsidiaries, Joint Ventures, and associates — at cost	1,798.40	1,778.19	0.00	20.20	2,684.62	2,655.33	0.00	29.29
Total	**1,41,260.46**	**1,36,380.10**	**125.95**	**5,006.32**	**1,58,029.95**	**1,54,427.09**	**192.61**	**3,795.47**

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture funds.

Held for Trading Investments

Held for Trading	As of March 31,											
	2021				2022				2023			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ crore)											
Government securities	(23.91)	(24.40)	0.00	0.49	(375.07)	(374.74)	0.39	0.06	(29.92)	(29.89)	0.04	0.00
Other debt securities(1)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	50.00	0.00	0.00
Total debt securities	(23.91)	(24.40)	0.00	0.49	(375.07)	(374.74)	0.39	0.06	20.08	20.11	0.04	0.00
Non-debt securities(2)	28.13	25.96	0.00	2.18	1.02	1.02	0.01	0.01	1.55	1.49	0.00	0.06
Total	**4.22**	**1.56**	**0.00**	**2.67**	**(374.06)**	**(373.72)**	**0.40**	**0.07**	**21.62**	**21.60**	**0.04**	**0.06**

Note:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture funds.

Held for Trading	As of September 30,							
	2022				2023			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ crore)							
Government securities	65.22	64.83	0.85	1.25	1,684.17	1,683.20	0.05	1.02
Other debt securities(1)	0.00	0.00	0.00	0.00	54.91	54.86	0.00	0.05
Total debt securities	65.22	64.83	0.85	1.25	1,739.08	1,738.06	0.05	1.07
Non-debt securities(2)	0.00	0.00	0.00	0.00	3.49	3.34	0.00	0.15
Total	**65.22**	**64.83**	**0.85**	**1.25**	**1,742.57**	**1,741.40**	**0.05**	**1.22**

Notes:

(1) *Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.*

(2) *Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture funds.*

Residual Maturity Profile

The following table sets forth, as of the date indicated, an analysis of the residual maturity profile of our domestic investments in government and corporate debt securities classified as available for sale and their weighted average market yields.

Available for sale

Available for Sale	As of September 30, 2023							
	Up to One Year		One Year to Five Years		Five to Ten Years		More than Ten Years	
	Amount	Yield %	Amount	Yield %	Amount	Yield %	Amount	Yield %
	(₹ crore, except percentages)							
Government securities	7,450.62	6.94%	4,138.21	7.33%	16,861.49	5.23%	3,883.73	6.56%
Other debt securities	1,343.05	7.29%	6,774.60	7.32%	2,323.28	10.13%	382.61	2.31%
Total debt securities market value	8,735.57	7.04%	10,197.18	7.84%	19,056.84	5.86%	3,916.41	6.74%
Gross book value	8,793.67	7.00%	10,912.81	7.32%	19,184.77	5.82%	4,266.34	6.18%

The following table sets forth, as of the date indicated, an analysis of the residual maturity profile of our domestic investments in government and corporate debt securities classified as held to maturity and their weighted average market yields.

Held to maturity

Held to Maturity	As of September 30, 2023							
	Up to One Year		One Year to Five Years		Five to Ten Years		More than Ten Years	
	Amount	Yield %	Amount	Yield %	Amount	Yield %	Amount	Yield %
	(₹ crore, except percentages)							
Government securities	8.33	7.07%	29,224.66	7.37%	89,209.42	7.26%	35,127.84	7.00%
Other debt securities	104.11	9.25%	769.31	8.17%	-	-	-	-
Total debt securities market value	111.74	9.14%	29,416.93	7.54%	87,563.10	7.40%	33,737.68	7.29%
Gross book value	112.44	9.09%	29,993.97	7.40%	89,209.42	7.26%	35,127.84	7.00%

The following table sets forth, as of the date indicated, an analysis of the residual maturity profile of our domestic investments in government and corporate debt securities classified as held for trading and their weighted average market yields.

Held for trading

Held for Trading	As of September 30, 2023							
	Up to One Year		One Year to Five Years		Five to Ten Years		More than Ten Years	
	Amount	Yield %	Amount	Yield %	Amount	Yield %	Amount	Yield %
	(₹ crore, except percentages)							
Government securities	1,199.38	7.19%	-	-	430.33	7.22%	54.45	7.33%
Other debt securities	-	-	54.91	7.75%	-	-	-	-
Total debt securities market value	1,199.38	7.19%	54.86	7.76%	429.53	7.24%	54.29	7.35%
Gross book value	1,199.38	7.19%	54.91	7.75%	430.33	7.22%	54.45	7.33%

Funding

Our funding operations are designed to ensure stability, low cost of funding and effective liquidity management. Our principal sources of funds are deposits from retail (term deposits of less than ₹ 2.00 crore on the basis of accounts held by retail customers and savings/ current account deposits) and corporate customers, borrowings from the RBI and other financial institutions, foreign currency borrowings, profits from the purchase and sale of investments, and the public issuance of bonds. Domestic deposits raised from the retail segment were 86.87% of our total deposits as of September 30, 2023. Of our average total deposits as of () September 30, 2023, 5.68% were current deposits and 37.98% were savings bank deposits, while 56.34% were term deposits.

Total Deposits

The following table sets forth, for the periods indicated, our outstanding domestic deposits and the percentage composition by each category of deposits. The cost of deposits (interest expense divided by the average of balance for the relevant period) was 4.10% in Fiscal 2021, 3.69% in Fiscal 2022 and 3.67% in Fiscal 2023.

The average deposits on a quarterly average basis for the periods set forth are as follows:

	As of March 31,					
	2021		2022		2023	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(₹ crore, except percentages)					
Current deposits	27,973.07	5.24%	31,632.11	5.77%	31,025.46	5.59%
Savings deposits	1,85,999.90	34.82%	2,06,927.37	37.72%	2,15,335.63	38.78%
Time deposits	3,20,271.53	59.95%	3,09,997.77	56.51%	3,08,918.69	55.63%
Total	**5,34,244.50**	**100.00%**	**5,48,557.24**	**100.00%**	**5,55,279.78**	**100.00%**

	As of September 30,			
	2022		2023	
	Amount	% of Total	Amount	% of Total
	(₹ crore, except percentages)			
Current deposits	29,744.62	5.42%	33,757.41	5.68%
Savings deposits	2,12,972.94	38.82%	2,25,643.19	37.98%
Time deposits	3,05,957.26	55.76%	3,34,782.65	56.34%
Total	**5,48,674.82**	**100.00%**	**5,94,183.26**	**100.00%**

Deposit Accounts Opened Through Digital Channels

	As of March 31, 2023			As of September 30, 2023		
	Number of Accounts	Number of Digital Accounts	% Adoption	Number of Accounts	Number of Digital Accounts	% Adoption
Current deposits	2,360	-	-	2,808	370	13.18%
Savings deposits	5,16,544	83,237	16.11%	5,61,153	2,21,188	39.42%

	As of March 31, 2023			As of September 30, 2023		
	Number of Accounts	**Number of Digital Accounts**	**% Adoption**	**Number of Accounts**	**Number of Digital Accounts**	**% Adoption**
Total	5,18,904	83,237	16.04%	5,63,961	2,21,558	39.29%

As of September 30, 2023, individual domestic term deposits in excess of ₹ 0.50 crore had balance to maturity profiles as set out below.

	As of September 30, 2023				
	Up to 3 Months	**3 to 6 Months**	**6 to 9 Months**	**9 to 12 Months**	**More Than 1 Year**
	(₹ crore)				
Balance to maturity for deposits exceeding ₹ 0.50 crore each	4,125.27	2,933.61	4,009.67	3,616.45	7,617.82

Short-term Borrowings

The following table sets forth, for the periods indicated, information related to our short-term Rupee borrowings, which are comprised primarily of money-market borrowings (call borrowing and CBLO borrowing). Short-term Rupee borrowings exclude deposits and securities sold under repurchase agreements with market participants but exclude those with the RBI. For the purpose of the below table, short-term borrowings exclude our interbank deposits taken under the credit support annex arrangements.

	As of/ For the Year Ended March 31,			As of/ For the Six Months Ended September 30,	
	2021	**2022**	**2023**	**2022**	**2023**
	(₹ crore, except percentages)				
Period end balance	15,229.00	8,523.58	17,498.97	14,093.14	13,290.30
Average balance during the period not captured(1)	8,011.94	8,182.70	9,061.80	10,695.74	12,168.41
Average interest rate during the period(2)	2.16%	2.74%	5.04%	4.59%	6.49%
Interest at period end(3)	245.68	277.08	(486.78)	254.62	399.67

Notes:
(1) Average daily balances outstanding.
(2) Represents the ratio of interest expense on short-term borrowings to the average of balances of short-term borrowings.
(3) Represents the total interest paid on account of short term borrowings during the period.

Perpetual Debt and Upper Tier II Instruments

The following table sets forth, as of September 30, 2023, the details of outstanding Perpetual Debt and Upper Tier II instruments issued by us.

(a) Innovative Perpetual Debt Instruments (IPDI)

Particulars	Date of Issue	Perpetual and Call Option	Coupon Rate	₹ crore
Series VI – Additional Tier I in India	January 28, 2021	Perpetual - January 28, 2026	9.04	750.00
Series VII – Additional Tier I in India	March 30, 2021	Perpetual - March 30, 2026	9.30	602.00
Series VIII – Additional Tier I in India	December 2, 2022	Perpetual – December 2, 2032	8.57	1,500.00
Total				**2,852.00**

(b) Tier II Bonds

Particulars	Date of Issue	Date of Maturity	Coupon Rate	₹ crore
Series XII – Tier II in India	December 31, 2015	December 31, 2025	8.52	3,000.00
Series XV – Tier II in India	September 30, 2021	September 30, 2031 - Call option September 30, 2026	7.14	1,800.00
Series XVI – Tier II in India	September 15, 2023	September 15, 2033- Call option September 15,2028	7.88	2,000.00
Total				**6,800.00**

Cash Flow Mismatch Analysis

The following table sets forth our structural liquidity gap position for our domestic operations as of September 30, 2023:

	As of September 30, 2023(1)(2)(3)				
	Up to 3 Months	**Over 3 Months to 1 Year**	**Over 1 Year to 5 Years**	**Over 5 Years**	**Total**
	(₹ crore, except percentages)				
Cash and bank balances	12,984.95	10,056.21	7,597.64	9,302.02	39,940.83
Advances	32,010.89	38,397.40	2,39,583.37	1,18,857.70	4,28,849.36
Investments	74,070.39	17,301.14	39,805.17	68,449.73	1,99,626.42
Fixed asset	-	-	-	9,406.19	9,406.19
Other assets	15,680.71	-	-	11,552.75	27,233.47

	As of September 30, 2023[1][2][3]				
	Up to 3 Months	**Over 3 Months to 1 Year**	**Over 1 Year to 5 Years**	**Over 5 Years**	**Total**
	(₹ crore, except percentages)				
Total assets	1,34,746.95	65,754.75	2,86,986.18	2,17,568.39	7,05,056.27
Capital and Reserves	-	-	-	60,896.40	60,896.40
Deposits	95,778.87	65,933.58	1,69,180.34	2,67,956.73	5,98,849.52
Borrowings	19,546.80	27,016.77	14,657.26	-	61,220.83
Other liabilities	8,885.17	12.62	1,641.84	10,621.77	21,161.40
Total liabilities	**1,24,210.84**	**92,962.97**	**1,85,479.43**	**3,39,474.90**	**7,42,128.15**
Liquidity gap	10,536.11	(27,208.22)	1,01,506.74	(1,21,906.51)	(37,071.87)
Cumulative liquidity gap	10,536.11	(16,672.11)	84,834.64	(37,071.87)	
Cumulative liabilities	1,24,210.84	2,17,173.81	4,02,653.25	7,42,128.15	
Cumulative liquidity gap as a % of cumulative liabilities	8.48%	(7.68)%	21.07%	(5.00)%	

Notes:

(1) Classification methodologies are based on the Asset Liability Management Guidelines issued by the RBI.

(2) Assets and liabilities are classified into categories as per residual maturity.

(3) Assets and liabilities that do not mature or have ambiguous maturities are classified as per historical behavioral analysis or management judgment.

Loan Portfolio and Credit Substitutes

As of September 30, 2023, our gross loan portfolio was ₹ 5,43,128.31 crore. As of that date, our gross non-fund-based exposure was ₹ 3,86,676.98 crore. The majority of our gross loans and credit substitutes are to borrowers in India.

The Bank makes loans to a wide range of customers in the public and private sectors, including commercial and industrial customers, agricultural customers and individual customers, in each case within the guidelines issued by the RBI. Working capital facilities consist of revolving cash credit facilities and short-term loans. Revolving cash credit facilities, based on a traditional overdraft system of lending, have been the most common form of working capital financing in India. Pursuant to RBI guidelines, only a specified percentage of a working capital facility can be accessed as cash credit, with the balance being short-term loans having a minimum maturity of one year.

The following tables sets forth our advances by segment as of March 31, 2021, 2022, 2023 and September 30, 2022 and 2023.

	As of March 31,					
	2021		2022		2023	
	Amount	% of Total Advances	Amount	% of Total Advances	Amount	% of Total Advances
	(₹ crore, except percentages)					
Advances in India						
Agriculture	55,698.00	13.57%	66,418.09	14.53%	72,390.71	14.03%
MSME	63,237.00	15.41%	64,750.00	14.17%	70,777.00	13.72%
Retail	68,057.81	16.58%	80,675.00	17.65%	94,716.00	18.36%
RAM	**1,86,992.81**	**45.56%**	**2,11,843.09**	**46.35%**	**2,37,883.71**	**46.11%**
Corporate and Others	1,75,368.38	42.73%	1,82,148.08	39.86%	1,93,753.48	37.56%
Gross domestic advances	**3,62,361.20**	**88.29%**	**3,93,991.18**	**86.21%**	**4,31,637.19**	**83.67%**
Gross International Advances	48,074.72	11.71%	63,022.47	13.79%	84,215.29	16.33%
Total Gross Advances	**4,10,435.92**	**100.00%**	**4,57,013.65**	**100.00%**	**5,15,852.48**	**100.00%**
Less Provisions	44,749.39	-	36,171.84	-	29,952.84	-
Total net advances	**3,65,686.53**	-	**4,20,841.81**	-	**4,85,899.64**	-

	As of September 30,			
	2022		2023	
	Amount	% of Total Advances	Amount	% of Total Advances
	(₹ crore, except percentages)			
Advances in India				
Agriculture	69,667.00	14.11%	77,206.05	14.22%
MSME	66,530.00	13.47%	73,731.00	13.58%
Retail	87,451.00	17.71%	1,00,260.00	18.46%
RAM	**2,23,648.00**	**45.29%**	**2,51,197.05**	**46.25%**
Corporate and Others	1,88,584.55	38.19%	2,01,444.41	37.09%

	As of September 30,			
	2022		2023	
	Amount	% of Total Advances	Amount	% of Total Advances
	(₹ crore, except percentages)			
Gross domestic advances	**4,12,232.55**	**83.48%**	**4,52,641.46**	**83.34%**
Gross International Advances	81,581.88	16.52%	90,486.85	16.66%
Total Gross Advances	**4,93,814.44**	**100.00%**	**5,43,128.31**	**100.00%**
Less Provisions	33,582.85	-	24,039.77	-
Total net advances	**4,60,231.59**	**-**	**5,19,088.54**	**-**

Loans Availed Through Digital Channels

	As of March 31, 2023			As of September 30, 2023		
	Number of Accounts	Amount	% Adoption	Number of Accounts	Amount	% Adoption
	(₹ crore, except percentages and unless stated otherwise)					
Agriculture	45,941	645.21	1.85%	1,85,986	3,038.82	14.19%
MSME	12,102	353.04	5.73%	54,246	2,031.77	76.83%
Retail	223	8.77	0.08%	6,841	349.50	6.33%
Total	**58,266**	**1,007.02**	**1.95%**	**2,47,073**	**5,420.09**	**18.32%**

Interest Rate Sensitivity Analysis

The following table sets forth the interest rate sensitivity analysis of our assets and liabilities denominated in INR for domestic operations as of September 30, 2023:

	As of September 30, 2023					
	Up to 3 Months	3 Months to 1 Year	1 Year to 5 Years	Over 5 Years	Non-sensitive	Total
	(₹ crore)					
Assets						
Cash and Balances with RBI	-	-	-	-	28,862.87	28,862.87

	As of September 30, 2023					
	Up to 3 Months	**3 Months to 1 Year**	**1 Year to 5 Years**	**Over 5 Years**	**Non-sensitive**	**Total**
	(₹ crore)					
Balances with other banks	-	-	5,219.10	-	70.48	5,289.57
Advances	2,88,272.87	73,429.87	27,177.20	33,113.00	-	4,21,992.94
Investments	11,052.60	7,275.60	42,266.35	1,39,147.96	5,710.62	2,05,453.13
Fixed Assets	-	-	-	-	9,406.19	9,406.19
Other Assets	-	-	-	-	95,818.78	95,818.78
Forex Swaps	86,097.29	63,757.72	4.59	-	-	1,49,859.60
Total Assets	3,85,422.75	1,44,463.19	74,667.25	1,72,260.96	1,39,868.94	9,16,683.09
OBS Items	-	300.00	440.00	-	-	740.00
Total RSA	**3,85,422.75**	**1,44,763.19**	**75,107.25**	**1,72,260.96**	**1,39,868.94**	**9,17,423.09**
Liabilities						
Capital and Reserve	-	-	-	-	60,896.40	60,896.40
Deposits	99,483.92	1,82,355.50	1,84,175.28	1,26,433.97	-	5,92,448.68
Borrowings	14,761.91	24,580.29	14,207.11	5.16	-	53,554.48
Other Liabilities	-	-	-	-	44,492.06	44,492.06
Repos	4,628.98	-	-	-	-	4,628.98
Forex Swaps	99,904.10	71,879.11	-	-	-	1,71,783.21
Total Liabilities	2,18,778.91	2,78,814.91	1,98,382.40	1,26,439.13	1,05,388.47	9,27,803.81
OBS Items	-	300.00	440.00	-	-	740.00
Total RSL	**2,18,778.91**	**2,79,114.91**	**1,98,822.40**	**1,26,439.13**	**1,05,388.47**	**9,28,543.81**

Concentration of Loans and Credit Substitutes

From April 2019, in accordance with the Large Exposure Framework ("**LEF**"), our exposure limits for single and group borrowers are 20.0% and 25.0% of our Tier 1 capital funds, respectively. These limits may be subjected to further changes and revisions in future. The following tables sets forth, at the dates indicated, our gross domestic fund-based loans outstanding categorized by borrower industry or economic activity. We do not consider retail loans a specific industry for this purpose. For further information, see "*Regulations and Policies*" on page 224.

Category	**As of March 31,**					
	2021		**2022**		**2023**	
	Amount	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**
	(₹ crore, except percentages)					
Infrastructure						
Power	38,711.23	10.68%	44,583.53	11.32%	42,144.81	9.76%
Telecommunication	487.26	0.13%	386.61	0.10%	382.88	0.09%
Roads and ports	13,988.12	3.86%	15,451.22	3.92%	16,149.54	3.74%
Services Sector						
Computer software	782.06	0.22%	952.19	0.24%	1,388.21	0.32%
Agro-based Industries						
Sugar	2,571.39	0.71%	2,130.31	0.54%	1,968.60	0.46%
Tea	4.90	0.00%	-	-	-	-
Food processing	2,045.21	0.56%	2,069.63	0.53%	2,132.68	0.49%
Vegetable oils and vanaspati	364.28	0.10%	352.48	0.09%	459.73	0.11%
Manufacturing Sector						
Mining (including Coal)	3,089.16	0.85%	3,225.98	0.82%	6,444.26	1.49%
Iron and steel	11,568.72	3.19%	7,880.06	2.00%	11,548.46	2.68%
Other metal and metal products	2,825.56	0.78%	2,964.50	0.75%	2,974.52	0.69%
Electronics	300.95	0.08%	303.97	0.08%	603.92	0.14%
Electricity	1,638.05	0.45%	1,610.92	0.41%	1,345.76	0.31%
Cotton textile	3,241.76	0.89%	3,132.33	0.80%	2,733.52	0.63%
Jute textile	120.40	0.03%	65.29	0.02%	54.56	0.01%
Other textiles	4,532.34	1.25%	4,188.21	1.06%	3,663.19	0.85%
Tobacco and tobacco products	412.52	0.11%	445.05	0.11%	501.99	0.12%
Paper and paper products	1,143.88	0.32%	1,127.25	0.29%	1,323.19	0.31%

Category	As of March 31,					
	2021		2022		2023	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(₹ crore, except percentages)					
Rubber and rubber products	1,829.84	0.50%	3,172.66	0.81%	3,134.04	0.73%
Chemicals, dyes, paints etc	1,170.18	0.32%	1,143.84	0.29%	906.49	0.21%
Fertilizers	1,719.42	0.47%	1,964.32	0.50%	2,530.35	0.59%
Drugs and pharmaceuticals	1,502.76	0.41%	1,960.86	0.50%	2,071.16	0.48%
Petro-chemicals	648.17	0.18%	718.81	0.18%	725.45	0.17%
Cement	1,526.67	0.42%	1,466.06	0.37%	1,149.39	0.27%
Leather and leather products	421.19	0.12%	434.05	0.11%	472.97	0.11%
Gems and jewelry	3,937.71	1.09%	4,125.95	1.05%	3,974.81	0.92%
Construction	4,623.04	1.28%	3,932.73	1.00%	3,857.32	0.89%
Petroleum	2,109.69	0.58%	4,092.34	1.04%	8,239.38	1.91%
Automobiles including trucks	3,198.37	0.88%	2,861.84	0.73%	2,764.26	0.64%
Others						
Other industries	8,059.04	2.22%	7,733.10	1.96%	9,645.58	2.23%
Residual advances to balance Gross advances	2,43,788.32	67.28%	2,69,515.09	68.41%	2,96,346.17	68.66%
Total Gross Domestic Advances	**3,62,361.19**	**100.00%**	**3,93,991.18**	**100.00%**	**4,31,637.19**	**100.00%**

Category	As of September 30,			
	2022		2023	
	Amount	% of Total	Amount	% of Total
	(₹ crore, except percentages)			
Infrastructure				
Power	43,398.23	10.53%	42,037.83	9.29%
Telecommunication	380.01	0.09%	359.33	0.08%

Category	As of September 30,			
	2022		2023	
	Amount	% of Total	Amount	% of Total
	(₹ crore, except percentages)			
Roads and ports	16,006.01	3.88%	16,328.44	3.61%
Services Sector				
Computer software	1,283.05	0.31%	1,424.48	0.31%
Agro-based Industries				
Sugar	1,445.92	0.35%	1,361.44	0.30%
Food processing	2,187.57	0.53%	2,229.56	0.49%
Vegetable oils and vanaspati	379.74	0.09%	456.92	0.10%
Manufacturing Sector				
Mining (Including Coal)	6,709.16	1.63%	7,510.81	1.66%
Iron and steel	9,153.55	2.22%	12,724.39	2.81%
Other metal and metal products	2,927.65	0.71%	3,079.21	0.68%
Electronics	646.97	0.16%	596.35	0.13%
Electricity	1,372.68	0.33%	1,431.59	0.32%
Cotton textile	2,985.35	0.72%	2,382.64	0.53%
Jute textile	38.35	0.01%	54.56	0.01%
Other textiles	4,482.04	1.09%	4,031.31	0.89%
Tobacco and tobacco products	391.25	0.09%	344.72	0.08%
Paper and paper products	1,179.99	0.29%	1,093.01	0.24%
Rubber and rubber products	3,152.93	0.76%	3,257.57	0.72%
Chemicals, dyes, paints etc	903.35	0.22%	837.77	0.19%
Fertilizers	2,312.17	0.56%	2,766.28	0.61%
Drugs and pharmaceuticals	2,213.96	0.54%	2,324.31	0.51%
Petro-chemicals	733.52	0.18%	797.20	0.18%
Cement	1,538.63	0.37%	1,142.08	0.25%
Leather and leather products	444.35	0.11%	511.41	0.11%
Gems and jewelry	4,233.98	1.03%	3,614.30	0.80%
Construction	3,932.14	0.95%	4,209.09	0.93%

Category	As of September 30,			
	2022		2023	
	Amount	% of Total	Amount	% of Total
	(₹ crore, except percentages)			
Petroleum	6,045.12	1.47%	6,219.75	1.37%
Automobiles including trucks	2,811.47	0.68%	2,377.62	0.53%
Others				
Other industries	7,786.67	1.89%	9,369.31	2.07%
Residual advances to balance Gross advances	2,81,156.94	68.20%	3,17,768.18	70.20%
Total Gross Domestic Advances	**4,12,232.55**	**100.00%**	**4,52,641.46**	**100.00%**

As of September 30, 2023, the aggregate exposure of our twenty largest group borrowers (fund-based) amounted to ₹ 1,03,953.16 crore, representing 175.27% of our total capital, which comprises ₹ 50,676.20 crore Tier I and ₹ 8,633.36 crore Tier II capital. Our exposure to the single largest group borrower (fund-based) on such date was ₹ 9,758.94 crore, representing 16.45% of our total capital.

As of September 30, 2023, the aggregate exposure of our twenty largest individual borrowers (fund-based) amounted to ₹ 93,954.03 crore, representing 158.41% of our total capital, which comprises ₹ 50,676.20 crore Tier I and ₹ 8,633.36 crore Tier II capital. Our exposure to the single largest individual borrower (fund-based) on such date was ₹ 8,115.26 crore, representing 13.68% of our total capital.

Priority Sector Lending

The RBI has issued guidelines requiring Indian banks to lend 40% of their adjusted net bank credit (ANBC), as computed in accordance with such guidelines, or the credit equivalent amount of off-balance sheet exposures (CEOBE), whichever is higher, as of March 31 of the previous fiscal year to certain sectors called "Priority Sectors." Priority sectors are broadly comprised of agriculture, micro small and medium enterprises (MSMEs), export credit, education, housing, social infrastructure, renewable energy and others subject to certain limits.

Our Bank is required to comply with the priority sector lending requirements as of March 31, in each fiscal year. Any shortfall in the amount required to be lent to the priority sector may be required to be deposited with government sponsored Indian developmental banks such as NABARD under the Rural Infrastructure Development Fund Scheme or funds with other financial institutions as specified by RBI, which generate lower levels of interest compared to advances made to the priority sector.

The following table sets forth, for the periods indicated, our directed lending broken down by sector:

Particulars	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(₹ crore)				
Total Agriculture	59,007.00	66,418.09	72,378.85	69,667.48	77,225.74
MSME	57,267.49	62,398.23	68,678.55	64,290.38	71,216.39

Particulars	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(₹ crore)				
Education	2,304.13	2,181.26	2,205.76	2,216.97	2,286.54
Housing	20,207.09	20,481.04	21,054.93	20,885.31	21,026.10
Others	148.92	120.95	126.47	131.78	83.18
Total	**1,38,934.63**	**1,51,599.57**	**1,64,444.56**	**1,57,191.92**	**1,71,837.95**

Non-Performing Assets ("NPAs")

We have, in the past, suffered losses through impairment of loans as some borrowers were impacted by negative trends in the global market place, recessionary conditions in the domestic economy, increased competition and volatility in industrial growth and commodity prices. We have adopted several measures to refine our credit selection processes and appraisal capabilities. See also "— *NPA Reduction Strategy*."

The management of NPAs has been one of our focus areas. Towards this goal, we have focused on:

- identification and monitoring of Special Mention Accounts as per RBI guidelines in order to check the movement of Standard Assets into the NPA category, conducting regular reviews and taking quick corrective action;
- restructuring impaired standard accounts as well as viable NPAs, both under the Corporate Debt Restructuring ("**CDR**") scheme developed by the RBI as well as under the Bank's own scheme for limiting NPAs; and
- upgrading the Bank's assets.

The Bank's gross and net NPA ratios decreased from 13.77% and 3.35%, respectively, as of March 31, 2021 to 9.98% and 2.34%, respectively, as of March 31, 2022, 7.31% and 1.66%, respectively, as of March 31, 2023 and was 5.84% and 1.54%, respectively, as of September 30, 2023.

See "*Risk Factors — Risks Relating to the Bank's Business — An increase in the Bank's NPAs or provisioning requirements under the applicable RBI regulations could materially and adversely affect our business, financial condition, results of operations and cash flows.*" on page 46.

The following table sets forth, for the periods indicated, information about our NPA portfolio.

	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(₹ crore, except percentages)				
Gross NPAs	56,534.94	45,605.39	37,685.56	42,014.40	31,718.78
Specific provisions	44,040.70	35,753.47	29,631.95	33,178.21	23,740.51
Floating provisions	232.22	-	-	-	-

	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(₹ crore, except percentages)				
NPA net of provisions and nettable credits	12,262.02	9,851.93	8,053.61	8,836.18	7,978.27
Gross customer assets	4,10,435.57	4,57,013.65	5,15,852.48	4,93,814.44	5,43,128.31
Net customer assets	3,65,686.52	4,20,841.79	4,85,899.64	4,60,231.59	5,19,088.54
Gross NPAs/gross customer assets (%)	13.77%	9.98%	7.31%	8.51%	5.84%
Net NPAs/net customer assets (%)	3.35%	2.34%	1.66%	1.92%	1.54%
Specific provision as a percentage of gross NPAs	77.90%	78.40%	78.63%	78.97%	74.85%
Total provisions as a percentage of gross NPAs	77.90%	78.40%	78.63%	78.97%	74.85%
Provision cover (including prudential write-offs)	86.24%	87.76%	89.68%	88.96%	89.58%

Our net provisioning coverage ratio as of March 31, 2021, March 31, 2022, March 31, 2023 and September 30, 2022 and September 30, 2023, computed as per RBI guidelines, was 86.24%, 87.76%, 89.68%, 88.96% and 89.58%, respectively.

Provisions for NPAs

We believe we have been making adequate provisioning in order to contain asset quality in light of recent macro-economic conditions. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Factors Affecting Results of Operations and Financial Condition — Economic conditions*" on page 86. Our additions of specific provisions decreased by ₹ 9,437.70 crore, or 28.45%, from ₹ 33,178.21 crore for the six months ended September 30, 2022 to ₹ 23,740.51 crore for the six months ended September 30, 2023.

The following table sets forth, for the periods indicated, movements in our provisions against NPAs.

	As of/ For the Year Ended March 31,			As of/ For the Six Months Ended September 30,	
	2021	2022	2023	2022	2023
	(₹ crore)				
Specific Provisions					

	As of/ For the Year Ended March 31,			As of/ For the Six Months Ended September 30,	
	2021	2022	2023	2022	2023
	(₹ crore)				
Specific provisions at the beginning of the period	46,997.61	44,040.70	35,753.47	35,753.47	29,631.95
Additions during the period	6,612.54	2,942.95	3,601.85	1,968.89	1,422.00
Reductions during the period on account of recovery and write-offs	9,569.45	11,230.18	9,723.37	4,544.15	7,313.44
Specific provisions at the end of the period	44,040.70	35,753.46	29,631.95	33,178.21	23,740.51
Floating Provisions					
Floating provisions at the beginning of the period	232.22	232.22	-	-	-
Utilizations during the period	-	232.22	-	-	-
Floating provisions at the end of the period	232.22	-	-	-	-
Total specific and floating provisions at the end of the period	**44,272.92**	**35,753.46**	**29,631.95**	**33,178.21**	**23,740.51**

The following table sets forth the classification of our gross loan assets as of the dates indicated.

	As of/ For the Year Ended March 31,			As of/ For the Six Months Ended September 30,	
	2021	2022	2023	2022	2023
	(₹ crore)				
Standard	3,53,900.96	4,11,408.25	4,78,166.92	4,51,800.05	5,11,409.53
Non-performing assets	56,534.94	45,605.39	37,685.56	42,014.40	31,718.78
Sub-standard assets	6,630.35	4,365.69	4,984.33	4,178.00	5,611.16
Doubtful assets	27,919.91	21,921.99	15,105.96	17,574.67	14,962.51
Loss assets	21,984.68	19,317.71	17,595.27	20,261.72	11,145.11

Recognition of NPAs and Provisioning

RBI Classification and Provisioning Requirements

Our Bank classifies its assets in accordance with the RBI guidelines. The RBI guidelines require Indian banks to classify their NPAs into three categories, as described below, based on the period for which the asset has remained non-performing and the estimated realization of amounts due in relation to such asset. Further, the NPA classification is at the borrower level, rather than at the facility level and, accordingly, if one of the advances granted to a borrower becomes non-performing, such borrower is classified as non-performing and all advances due from it are so classified.

A non-performing asset is a loan or an advance where: (i) interest and/or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan; (ii) the account remains "out of order" in respect of an overdraft or cash credit; (iii) the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted; (iv) the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops; (v) the instalment of principal or interest thereon remains overdue for one crop season for long duration crops; (vi) the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of guidelines on a securitization dated February 1, 2006; or (vii) in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment. According to guidelines specified by RBI in April 2023, an account should be classified as an NPA on the basis of the record of recovery and not merely on deficiencies which are temporary in nature, such as non-renewal of limits on the due date or non-submission of stock statements.

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

Assets are classified as described below:

Standard asset	Performing assets are Standard Assets which do not disclose any problem and which do not carry more than the normal risk attached to the business. The performing asset is one which generates income for the bank.
Sub-standard asset	With effect from March 31, 2005, a Sub-standard Asset would be one which has remained a NPA for a period less than or equal to 12 months.
Doubtful asset	With effect from March 31, 2005, an account would be classified as doubtful if it had continuously remained in the sub-standard category for 12 months. Further, these doubtful assets are to be classified into the following three categories, depending on the period for which such assets have been classified as doubtful: • assets which have remained in the doubtful category for a period of up to one year; • assets which have remained in the doubtful category for a period of more than one year but less than three years; and • assets which have remained in the doubtful category for a period of more than three years.
Loss asset	In accordance with RBI guidelines, a loss asset is one where the loss has been identified by the bank, internal auditor, external auditors or the RBI at the time of inspection, but the amount has not been written off wholly. In cases of serious credit impairment, an asset is required to be immediately classified as doubtful or as a loss asset, as appropriate. Further, erosion in the value of the security provided may also be considered significant when the realizable value of the security is less than 50.00% of the value as assessed by the bank or as accepted by RBI at the time of the last inspection of the security, as the case may be. In such a case, the assets secured by such impaired security may immediately be classified as doubtful, and provisioning should be made as applicable to doubtful assets. If the realizable value of the security, as assessed by the bank or approved valuation agents or by RBI, is less than 10.00% of the outstanding amount in the borrower's accounts, the existence of security should be ignored and the asset should be immediately classified as a loss asset and it may be either written off or fully provided for by the bank.

The following table provides a summary of our gross loan assets as of the periods indicated, in accordance with RBI classifications.

	As of/ For the Year Ended March 31,			As of/ For the Six Months Ended September 30,	
	2021	2022	2023	2022	2023
			(₹ crore)		
Asset Category					
Standard assets	3,53,900.96	4,11,408.25	4,78,166.92	4,51,800.05	5,11,409.53
Sub-standard assets	6,630.35	4,365.69	4,984.33	4,178.00	5,611.16
Doubtful assets	27,919.91	21,921.99	15,105.96	17,574.67	14,962.51
Loss assets	21,984.68	19,317.71	17,595.27	20,261.72	11,145.11

The following table sets forth our provisions for possible credit losses at the dates indicated.

	As of/ For the Year Ended March 31,			As of/ For the Six Months Ended September 30,	
	2021	2022	2023	2022	2023
			(₹ crore, except percentages)		
Asset Category					
Provision held	44,040.70	35,753.46	29,631.95	33,178.21	23,740.51
Provision held as percentage of gross advances	10.73%	7.82%	5.74%	6.72%	4.37%
Provision held as percentage of gross NPAs	77.90%	78.40%	78.63%	78.97%	74.85%

Restructured Assets

The RBI has issued separate guidelines for restructured assets. A fully secured Standard Asset can be restructured by rescheduling principal repayments and/or the interest element, but it must be separately disclosed as a restructured asset. The amount of sacrifice, if any, in the element of interest, measured in present value terms, is either written-off, or provision is made to the extent of the sacrifice involved. Similar guidelines apply to sub-standard assets. The sub-standard accounts which have been subjected to restructuring, whether in respect of a principal instalment or an interest amount, are eligible to be upgraded to the standard category only after the specified period, which is a period of one year after the date when first payment of principal or interest, whichever is earlier, falls due, subject to satisfactory performance during the period.

The following table sets forth a summary of our restructured assets as of the corresponding dates:

	As of March 31,			As of September 30, 2023
	2021	2022	2023	
	(₹ crore)			
Total restructured amount	19,979.64	26,688.14	24,372.16	23,189.25
NPA	12,456.21	12,031.14	12,917.16	14,045.37
Standard	7,523.43	14,657.00	11,455.00	9,143.88

Provisioning and Write-Offs

RBI guidelines on provisioning and write-offs are as follows:

<table>
<tr><td>Standard asset</td><td>A general provision on Standard Assets with a minimum of 0.40% is to be made with the exception of direct advances to agriculture and SME sectors for which a provision of 0.25% will be made, and for residential housing loans under “teaser” loan category, a provision of 2.00% will be made. For commercial real estate loans, a provision of 1.00% will be made. Further, for restructuring accounts, a provision of 5.00% and 10.00% has to be provided based on the applicable restructuring circular.</td></tr>
<tr><td>Sub-standard asset</td><td>A general provision of 15.00% on total outstanding loans should be made without making any allowance for Export Credit Guarantee Corporation of India (ECGC) guarantee cover and securities available. The unsecured outstanding which are identified as sub-standard would attract an additional provision of 10.00% (i.e. a total of 25.00% on the outstanding balance).

Unsecured outstanding is defined as an outstanding where the realizable value of security, as assessed by the bank, the approved valuers and the RBI’s inspecting officers, is not more than 10.00%, ab-initio, of the outstanding. Security will mean tangible security properly discharged to the bank and will not include intangible securities such as guarantees and comfort letters.</td></tr>
<tr><td>Doubtful asset</td><td>Provisioning at 100.00% is to be made for the deficit portion i.e. to the extent to which advances are not covered by the realizable value of the security to which the Bank has a valid recourse and the realizable value is estimated on a realistic basis. With regard to the secured portion, as per the revised guidelines of the RBI, provision is to be made at rates ranging from 25% to 100.00% of the secured portion depending upon the period for which the advance has remained in the doubtful category. In regard to the secured portion, provision is to be made in accordance with the table below:
<table>
<tr><th>Period for which advance remained in “Doubtful” category</th><th>Provision requirement (%)</th></tr>
<tr><td>Up to one year</td><td>25</td></tr>
<tr><td>One to three years</td><td>40</td></tr>
<tr><td>More than three years</td><td>100</td></tr>
</table></td></tr>
<tr><td>Loss asset</td><td>The entire asset is written off or 100.0% provision is made on outstanding amount.</td></tr>
</table>

See “*Regulations and Policies — RBI Regulations — Provision for Loan Losses and NPAs — Provisioning and Write-Offs.*” on page 224.

Floating Provisions

In June 2006, the RBI issued prudential norms on creation and utilization of floating provisions (i.e., provisions which are not made in respect of specific NPAs or are made in excess of regulatory requirements for provisions for Standard Assets). The norms state that floating provisions can be used only for contingencies under extraordinary circumstances for making specific provisions in impaired accounts after obtaining approval from the Board of Directors and with the prior permission of the RBI. These extraordinary circumstances would broadly fall under three categories: (i) general, wherein the bank is put unexpectedly to loss due to events such as civil unrest, collapse of currency in a country, natural calamities, pandemics etc; (ii) market, wherein there is a general meltdown in the markets affecting the entire financial system; and (iii) credit, wherein exceptional credit losses are encountered. Floating provisions for advances and investments would be held separately and cannot be reversed by credit to the profit and loss account. Until utilization of such provisions, they can be netted out from gross NPAs to arrive at disclosure of net NPAs. Alternatively, floating provisions can be treated as part of Tier II capital within the overall ceiling of 1.25% of total risk-weighted assets.

Analysis of Non-Performing Loans by Industry Sector

The following tables set forth, for the periods indicated, our domestic NPAs, by borrowers' industry or economic activity and as a percentage of its loans in the respective industry or economic activities sector. These figures do not include credit substitutes.

Name of the Industry	As of March 31,								
	2021			2022			2023		
	Gross Loans	NPA	Percentage of NPA in Industry	Gross Loans	NPA	Percentage of NPA in Industry	Gross Loans	NPA	Percentage of NPA in Industry
	(₹ in crore, except percentages)								
Mining and quarrying (incl. coal)	1,146.18	123.35	10.76%	1,311.19	111.86	8.53%	4,371.42	46.75	1.07%
Food Processing	4,237.88	1,441.18	34.01%	3,987.81	1,323.41	33.19%	4,034.78	1,231.34	30.52%
Sugar	2,064.03	265.98	12.89%	1,763.89	208.71	11.83%	1,618.52	175.96	10.87%
Edible oils and vanaspati	298.49	252.66	84.65%	324.71	296.00	91.16%	433.68	285.46	65.82%
Tea	4.90	-	0.00%	-	-	0.00%	-	-	0.00%
Others — Food Processing	1,870.47	922.53	49.32%	1,899.21	818.69	43.11%	1,982.58	769.91	38.83%
Beverage And Tobacco	255.27	63.90	25.03%	237.70	13.30	5.59%	293.09	3.99	1.36%
Textiles	6,403.80	2,527.77	39.47%	5,487.73	1,861.59	33.92%	5,282.07	1,433.92	27.15%
Cotton Textiles	2,612.39	1,142.60	43.74%	2,489.49	1,138.66	45.74%	2,034.69	725.39	35.65%
Jute Textiles	111.27	62.63	56.29%	63.10	9.44	14.96%	47.34	4.28	9.03%
Other Textiles	3,680.14	1,322.53	35.94%	2,935.14	713.49	24.31%	3,200.05	704.25	22.01%
Leather And Leather Products	379.32	62.23	16.41%	372.63	174.42	46.81%	421.01	168.23	39.96%
Wood And Wood	363.12	58.28	16.05%	362.59	65.71	18.12%	348.43	49.78	14.29%

Name of the Industry	As of March 31,								
	2021			2022			2023		
	Gross Loans	NPA	Percentage of NPA in Industry	Gross Loans	NPA	Percentage of NPA in Industry	Gross Loans	NPA	Percentage of NPA in Industry
	(₹ in crore, except percentages)								
Products									
Paper And Paper Products	1,043.35	351.41	33.68%	867.73	170.45	19.64%	1,041.59	148.32	14.24%
Petroleum, Coal Products and Nuclear Fuels	1,678.79	99.08	5.90%	3,594.72	47.70	1.33%	7,629.31	22.77	0.30%
Chemicals and Chemical Products	3,950.77	780.46	19.75%	4,607.23	330.88	7.18%	5,341.55	256.31	4.80%
Fertilizer	1,693.20	234.54	13.85%	1,914.53	4.23	0.22%	2,529.68	17.04	0.67%
Drugs and Pharmaceuticals	906.04	167.65	18.50%	1,479.28	104.35	7.05%	1,454.88	57.37	3.94%
Petro Chemicals	592.13	116.94	19.75%	648.49	80.15	12.36%	642.60	50.66	7.88%
Others — Chemicals	759.40	261.33	34.41%	564.94	142.15	25.16%	714.40	131.24	18.37%
Rubber, Plastics and their Products	1,644.30	182.16	11.08%	2,985.84	153.84	5.15%	2,942.27	222.19	7.55%
Glass and Glass Ware	111.33	11.28	10.13%	94.54	11.25	11.90%	77.43	18.49	23.88%
Cement and Cement Products	1,353.08	119.57	8.84%	1,305.77	108.95	8.34%	1,041.09	154.17	14.81%
Basic Metal and Metal Products	12,332.88	1,619.13	13.13%	8,537.57	1,024.55	12.00%	12,381.27	1,047.15	8.46%
Iron and Steel	9,993.30	714.42	7.15%	6,169.05	307.13	4.98%	10,002.44	377.35	3.77%
Other Metal and metal Products	2,339.58	904.71	38.67%	2,368.52	717.41	30.29%	2,378.84	669.80	28.16%
All Engineering	2,631.21	797.69	30.32%	2,363.46	488.43	20.67%	2,224.86	364.72	16.39%
Electronics	211.80	91.51	43.20%	182.41	49.36	27.06%	141.20	27.04	19.15%
Others — Engineering	2,419.41	706.18	29.19%	2,181.05	439.07	20.13%	2,083.66	337.68	16.21%
Vehicles, Vehicle Parts and Trans. Equip	1,498.69	476.32	31.78%	1,206.28	476.63	39.51%	1,110.58	410.49	36.96%
Gems and Jewellery	3,098.87	1,101.07	35.53%	3,183.44	1,081.90	33.99%	2,555.69	527.03	20.62%
Construction	4,217.64	667.37	15.82%	3,447.17	570.64	16.55%	3,250.11	440.49	13.55%
Infrastructure	49,864.93	5,874.35	11.78%	56,159.02	4,466.21	7.95%	55,346.24	2,853.80	5.16%
Power (Including	34,468.11	2,183.56	6.34%	40,090.15	1,907.06	4.76%	37,667.78	989.93	2.63%

Name of the Industry	As of March 31,								
		2021			2022			2023	
	Gross Loans	NPA	Percentage of NPA in Industry	Gross Loans	NPA	Percentage of NPA in Industry	Gross Loans	NPA	Percentage of NPA in Industry
	(₹ in crore, except percentages)								
Electricity).									
Telecommunication	142.11	96.69	68.04%	83.32	60.20	72.25%	98.91	60.90	61.57%
Roads and Ports	10,850.69	2,506.03	23.10%	12,234.43	2,004.17	16.38%	12,432.21	1,422.59	11.44%
Other Infrastructure	4,404.01	1,088.07	24.71%	3,751.11	494.78	13.19%	5,147.33	380.37	7.39%
Other Industries	4,285.82	1,393.92	32.52%	3,853.77	627.16	16.27%	5,855.53	463.74	7.92%
Total	**1,00,497.23**	**17,750.54**	**17.66%**	**1,03,966.19**	**13,108.90**	**12.61%**	**1,15,548.33**	**9,863.68**	**8.54%**

Industry	As of September 30,					
		2022			2023	
	Gross Loans	NPA	Percentage of NPA in Industry	Gross Loans	NPA	Percentage of NPA in Industry
	(₹ crore, except percentages)					
Mining and quarrying (incl. coal)	4,619.21	46.04	1.00%	5,440.62	40.94	0.75%
Food Processing	3,467.31	1,300.89	37.52%	3,605.08	1,130.15	31.35%
Sugar	1,093.98	202.58	18.52%	1,032.92	154.48	14.96%
Edible oils and vanaspati	353.69	285.46	80.71%	430.87	228.36	53.00%
Others — Food Processing	2,019.64	812.86	40.25%	2,141.29	747.32	34.90%
Beverage And Tobacco	181.46	3.65	2.01%	188.45	4.07	2.16%
Textiles	5,497.20	1,765.25	32.11%	4,459.07	1,032.36	23.15%
Cotton Textiles	2,275.10	1,057.41	46.48%	1,661.29	445.88	26.84%
Jute Textiles	31.11	4.40	14.13%	46.69	3.84	8.23%
Other Textiles	3,190.98	703.43	22.04%	2,751.09	582.63	21.18%
Leather And Leather Products	386.01	176.19	45.64%	458.83	166.67	36.33%
Wood And Wood Products	343.39	51.20	14.91%	417.94	43.86	10.50%
Paper And Paper Products	898.25	141.64	15.77%	1,026.78	138.17	13.46%

Industry	As of September 30,					
	2022			2023		
	Gross Loans	NPA	Percentage of NPA in Industry	Gross Loans	NPA	Percentage of NPA in Industry
	(₹ crore, except percentages)					
Petroleum, Coal Products and Nuclear Fuels	5,536.82	40.77	0.74%	5,803.09	13.11	0.23%
Chemicals and Chemical Products	5,205.74	242.65	4.66%	5,831.62	226.23	3.88%
Fertilizer	2,263.05	4.62	0.20%	2,765.44	17.16	0.62%
Drugs and Pharmaceuticals	1,586.91	54.18	3.41%	1,720.12	32.09	1.87%
Petro Chemicals	650.39	58.67	9.02%	707.01	41.89	5.93%
Others — Chemicals	705.39	125.19	17.75%	639.05	135.08	21.14%
Rubber, Plastics and their Products	2,955.56	214.25	7.25%	3,057.27	208.11	6.81%
Glass and Glass Ware	72.39	16.92	23.37%	73.79	14.23	19.28%
Cement and Cement Products	1,378.50	150.07	10.89%	1,024.68	148.37	14.48%
Basic Metal and Metal Products	9,754.05	1,042.76	10.69%	13,613.37	976.21	7.17%
Iron and Steel	7,445.21	390.92	5.25%	11,174.72	374.19	3.35%
Other Metal and metal Products	2,308.84	651.84	28.23%	2,438.65	602.03	24.69%
All Engineering	2,279.36	362.75	15.91%	2,294.12	326.78	14.24%
Electronics	165.51	22.60	13.65%	134.16	8.91	6.64%
Others — Engineering	2,113.85	340.15	16.09%	2,159.96	317.87	14.72%
Vehicles, Vehicle Parts and Trans. Equip	1,147.27	429.19	37.41%	1,015.14	246.17	24.25%
Gems and Jewellery	2,799.16	532.65	19.03%	2,199.02	495.46	22.53%
Construction	3,300.81	441.08	13.36%	3,588.71	417.82	11.64%
Infrastructure	56,354.81	2,872.50	5.10%	54,822.92	1,917.65	3.50%
Power (Including Electricity)	38,667.41	991.03	2.56%	37,220.85	595.74	1.60%
Telecommunication	95.08	60.14	63.25%	88.10	60.91	69.14%
Roads and Ports	12,200.80	1,489.20	12.21%	12,222.27	883.11	7.23%

Industry	As of September 30,					
	2022			2023		
	Gross Loans	NPA	Percentage of NPA in Industry	Gross Loans	NPA	Percentage of NPA in Industry
	(₹ crore, except percentages)					
Other Infrastructure	5,391.52	332.12	6.16%	5,291.70	377.90	7.14%
Other Industries	5,029.05	533.06	10.60%	6,066.42	572.51	9.44%
Total	**1,11,206.35**	**10,363.49**	**9.32%**	**1,14,986.92**	**8,118.87**	**7.06%**

Top Ten Non-Performing Corporate Loans

The following table sets forth information regarding our 10 largest NPAs, classified by industry sector, as well as the value of the collateral securing the loan, as of September 30, 2023. However, the net realizable value of such collateral may be substantially less, if anything. See "*Risk Factors — If borrowers who have availed secured loans default, there may be delays and difficulties in enforcing the sale of collateral and we may be unable to recover the expected value of the collateral, which could have an adverse effect on our business, financial condition, results of operations and cash flows*." on page 46.

Industry	Type of Banking Arrangement	Gross Principal Outstanding	Provisions	Principal Outstanding Net of Provisions for Credit Losses	Security
			(₹ crore)		
Telecom Services	Multiple Arrangement	644.00	644.00	-	216.28
NBFC-general purpose loans	Consortium	510.14	510.14	-	387.61
NBFC- Housing	Consortium	377.37	377.37	-	376.59
Retail Trade	Consortium	317.58	311.23	6.35	-
Aviation	Consortium	263.45	263.45	-	36.95
Iron and Steel	Consortium	241.51	241.51	-	64.54
Infrastructure-Road	Consortium	224.07	89.63	134.44	263.12
Infrastructure-Real Estate	Consortium	224.07	224.07	-	170.98
Food Processing	Multiple Arrangement	190.37	190.37	-	75.05
Metal Products	Consortium	184.68	184.68	-	31.92
Total		**3,177.24**	**3,036.45**	**140.79**	**1,623.04**

Restructuring of Debts

Our NPAs are restructured on a case-by-case basis after it is determined that restructuring is the preferred mode of maximizing realization of the loan. These loans continue to be on a non-accrual basis and are reclassified as performing loans only after sustained performance under the loan's renegotiated terms for a period of at least one year.

Management of Stressed Assets

An integrated approach to review and manage stressed assets including rehabilitation and restructuring has been put in place. The primary intent in the approach is to ensure that a Special Mentioned Account ("**SMA**") (account showing sign of trouble) does not slip into an NPA. Identification, determination of the cause of the problem and initiation of remedial measures on a proactive basis are the hallmarks of this approach. A separate vertical, stressed assets management vertical has been established in order to review the stressed assets on an on-going basis. The appropriate reviewing authority would give necessary directions on the recommended action plan. Based on a detailed viability study, if the unit is found viable, it is put on a rehabilitation package. Borrowing accounts may also be referred to the NCLT on a selective basis for resolution.

NPA Reduction Strategy

Monitoring our credit portfolio is essential in order to maintain and improve asset quality and to minimize credit risks. The main objective of these credit monitoring efforts is to ensure compliance of sanction terms and manage the use of funds. Our Bank has to further ensure that these assets remain at normal levels, and seek to reduce identified distressed accounts, as well as to take corrective action to prevent slippage of the accounts from standard to sub-standard. Our Bank has been using various tools and methods for identifying and monitoring distressed accounts with signs of weakness /potential default/ delinquencies to ensure good asset quality coupled with effective containment of probable slippages.

Tools for efficient monitoring and control process:

Early Warning Signal

A fully tech-based EWS solution has been implemented in the Bank since August 2020. Our EWS is fully automated solution with in-built well-defined workflow. Alerts are generated based on both internal (CBS and Rating Data) and External Data (MCA, CIC, among others). The alerts generated help us identify possible weakness and initiate timely remedial measures. This also helps us identify possible fraud, and the system also allows the branches to closely monitor accounts as needed.

CRILC Reporting

Identification of the accounts in SMA category triggers, mitigating steps such as follow-up for regularization and restructuring. Distressed accounts with credit limits of ₹ 5.00 crore and above are reported to the RBI on a weekly basis using the CRILC platform, in line with RBI guidelines.

System Asset Classification (SASCL)

The Bank uses a predictive program to identify the probable slippages showing overdue of more than a two month period, based on records of recovery as well as of accounts showing technical irregularities such as no submission of Stock/QIS statement over three months, insufficient/ no credit in CC accounts, and other factors. This may cause downgrading of accounts if timely corrective action is not taken. These accounts are monitored specifically by various verticals for containment of downgrading of standard assets.

Credit Process Audit

The Bank uses a Credit Process Audit is to ensure that credit is granted in compliance with set terms, and that the disbursing officer, before parting with the banks funds, has taken all necessary measures for creation/perfection of security with a view to ensure enforceability of the said securities. Now, CPA is integrated as a part of the Finacle system used to monitor such processes in real-time.

Stock Audit

The Bank ensures timely conduct of stock and receivables audits in eligible accounts, and takes active/preventive steps wherever warranted. The stock audit is applicable mostly for standard advance accounts having working capital exposure of ₹5.00 crore and above. These audits are required to be conducted annually. Assets showing inherent signs of weakness, such as out of order position, overdue bills under letters of credit, invocation of guarantees, review overdue, or which otherwise pose a threat to the bank's asset quality, are reviewed with relevant parties.

Daily marking of NPA

We have migrated to daily marking of NPA since April 15, 2021. This is to allow us to have more transparency in the identification of non-performing assets and to comply with regulatory guidelines.

Other monitoring tools

We have:

- centralized monitoring of pre-and post-disbursement terms and procedures, in order to improve compliance with regulations;
- appointed ASMs for specialized monitoring in accounts of ₹ 250 crore and above;
- put policies in place for the red-flagging of accounts where there are risks of fraud, and to report such accounts as necessary; and

adopted strategies for the recovery of non-performing assets and written-off accounts through the activation of Asset Recovery Branches, staff at grass root levels. See "*Risk Factors - An increase in the Bank's NPAs or provisioning requirements under the applicable RBI regulations could materially and adversely affect our business, financial condition, results of operations and cash flows*" on page 46.

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available documents from various sources and has not been prepared or independently verified by the Bank, the Book Running Lead Managers or any of their affiliates or advisers. Data in this section may have been re-classified by us for the purposes of presentation. The accuracy and completeness of the industry sources and publications referred to by us, and the underlying assumptions on which such sources and publications are based, are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Further, statements in this section that are not statements of historical fact constitute "forward- looking statements". Such forward-looking statements are subject to various risks, assumptions and uncertainties and certain factors could cause actual results to materially differ. Accordingly, prospective investors should not base their investment decision, or otherwise place undue reliance, on this information.

Global Macroeconomic Outlook

The global economy continues to recover slowly from the blows of the pandemic, Russia's invasion of Ukraine, and the cost of living crisis. In retrospect, the resilience has been remarkable. Despite the disruption in energy and food markets caused by the war, and the unprecedented tightening of global monetary conditions to combat decades high inflation, the global economy has slowed, but not stalled. Global activity bottomed out at the end of last year while inflation—both headline and underlying (core)—is gradually being brought under control. *(Source: World Economic Outlook Update: Navigating Global Divergences, October 2023)*

Headline inflation continues to decelerate, from 9.2% in 2022, on a year-over-year basis, to 5.9% this year and 4.8% in 2024. As a result, projections are increasingly consistent with a "soft landing" scenario, bringing inflation down without a major downturn in activity. But important divergences are appearing. The slowdown is more pronounced in advanced economies than in emerging market and developing ones. *(Source: World Economic Outlook Update: Navigating Global Divergences, October 2023)*

Global growth is projected to fall from an estimated 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024. While the forecast for 2023 is modestly higher, it remains weak by historical standards. *(Source: World Economic Outlook Update: Global Divergences, October 2023)*

Indian Economy

The Indian economy's GDP at current prices for Fiscal 2023 is estimated at ₹ 272.41 trillion, as against ₹ 234.71 trillion for Fiscal 2022, showing a growth of 16.1%. (*Source: Ministry of Statistics and Programme Implementation, Press note May 31, 2023*). India has become the fifth largest economy in the world, surpassing the UK and France. (*Source: World Bank GDP Ranking 2022*)

Amidst strong global headwinds, the Indian economy is expected to have recorded a growth of 7.0% in real GDP in Fiscal 2023. A sustained recovery in discretionary spending, particularly in contact intensive services, restoration of consumer confidence, high festival season spending after two consecutive years of COVID-19 induced isolation and the government's thrust on capex provided impetus to the growth momentum. In the second half of the year, however, the pace of year-on-year growth moderated because of unfavourable base effects, weakening private consumption demand caused by high inflation, slowdown in export growth and sustained input cost pressures. (*Source: RBI, Annual Report 2022-2023*).

Like many other economies, India also experienced a surge in inflation during Fiscal 2023, primarily reflecting the impact of overlapping global supply shocks and pass-through of higher input costs. The sharp increase in global prices of crude oil, food, fertilisers and metals, along with renewed supply disruptions in the aftermath of the war, exerted broad-based price pressures during the first half of the year. As a result, inflation reached a peak of 7.8% in April 2022. Following gradual normalisation of global supply chains, softening global commodity prices, targeted supply management measures by the government and successive hikes in the policy repo rate by the Reserve Bank, inflation moderated in the second half of the year. Overall, headline inflation increased to 6.7% in Fiscal 2023 from 5.5% in Fiscal 2022 (*Source: RBI, Annual Report 2022-2023*).

India's real GDP growth forecast for 2023-24 is 6.2% and is expected to grow by 6.3% in 2024-2025. (*Source: RBI, Survey of Professional Forecasters on Macroeconomic Indicators - Results of the 84th Round, September, 2023*) The per capita net national income (at 2011-2012 prices) during Fiscal 2023 is estimated to attain a level of ₹ 98,374 as compared to ₹ 92,583 in Fiscal 2022, reflecting growth of 6.3% during Fiscal 2022, as against 7.6% in the previous year. The per capita net national income at current prices during Fiscal 2023 is estimated to be ₹ 172,276 reflecting growth of 16.0%, as compared to ₹ 148,524 during Fiscal 2022. (*Source: Press Note on First Advance Estimates of National Income 2022-23, National Statistical Office, Ministry of Statistics and Programme Implementation, Government of India dated May 31, 2023*) The Quick Estimates of Index of Industrial Production with base 2011-2012 for the month of September 2023 was at 141.6 as compared to 142.5 and 145.1 for July 2023 and August 2023, respectively. (*Source: Quick Estimates of Index of Industrial Production and Use-Based Index for the Month of September, 2023, National Statistical Office, Ministry of Statistics and Programme Implementation, Government of India dated November 10, 2023*) Fiscal deficit was ₹ 1,584,521 crore (actuals) in Fiscal 2022, and based on revised estimates was ₹ 1,755,319 crore in Fiscal 2023. Based on budget estimates, fiscal deficit is expected to be ₹ 1,786,816 crore in Fiscal 2024. Disinvestment receipts amounted to ₹ 13,627 crore and ₹ 35,293 crore (actuals) in Fiscal 2022 and Fiscal 2023, respectively. Based on budget estimates, disinvestment receipts are expected to be ₹ 51,000 crore in Fiscal 2024. (*Source: Union Budget 2023-24, Budget at a Glance, https://dipam.gov.in/past-disinvestment*)

The Ministry of Statistics and Programme Implementation ("**MoSPI**") published the CPI (general) inflation for the month of October 2023 (provisional) which stood at 4.87% (rural and urban combined), and for the month of September 2023 (final) which stood at 5.02% (rural and urban combined). (*Source: Ministry of Statistics and Programme Implementation, Press Release on Consumer Price Index, November 13, 2023*) The professional forecasters, as surveyed by the RBI, see CPI inflation at 5.5% for Fiscal 2024 and to moderate to 4.7% in Fiscal 2025. (*Source: RBI, Survey of Professional Forecasters on Macroeconomic Indicators - Results of the 84th Round, September, 2023*)

In the Monetary Policy Committee Meeting held in August 2023 the committee, basis of an assessment of the current and evolving macroeconomic situation, decided to keep the policy repo rate under the liquidity adjustment facility ("**LAF**") unchanged at 6.50%. Consequently, the standing deposit facility ("**SDF**") rate remained unchanged at 6.25% and the marginal standing facility ("**MSF**") rate and the Bank Rate at 6.75%. These decisions were made with the objective of achieving the medium-term target for CPI inflation of 4% within a band of +/- 2%, while supporting growth. (*Source: Reserve Bank of India, Resolution of the Monetary Policy Committee (MPC) October 4-6, 2023*)

Real gross domestic product ("**GDP**") posted a growth of 7.8 per cent year-on-year in the first quarter of Fiscal 2024, underpinned by private consumption and investment demand. South-west monsoon rainfall recovered during September and ended 6 per cent below the long period average. The acreage under kharif crops was 0.2 per cent higher than a year ago. The index of industrial production rose by 5.7 per cent in July; core industries output expanded by 12.1 per cent in August. Purchasing managers' indices ("**PMIs**") and other high frequency indicators of the services sector exhibited healthy expansion in August-September. On the demand front, urban consumption is buoyant while rural demand is showing signs of revival. Investment activity is benefitting from public sector capex. Strong growth is seen in steel consumption, cement production as well as in imports and production of capital goods. Merchandise exports and non-oil non-gold imports remained in contraction in August, although the pace of decline eased. Services exports improved in August. (*Source: Reserve Bank of India, Resolution of the Monetary Policy Committee (MPC) October 4-6, 2023*)

Growth Outlook

The near-term inflation outlook is expected to improve on the back of vegetable price correction and the recent reduction in LPG prices. The future trajectory will be conditioned by a number of factors like lower area sown under pulses, dip in reservoir levels, El Niño conditions and volatile global energy and food prices. According to the Reserve Bank's enterprise surveys, manufacturing firms expect higher input cost pressures but marginally lower growth in selling prices in the third quarter compared to the previous quarter. Services and infrastructure firms expect a moderation in growth of input costs and selling prices. Taking into account these factors, CPI inflation is projected at 5.4% for Fiscal 2024, with the second quarter of Fiscal 2024 at 6.4%, third quarter of Fiscal 2024 at 5.6% and fourth quarter of Fiscal 2024 at 5.2%, with risks evenly balanced. CPI inflation for the first quarter of Fiscal 2025 is projected at 5.2%. (*Source: Reserve Bank of India, Resolution of the Monetary Policy Committee (MPC) October 4-6, 2023*)

Domestic demand conditions are expected to benefit from the sustained buoyancy in services, revival in rural demand, consumer and business optimism, the government's thrust on capex, and healthy balance sheets of banks and corporates. Headwinds from global factors like geopolitical tensions, volatile financial markets and energy prices, and climate shocks pose risks to the growth outlook. Taking all these factors into consideration, real GDP growth for Fiscal 2024 is projected at 6.5%, with the second quarter of Fiscal 2024 at 6.5%, the third quarter of Fiscal 2024 at 6.0%, and the fourth quarter of Fiscal 2024 at 5.7%, with risks evenly balanced. Real GDP growth for the first quarter of Fiscal 2025 is projected at 6.6%. (*Source: Reserve Bank of India, Resolution of the Monetary Policy Committee (MPC) October 4-6, 2023*)

Indian Banking Authority

The RBI was established on April 1, 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934. The Central Office of the RBI was initially established in Calcutta but was permanently moved to Mumbai in 1937. The Central Office is where the Governor sits and where policies are formulated. Though originally privately owned, since nationalization in 1949, the RBI has been fully owned by the GoI. The RBI performs a supervisory function under the guidance of the Board for Financial Supervision. The Board was constituted in November 1994 as a committee of the Central Board of Directors of the RBI. (*Source: RBI, About Us https://www.rbi.org.in/Scripts/AboutusDisplay.aspx#MF*).

Impact of Liberalization on the Indian Financial Sector

Until 1991, the financial sector in India was heavily controlled and commercial banks and long-term lending institutions had mutually exclusive roles and objectives, operating in a largely stable environment with little to no competition. Long-term lending institutions were focused on achieving the GoI's various socioeconomic objectives, including balanced industrial growth and employment creation, especially in areas requiring development. Long-term lending institutions were extended access to long-term funds at subsidized rates through loans and equity from the GoI, funds guaranteed by the GoI originating from commercial banks in India and foreign currency resources from multilateral and bilateral agencies. The focus of commercial banks was primarily to mobilise household savings through demand and time deposits and to use these deposits to meet the short-term financial needs of borrowers in industry, trade and agriculture. In addition, commercial banks provided a range of banking services to individuals and business entities. (*Source: RBI Circular on Approach to Universal Banking dated April 28, 2001 http://www.rbi.org.in/scripts/NotificationUser.aspx?Mode=0&Id=368#anx1*).

However, since 1991, there have been comprehensive changes in the Indian financial system. Various financial sector reforms have transformed the operating environment of banks and long-term lending institutions. In particular, the deregulation of interest rates, the emergence of a liberalised domestic capital market and the entry of new private sector banks, along with the broadening of long-term lending institutions' product portfolios, have progressively intensified the competition between banks and long-term lending institutions. The RBI has permitted the transformation of long-term lending institutions into banks subject to compliance with the prudential standards applicable to banks. (*Source: RBI Circular on Approach to Universal Banking dated April 28, 2001 http://www.rbi.org.in/scripts/NotificationUser.aspx?Mode=0&Id=368#anx1*).

Introduction to the Indian Financial Sector

The RBI, the central banking and monetary authority of India, is the central regulatory and supervisory authority for the Indian financial system. A variety of financial intermediaries in the public and private sectors participate in India's financial sector, including (i) commercial banks, comprising: private sector banks, RRBs, public sector banks ("**PSB**s"), foreign banks, co-operative banks, small finance banks and payment banks; (ii) long-term lending institutions; (iii) NBFCs, including HFCs; (iv) other specialized financial institutions and state-level financial institutions; (v) insurance companies; (vi) micro-finance companies; and mutual funds.

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

Scheduled Commercial Banks

Scheduled commercial banks in India have traditionally focused on meeting the short-term financial needs of industry, trade and agriculture. In recent years, they have also focused on increasing long-term financing to sectors like infrastructure. Scheduled commercial banks are banks that are listed in the second schedule to the RBI Act and are further categorized as public sector banks, private sector banks, small finance banks, payments banks, regional rural banks and foreign banks. (*Source: RBI available at https://m.rbi.org.in/scripts/bs_viewcontent.aspx?Id=3657, accessed in November 2023*)

Public Sector Banks

Public sector banks are SCBs with significant government shareholding. PSBs constitute the largest category of banks in the Indian banking system. These include the 12 nationalised banks, as of November 2023 (*Source: RBI, List of SCBs, Accessed in November 2023*)

In Fiscal 2020, the GoI announced several additional amalgamations of public banks: the amalgamation of Canara Bank with Syndicate Bank; the amalgamation of United Bank of India and Oriental Bank of Commerce with Punjab National Bank; the amalgamation of Andhra Bank and Corporation Bank with Union Bank of India; and the amalgamation of Allahabad Bank with our Bank, all of which were effective from April 1, 2020. Following these amalgamations, the number of PSBs is 12, down from 27 as at March 31, 2017.

Private Sector Banks

Most large banks in India were nationalised in 1969, resulting in PSBs making up the largest portion of Indian banking. The GoI's focus on PSBs was maintained throughout the 1970s and 1980s. In addition, existing private sector banks that showed signs of an eventual default were merged with state-owned banks. In July 1993, as part of the banking reform process and as a measure to induce competition in the banking sector, the RBI permitted entry of the private sector into the banking system. This resulted in the introduction of private sector banks. (*Source: Banking Law and Practice by Mishra Sukhvinder, Chapter 5: Commercial Banks, p. 176*) As of November 2023, there were a total of 21 private banks. (*Source: RBI, List of SCBs, November 2023*)

Foreign Banks

According to the RBI, there were 45 foreign banks operating in India as of November 2023. (*Source: RBI, List of SCBs, November 2023*) Foreign banks may operate in India by establishing wholly owned subsidiaries, which are allowed to raise rupee resources through the issue of non-equity capital instruments, as allowed to domestic banks. In addition, wholly owned subsidiaries of foreign banks may be allowed to open branches in Tier 1 to Tier 6 centres except at specified locations considered sensitive for national security reasons. Establishment of a wholly owned subsidiary would require approval of the RBI which would be subject to various factors including economic and political relations with the parent bank's country of incorporation and reciprocity with the parent bank's home country. The regulatory framework for a subsidiary of a foreign bank is substantially similar to the regulatory framework applicable to domestic banks, including with respect to management, directed lending, investments and branch expansion. Wholly owned subsidiaries of foreign banks may, after further review, be permitted to enter into merger and acquisition transactions with Indian private sector banks, subject to adherence to the foreign ownership limit of 49% under the automatic route and 74% under the government approval route that is currently applicable to Indian private sector banks. (*Source: RBI - Scheme for Setting up of Wholly Owned Subsidiaries (WOS) by foreign banks in India and Consolidated FDI Policy notified by the DPIIT under DPIIT File Number 5(2)/2020- FDI Policy dated the October 15, 2020, effective from October 15, 2020*).

Co-operative Banks

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

According to the RBI, there are 34 state co-operative banks, 49 scheduled urban co-operative banks and 1434 non-scheduled urban co-operative banks. (*Source: RBI. List of Co-operative Banks, November 2023*).

Non-Banking Financial Companies

The primary activities of the non-banking financial companies are providing consumer credit, including automobile finance, home finance and consumer durable products finance, factoring, microfinance, wholesale finance products such as bill discounting for small and medium companies and infrastructure finance, and fee-based services such as investment banking and underwriting. All non-banking financial companies are required to register with the RBI.

Depending upon the line of activity, NBFCs are categorised into different types such as Asset Finance Company, Loan Company, Infrastructure Finance Company, securitisation/asset reconstruction companies, Investment Company, (Systemically Important) Core Investment Company, Infrastructure Debt Fund – NBFC, NBFC – Micro Finance Institution, NBFC – Factors, Mortgage Guarantee Companies, NBFC – Non-Operative Financial Holding Company. *(Source: RBI, Discussion Paper on Wholesale & Long-Term Finance Banks, April 2017)*

There were 9,356 NBFCs registered with the RBI as at September 30, 2023, of which 26 were deposit accepting ("**NBFCs-D**") and 507 were systemically important non-deposit accepting NBFCs ("**NBFCs-ND-SI**"). (*RBI available at https://rbi.org.in/Scripts/BS_NBFCList.aspx, accessed November 2023*).

As per the framework for scale-based regulation for NBFCs by RBI released on 22 October 2021, regulatory structure for NBFCs shall comprise of four layers based on their size, activity and perceived riskiness. NBFCs in the lowest layer shall be known as NBFC - Base Layer (NBFC-BL). NBFCs in middle layer and upper layer shall be known as NBFC - Middle Layer (NBFC-ML) and NBFC - Upper Layer (NBFC-UL) respectively. The Top Layer is ideally expected to be empty and will be known as NBFC - Top Layer (NBFC-TL). (*RBI available at https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0*)

Housing Finance Companies

Housing finance companies (HFCs) are specialised institutions which extend housing credit, along with SCBs. Effective August 9, 2019 HFCs are being regulated as a category of NBFCs, after the transfer of regulation of HFCs to the Reserve Bank by amendment of the NHB Act, 1987.

Furthermore, with a view of harmonising the regulations between HFCs and NBFCs in a phased manner, HFCs have undergone several legislative/regulatory changes. As of Oct-23 there were 95 HFCs, of which only 12 were deposit taking entities *(Source: NHB available at https://nhb.org.in/list-of-companies/, accessed November 2023)*

Microfinance Institutions

Microfinance institutions form a distinct sub-group of non-banking financial companies. They focus on providing access to small-scale financial services, especially to the poor, and play an important role in delivering credit to people at the bottom of the economic pyramid. Microfinance institutions differ from other financial service providers as they do not depend on grants or subsidies to provide unsecured loans to borrowers with low incomes and no access to the mainstream banking system. They encompass a host of financial institutions engaged in advancing loans to low-income groups. The essential features of microfinance loans are that they are of small amounts, have short tenures, are extended without collateral, and require a frequency of loan repayments that is greater than that for traditional commercial loans. These loans are generally taken for income-generating activities but are also provided for consumption, housing and other purposes. *(RBI Bulletin, Microfinance: Reaching out to the Bottom of the Pyramid dated September 11, 2020)*

Regional Rural Banks

Regional rural banks were formed under the Regional Rural Bank Act, 1976 with a view towards developing the rural economy by providing, for the purpose of developing agriculture, trade, commerce, industry and other productive activities in the rural areas, credit and other facilities, particularly to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs, and for matters connected therewith and incidental thereto. In 2021-2022, ₹ 10,890 crore was allocated for the recapitalisation of RRBs to help in greater adoption of technology, accompanied by operational and governance reforms.

As of March 2023, there were 43 RRBs sponsored by 12 SCBs, with 21,995 branches, and operations extending to 30.5 crore deposit accounts and 2.9 crore loan accounts *(Source: https://www.nabard.org/auth/writereaddata/WhatsNew/0109235107final-key-statistics-of-rrbs-2022-23.pdf))*

Long-Term Lending Institutions

Long-term lending institutions were established to provide medium-term and long-term financial assistance to various industries for setting up new projects and expanding and modernising existing facilities. These institutions provided fund-based and non-fund-based assistance to industries in the form of loans, underwriting and direct subscription to shares, debentures and guarantees.

Long-term lending institutions were expected to play a critical role in Indian industrial growth and, accordingly, had access to concessional government funding. However, in recent years, the operating environment of long-term lending institutions has changed substantially. Although the initial role of these institutions was largely limited to providing a channel for government funding to industries, the reform process required such institutions to expand the scope of their business activities, including into fee-based activities like investment banking and advisory services and into short-term lending activities including corporate finance and working capital loans.

Pursuant to the recommendations of the Narasimham Committee II and the Khan Working Group in 1998, a working group was created in 1999 to harmonise the role and operations of long-term lending institutions and banks. The RBI, in its mid-term review of monetary and credit policy for Fiscal 2000, announced that long-term lending institutions would have the option of transforming themselves into banks subject to compliance with the prudential norms applicable to banks. In April 2001, the RBI issued guidelines on several operational and regulatory issues which were required to be addressed in evolving a path for conversion of a long-term lending institution into a universal bank.

Small Finance Banks

The objective of small finance banks is to further financial inclusion by providing savings vehicles and supplying credit to small business units, small and marginal farmers, micro and small industries and other unorganized sector entities through high technology-low cost operations. The RBI granted in-principle approvals to ten small finance banks in September 2015 pursuant to which all ten small finance banks have started operations. (*Source: Draft Guidelines for 'on tap' Licensing of Small Finance Banks in the Private Sector and RBI - RBI grants "In-principle" Approval to 10 Applicants for Small Finance Banks. Available at https://www.rbi.org.in*)

In December 2019 RBI released guidelines for 'on tap' licensing of small finance banks (*Source: Guidelines for 'on tap' Licensing of Small Finance Banks in the Private Sector. Available at https://www.rbi.org.in*). As of

November 2023, there are 12 SFBs operational in India *(Source: RBI. List of Small Finance Banks, November 2023. Available at https://www.rbi.org.in).*

On 30th October 2023, the Board of Directors of AU Small Finance Bank Ltd ("AU SFB") and Fincare Small Finance Bank Ltd ("**Fincare SFB**") at their respective meetings approved an all stock merger of AU SFB and Fincare SFB. *(Source: https://www.aubank.in/press-releases_21-au-small-finance-bank-and-fincare-small-finance-bank-announce_merger_october30_23.pdf).* The merger is subject to approval of shareholders of both companies as well as RBI and Competition Commission of India.

Payment Banks

The RBI has liberalised the licensing regime for banks in India and intends to issue licences on an ongoing basis, subject to meeting the RBI's criteria. The RBI is supportive of creating more specialised banks and granting differentiated banking licences, e.g., for payment banks and small finance banks. The RBI also plans to create wholesale and long-term finance banks in the near future. In November 2014, the RBI released guidelines for licensing payment banks and for licensing of small finance banks in the private sector. On August 19, 2015 the RBI granted in-principle approval to 11 applicants to set up payment banks. (*Source: RBI Press Release dated August 19, 2015. Available at https://www.rbi.org.in*). As of November 2023, there are 6 payments banks in India *(Source: RBI. List of Payment Banks, accessed November 2023)*

Other Financial Institutions

Specialised Financial Institutions

In addition to the long-term lending institutions, there are various specialised financial institutions which cater to the specific needs of different sectors. These include the National Bank for Agriculture and Rural Development ("**NABARD**"), the Export-Import Bank of India ("**EXIM Bank**"), the Small Industries Development Bank of India ("**SIDBI**"), Risk Capital and Technology Finance Corporation Limited, Tourism Finance Corporation of India Limited, the NHB, Power Finance Corporation Limited, Infrastructure Development Finance Corporation Limited, the Industrial Investment Bank of India, the North Eastern Development Finance Corporation and the India Infrastructure Finance Company. (*Source: Report on Trend and Progress of Banking in India, 2003-04*). To support the long-term infrastructure financing in India, the Government set-up the National Bank for Financing Infrastructure and Development (NaBFID) in 2021. (*Source: RBI Press Release dated March 9, 2022. Available at https://www.rbi.org.in*).

State Financial Institutions

State financial corporations ("**SFCs**") operate at the state level and form an integral part of the institutional financing system. State financial corporations were set up to finance and promote small and medium-sized enterprises. State financial institutions are expected to achieve balanced regional socio-economic growth by generating employment opportunities and widening the ownership base of industries. At the state level, there are also state industrial development corporations, which primarily finance medium-sized and large enterprises. (*Source: Report on Trend and Progress of Banking in India, 2003-04*)

Insurance Companies

The General Insurance Corporation of India, a re-insurance company, the Life Insurance Corporation of India and other public sector general insurance companies provide long-term financial assistance to the industrial sector.

The insurance sector in India is regulated by the Insurance Regulatory Development Authority of India ("**IRDAI**"). In December 1999, the Indian Parliament passed the IRDA Act, which amended the Insurance Act, 1938 and opened up the Indian insurance sector for foreign and private investors. The Insurance Act, 1938 was further amended by the Insurance Law (Amendment) Act, 2015 which raised permitted foreign equity participation in new insurance companies from 26.00% to 49.00%. Insurance companies are required to be Indian-owned and controlled. Control includes the right to appoint a majority of the Directors or control management or policy decisions by virtue of shareholding, management rights, shareholders' agreements or voting agreements. Therefore, both ownership and control are required to remain in Indian hands. Further, the amendment permitted insurers to raise capital through instruments other than equity. (*Source: DPIIT, Consolidated FDI Policy (Effective from October 15, 2020)*)

In its monetary and credit policy for Fiscal 2001, the RBI issued guidelines governing the entry of banks and financial institutions into the insurance business. The guidelines permit banks and financial institutions to enter the business of insurance underwriting through joint ventures, provided they meet stipulated criteria relating to their net worth, capital adequacy ratios, profitability track record, level of non-performing loans and the performance of their existing subsidiary companies. (*Source: RBI Monetary and Credit Policy 2000- 2001*)

As announced in the Union Budget 2021-22, the limit of foreign investment in Indian insurance companies has been raised from the existing 49% to 74%. This brings the insurance sector at par with the private banking sector. The act will enable global insurance companies to take more strategic and long-term view on the Insurance sector in India, thereby bringing in greater inflow of long-term capital, global technology, processes, and international best practices. (*Source: Monthly Economic Review, March 2021, Economic Division, Department of Economic Affairs, Government of India*)

Mutual Funds

The mutual funds industry was opened up to the private sector in 1993. The industry is regulated by the Securities and Exchange Board of India ("**SEBI**") (Mutual Funds) Regulations, 1996.

In June 2009, the SEBI removed the entry load, up-front charges deducted by mutual funds for all mutual fund schemes and required that the up-front commission to distributors should be paid by the investor to the distributor directly. In November 2009, to enhance the reach and marketability of mutual fund schemes, the SEBI permitted the use of stock exchange terminals to facilitate transactions in mutual fund schemes, as a result of which mutual fund units can now be traded on recognized stock exchanges. In February 2010, the SEBI introduced guidelines for the valuation of money market and debt securities with a view to ensure that the value of money market and debt securities in the portfolio of mutual fund schemes reflect the current market value. The valuation guidelines were effective from August 1, 2010.

In the month ended October 2023, the aggregate average assets under management for mutual funds (excluding fund of funds - domestic but including fund of funds - overseas) was ₹ 47,80,422.43 crore, and aggregate average assets under management for mutual funds (domestic fund of funds) was ₹ 69,093.58 crore. The total number of schemes as of October 2023 was 1,461. (*Source: Association of Mutual Funds in India, Monthly Report for the Month of October 2023*)

On April 27, 2020, the RBI opened a special liquidity facility for mutual funds with a view to ease liquidity pressures on mutual funds. Under such a facility, the RBI would conduct repo operations of 90 days tenor at the fixed repo rate in an on-tap and open-ended manner, starting April 27, 2020 and up to May 11, 2020 or up to the full usage of the allocated amount, whichever is earlier. Funds availed under this facility are to be used by banks exclusively for meeting mutual funds' liquidity requirements by extending loans and outright purchase of, and/ or repos against, the collateral of investment grade corporate bonds, commercial papers, debentures and certificates of Deposit held by mutual funds. Liquidity support availed under this facility will be classified as HTM even in excess of 25.0% of the total investment permitted to be included in the HTM portfolio. Exposures under this facility will also not be considered under the large exposure framework or for computation of adjusted non-food bank credit for determining priority sector targets/ sub-targets, and they will be exempt from banks' capital market exposure limits. (*Source: RBI, Press Release dated April 27, 2020*)

Key Banking Industry Trends in India

The Indian banking sector has expanded its balance sheet, business and profitability. Even as gross nonperforming assets (GNPA) and net non-performing assets (NNPA) as ratios to gross loans and advances, of scheduled commercial banks (SCBs) declined to a decadal low, the system-level capital to risk weighted assets ratio (CRAR) reached a new high. The net interest margin (NIM) increased further and post-tax profits recorded growth as credit expanded alongside adequate provisioning and strengthening of capital buffers. Banks' exposure to large borrowers reflected, in general, reduced concentration in gross loans, improvement in asset quality and containment of potential slippages. Within the large borrowers' cohort, however, big corporates increased their recourse to bank financing – the share of top 100 borrowers in total credit has been rising since September 2021. (*Source: RBI - Financial Stability Report Issue No. 27, June 2023*)

Performance – Assets and Earnings

The Schedule Commercial Banks' (SCBs) credit growth (year-on-year), which started picking up during Fiscal 2022, sustained its momentum and gathered pace to touch 20.4% as on November 17, 2023. The increase has been broad-based across geography, economic sectors, population groups, organisations, type of accounts and bank groups. Aggregate deposits recorded some moderation, growing (year-on-year) at 13.5% (as on November 17, 2023) (*Source: RBI – Bulletin Weekly Statistical Supplement, November 2023*). Current account and savings account (CASA) growth moderated (year-on-year) at 5.4% whereas term deposits attracted accretions in response to rising interest rates. Private Sector Banks (PVBs) continued to record much higher credit growth (17.3%, year-on-year) than PSBs (14.7%, year-on-year). The share of services and personal loans (59.3% of total) in total advances inched up with credit growth outpacing growth in agriculture and industry advances. Within personal loans segment, credit growth became broad based with credit card receivables and vehicle/ auto loans growing over 20%.

SCBs sustained the momentum in profitability as their net interest margin continued to grow. During 2022-23, the NIM improved by 30 bps as transmission of monetary policy tightening to deposit rates lagged the pass through to lending rates. SCBs' profit after tax recorded a healthy growth of 38.4% (year-on-year) during 2022-2023, led by strong increase in net interest income and lowering of provisions. Profit after tax of PSBs grew at a faster rate than that of PVBs whose operating expenses increased by 29.4%.

Higher profitability was also reflected in further improvement in the return on equity (12.3% for all SCBs in Fiscal 2023) and the return on assets (1.1% for all SCBs in Fiscal 2023) ratios. In response to higher interest rates, the cost of funds increased by 30 bps at the system level during 2022-23. The increase in interest income improved the yield on assets (7.7% in Fiscal 2023). (*Source: RBI - Financial Stability Report Issue No. 27, June 2023*)

Asset Quality and Capital Adequacy

The asset quality of SCBs continued to improve and their GNPA ratio declined to 3.9% in March 2023 – a 10-year low. SCBs' NNPA ratio also improved to 1.0%, a level last observed in June 2011, indicative of active and deep provisioning. In fact, SCBs' provisioning coverage ratio ("**PCR**") improved to 74.0% in March 2023. The quarterly slippage ratio, measuring new accretions to NPAs as a share of standard advances at the beginning of the quarter, moderated further. The write-off to GNPA ratio, which had been declining consecutively through 2020-21 and 2021-22, increased in 2022-23 due to large write-offs by PVBs.

In H2 '23, the capital to risk-weighted assets ratio ("**CRAR**") of SCBs improved across bank groups. Their Tier I leverage ratio also increased during the second half of 2023 as they bolstered their capital base through capitalisation of reserves due to increased profits as well as by raising fresh capital. (*Source: RBI - Financial Stability Report Issue No. 27, June 2023*)

Sectoral Asset Quality

The improvement in SCBs' asset quality has been broad based, with a steady decline in the stressed advances ratio across all major sectors. While there has been an overall improvement in asset quality in respect of personal loans, impairments in the credit card receivables segment have risen marginally (March 2023 GNPA at 18.0%). Within the industrial sector, asset quality continued to improve across sub-sectors (*Source: RBI - Financial Stability Report Issue No. 27, June 2023*)

Credit Quality of Large Borrowers

The share of large borrowers in gross advances of SCBs declined successively over the past three years (51.1% in March 2020 to 46.4% March 2023) as retail loans grew faster than borrowings by corporates. The share of large borrowers in the GNPAs of SCBs also came down substantially (75.7% in March 2020 to 53.9% in March 2023). Asset quality in the large borrower portfolio saw significant improvement: the GNPA ratio declined from 12.2% in March 2020 to 4.5% in March 2023.

Although there has been an increase in Special mention account ("**SMA**")-19 loans during the March 2023 quarter the total stock of SMA category loans has fallen by 26.2% (quarter-on-quarter) in the same period. Improvement in the SMA-2 ratio in March 2023 across bank groups reflected the containment of potential slippages during the second half of 2023.

In the large borrower accounts, the proportion of standard assets to total funded amount outstanding improved from 86.2% in March 2020 to 94.3% in March 2023 with corresponding declines in NPAs. The asset quality of top 100 borrowers improved, with their share in SCBs' GNPA declining from 6.8% as of March 2022 to 1.6% as of March 2023. *(Source: RBI - Financial Stability Report Issue No. 27, June 2023)*

Resilience – Macro Stress Tests

Source: RBI - Financial Stability Report Issue No. 27, June 2023

Macro-stress tests are performed to assess the resilience of SCBs' balance sheets to unforeseen shocks emanating from the macroeconomic environment. These tests attempt to assess capital ratios over a one-year horizon under a baseline and two adverse (medium and severe) scenarios.

Stress test results reveal that SCBs are well capitalised and capable of absorbing macroeconomic shocks even in the absence of any further capital infusion by stakeholders. Under the baseline scenario, the aggregate CRAR of 46 major banks is projected to slip from 17.0% in March 2023 to 16.1% by March 2024. It may go down to 13.3% under the severe stress scenario by March 2024, but it stays well above the minimum capital requirement, including capital conservation buffer ("**CCB**") requirements (11.5%).

The common equity Tier I ("**CET1**") capital ratio of the select 46 SCBs may decline from 13.7% in March 2023 to 13.1% by March 2024 under the baseline scenario. Even in a severely stressed macroeconomic environment, the aggregate CET1 capital ratio would deplete by 290 basis points only, which would not breach the minimum regulatory norms. Furthermore, all the banks would be able to meet the minimum regulatory CET1 capital ratio of 8.0% over the next one year under the severe stress scenario.

As per the stress test results, the GNPA ratio of all SCBs may improve to 3.6% by March 2024 under the baseline scenario. If, however, the macroeconomic environment worsens to a medium or severe stress scenario, the ratio may rise to 4.1% and 5.1%, respectively. At bank group level, the GNPA ratios of PSBs may swell from 5.2% in March 2023 to 6.1% in March 2024 under the severe stress scenario, whereas it may go up from 2.2% to 3.8% for PVBs and from 1.9% to 2.6% for Foreign Banks ("**FBs**").

High inflation coupled with rise in borrowing costs adversely impacts finances of households and their loan repayment capacity, which can have implications for lending banks. Identifying different measures of risks using individual home loan data, it is found that a twin shock in the form of a simultaneous increase in inflation and lending rates can put even households with sustainable repayment capacity at risk and double the loans-at-risk ("**LaR**")

Shift towards a Digital and Cashless Economy

The GoI is taking steps to promote a cashless economy such as its flagship 'Digital India' program, which envisions transforming India into a digitally empowered society and knowledge economy. As part of promoting cashless transactions, various modes of digital payment are available, including debit cards, credit cards, mobile banking, point of sale, unified payment interface and forex cards. (*Source: RBI Annual Report - 2019-20*)

For instance, the volume of Real Time Gross Settlement ("**RTGS**"), immediate payment service ("**IMPS**"), National Electronic Funds Transfer ("**NEFT**") and United Payment Interface ("**UPI**") transfers were 24.26 crore, 565.33 crore, 528.47 crore, and 8,371.44 crore, respectively, in Fiscal 2023, up from 20.78 crore, 466.25 crore, 404.7 crore and 4,595.61 crore, respectively in Fiscal 2022. The value of RTGS, IMPS, NEFT and UPI transfers were ₹ 1,499.46 lakh crore, ₹ 55.85 lakh crore, ₹ 337.20 lakh crore and ₹ 139.15 lakh crore, respectively, in Fiscal 2023, compared to ₹ 1,286.58 lakh crore, ₹ 41.71 lakh crore, ₹ 287.25 lakh crore and ₹ 84.16lakh crore, respectively, in Fiscal 2022. (*Source: RBI Annual Report - 2022-2023*)

The RBI is also engaged in introduction of Digital Rupee (e₹), the central bank digital currency ("**CBDC**") in India. It is similar to the physical currency in terms of being a legal tender, accepted as a medium of payment and a safe store of value. The e₹ will provide an additional form of money to be used by the public. *(Source: RBI - Financial Stability Report Issue No. 26, December 2022)*

Certain Key Banking Business Sectors

MSME Sector

Credit to the micro, small and medium enterprises (MSME) sector continued to grow in the range of 13.8%–18.9% (year-on-year) during Fiscal 2023. Overall, credit to the MSME sector has been sustained by strong institutional support, which includes the Emergency Credit Line Guarantee Scheme ("**ECLGS**") and regulatory modifications in the definition of MSMEs. The asset quality of the MSME portfolio of SCBs improved significantly during 2022-2023 with the GNPA ratio declining from 9.3% in March 2022 to 6.8% in March 2023 and SMA accounts going down from 11% in March 2022 to 8.6% in March 2023. Importantly, the improvement in asset quality has coincided with the expiry of regulatory forbearance and restructuring schemes introduced since 2018. *(Source: RBI - Financial Stability Report Issue No. 27, June 2023)*

Under the ECLGS scheme, which expired on March 31, 2023, SCBs accounted for almost ninety per cent of total disbursals (₹ 2.91 lakh crore). Contact intensive services and traders were the major sectors availing ECLGS loans. *(Source: RBI - Financial Stability Report Issue No. 27, June 2023)*

Sector-wise analysis of NPAs indicates that services and trade, which formed one third of the ECLGS disbursements, remain stressed and accounted for nearly half of the total delinquency under the ECLGS in these cohorts. *(Source: RBI - Financial Stability Report Issue No. 27, June 2023)*

The Union Budget for Fiscal 2023 announced few initiatives for MSME sector, it included extension of Credit guarantee scheme for subordinate debt ("**CGSSD**") up to March 2023, Additional credit of ₹ 2 lakh crore for MSMEs through revamped credit guarantee trust for micro and small enterprises ("**CGTMSE**"). Government also plans to roll out raising and accelerating MSME performance (RAMP) programme with an outlay of ₹6,000 crore. While presenting the Union Budget 2023-24, the Finance Minister announced that the revamped credit guarantee scheme for MSMEs, proposed in the previous Budget, will take effect from April 1, 2023 through infusion of ₹ 9,000 crore in the corpus. This will enable additional collateral-free guaranteed credit of ₹ 2 lakh crore. Also, the cost of credit will be reduced by about 1%. *(Source: RBI Annual Report - 2021-22, Union Budget 2023-24)*

Priority Sector

The priority sector lending ("**PSL**") for SCBs stood at 44.7% as on March 31, 2023. All bank groups achieved the prescribed PSL target of 40% during 2022-2023. In case any bank falls short in achieving priority sector targets/sub-targets, they are advised to contribute towards the Rural Infrastructure Development Fund ("**RIDF**") and other funds administered by the National Bank for Agriculture and Rural Development ("**NABARD**"), Small Industries Development Bank of India, Micro Units Development and Refinance Agency Limited and National Housing Bank. The total trading volume of priority sector lending certificates ("**PSLCs**") registered a growth of 7.7% and stood at ₹ 7.13 lakh crore in 2022-2023 as compared to 12.4% growth during the previous year. Among the four PSLC categories, the highest trading was observed in PSLC-small and marginal farmers and PSLC-general with the transaction volumes being ₹ 3.21 lakh crore and ₹ 1.79 lakh crore, respectively, in 2022-2023. (*Source: RBI Annual Report 2022-23*)

(₹ in crores, except parentheses)

Performance in Achievement of Priority Sector Lending Targets

End-March	Public Sector Banks	Private Sector Banks	Foreign Banks
2021-22	26,49,180	16,85,806	2,08,107
	(42.90)	(43.71)	(42.65)
2022-23*	28,55,355	19,93,388	2,10,578
	(44.18)	(45.57)	(42.92)
*: Provisional Note: Figures in parentheses are percentages to ANBC or CEOBE, whichever is higher.			

(Source: RBI Annual Report 2022-23)

Implementation of the Basel III Capital Regulations

The RBI has issued guidelines based on the Basel III reforms on Capital Regulation to the extent applicable to banks operating in India. These guidelines require, among other things, higher levels of Tier I capital and common equity, a CCB, maintenance of a minimum prescribed leverage ratio on a quarterly basis, higher deductions from common equity and Tier I capital for investments in subsidiaries and changes in the structure of non-equity instruments eligible for inclusion in Tier I and Tier II capital.

In December 2010, the Basel Committee on Banking Supervision issued a comprehensive reform package for capital regulations (Basel III). The objective of the reform package is to improve the banking sector's ability to absorb shocks arising from financial and economic stress, thus reducing the risk of spill over from the financial sector to the real economy. (*Source: RBI – Guidelines on Implementation of Basel III Capital Regulations in India*)

The RBI's Basel III Capital Regulations, which are more stringent than the requirements prescribed by earlier RBI guidelines, have been implemented in India in phases since April 1, 2013. The Basel III Capital Regulations were expected to be fully implemented by March 31, 2019. Banks shall maintain a minimum Pillar 1 CRAR of 9% on an on-going basis (other than capital conservation buffer and countercyclical capital buffer etc.). CET1 capital must be at least 5.5% of risk-weighted assets (RWAs). Tier 1 capital must be at least 7% of RWAs on an ongoing basis. Thus, within the minimum Tier 1 capital, Additional Tier 1 capital can be admitted maximum at 1.5% of RWAs. Banks are also required to maintain a CCB of 2.5% of RWAs in the form of Common Equity Tier 1 capital. (*Source: RBI Master Circular - Basel III Capital Regulations, May 12, 2023)*

RBI has advised ECAIs to disclose the name of the banks and the corresponding credit facilities rated by them in the Press Releases issued on rating actions. A bank loan rating without this disclosure by the ECAI shall not be eligible for being reckoned for capital computation by banks. (Source: RBI Master Circular - Basel III Capital Regulations, May 12, 2023)

In addition, the Basel III liquidity framework introduced the net stable funding ratio ("**NSFR**"), which measures the ratio between the available stable funding with maturities greater than one year and the required stable funding with maturities greater than one year to support long-term lending and other long-term assets. For banks in India, the RBI had released the final guidelines and prescribed an NSFR of at least 100% from April 1, 2020. However, in view of exceptional conditions due to COVID-19, the RBI, by way of its notifications dated March 27, 2020 and September 29, 2020, deferred its NSFR implementation to April 1, 2021. In view of the ongoing economic stress on account of COVID-19, it has been decided to defer the implementation of NSFR guidelines by a further period of six months. Accordingly, the NSFR Guidelines came into effect from October 1, 2021. (*Source: RBI – Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR), February 5, 2021*)

Leverage Ratio Framework

In June 2019, as a part of the 'Leverage Ratio Framework', the RBI announced that the minimum Leverage Ratio would be 4% for Domestic Systemically Important Banks and 3.5% for other banks. Both the capital measure and exposure measure along with Leverage Ratio are to be disclosed on a quarter-end basis. However, banks must meet the minimum Leverage Ratio requirement at all times. These guidelines were effective from the quarter commencing October 1, 2019. (*Source: RBI Master Circular - Basel III Capital Regulations, May 12, 2023*)

Domestic Systemically Important Banks

In August 2015, the RBI designated the State Bank of India ("**SBI**"), ICICI Bank and later in September 2017, the HDFC Bank as Domestic Systemically Important Banks ("**D-SIB**s"). Based on the methodology provided in the D-SIB framework and data collected from banks as of March 31, 2018, the RBI, in its release dated March 14, 2019, required SBI, ICICI Bank and HDFC Bank to provide Additional Common Equity Tier 1 ("**CET1**") requirements as a percentage of RWAs of 0.6%, 0.2% and 0.2%, respectively. In accordance with the RBI's press release dated March 14, 2019, these CET1 requirements were applicable to D-SIBs from April 1, 2016 in a phased manner and became fully effective from April 1, 2019 onwards. The additional CET1 requirements were in addition to the CCB. (*Source: RBI releases 2018 list of Domestic Systemically Important Banks (D-SIBs) dated March 14, 2019 and RBI releases 2020 list of Domestic Systemically Important Banks (D-SIBs) dated January 19, 2021 and RBI releases 2022 list of Domestic Systemically Important Banks (D-SIBs) dated January 02, 2023*)

The Insolvency and Bankruptcy Code (Amendment) Act, 2017

The Insolvency and Bankruptcy Code ("**IBC**") (Amendment) Act, 2017 bars wilful defaulters, defaulters whose dues have been classified as NPAs for more than one year, and all connected persons ('connected persons' refers only to persons who are connected to the resolution applicant's business activity) from submitting resolution plans and purchasing the assets of corporate debtors in liquidation. An enabling provision is in place to provide a cure for ineligibility conditions and help in meeting the corporate insolvency resolution process timeline. It also empowers the insolvency professional to lay down qualifying criteria for resolution applicants familiar with the complexity and scale of the corporate debtor's operations. (*Source: The Gazette of India – The Insolvency and Bankruptcy Code* (*Amendment) Act, 2017*)

The Insolvency and Bankruptcy Code (Second Amendment) Act, 2020

The Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 (effective June 5, 2020) provides a time-bound process for resolving insolvency in companies and among individuals. The Act seeks to temporarily suspend initiation of the corporate insolvency resolution process ("**CIRP**") under the IBC. The Act provides that, for defaults arising during the six months from March 25, 2020, CIRP can never be initiated by either the company or its creditors. The central government may extend this period to one year by way of a notification. The Act clarifies that, during this period, CIRP can be initiated for any defaults arising before March 25, 2020. Under the IBC, a Director or Partner of the corporate debtor may be liable to make personal contributions to the assets of the company in certain situations. This liability can occur if, despite knowing that the insolvency proceedings could not be avoided, the person did not exercise due diligence in minimising potential loss to the creditors. The Resolution Professional may apply to the National Company Law Tribunal ("**NCLT**") to hold such persons liable. The Resolution Professional is appointed to manage the resolution process upon the acceptance of an application for initiation of the CIRP. The Bill prohibits the Resolution Professional from filing such an application in relation to the defaults for which initiation of the CIRP has been prohibited. (*Source: The Gazette of India – The Insolvency and Bankruptcy Code* (*Second Amendment) Act, 2020 dated September 23, 2020*)

The Insolvency and Bankruptcy Code (Amendment) Act, 2021

The Insolvency and Bankruptcy Code (Amendment) Act, 2021 (effective April 4, 2021) introduced an alternate insolvency resolution process called the Pre-packaged Insolvency Resolution Process ("**PIRP**") for Micro, Small or medium enterprise ("**MSMEs**") with defaults up to ₹1 Crore. It also allows Distressed Corporate Debtors ("**CDs**") to initiate a PIRP with the approval of two-thirds of their creditors to resolve their outstanding debt under the new mechanism. The management of the affairs of the corporate debtor shall continue to vest in the Board of Directors or the partners who shall make every endeavour to protect and preserve the value of the property of the corporate debtor, and manage its operations as a going concern (*Source: The Gazette of India – The Insolvency and Bankruptcy Code* (*Amendment) Act, 2021 dated August 11, 2021*)

Amendments to the Banking Regulation Act

The Banking Regulation (Amendment) Act, 2017 was enacted with a view to give the RBI extensive powers to issue directions to banks for the resolution of stressed assets. The amendment introduced two new sections to the Banking Regulation Act: Section 35AA, which enables the RBI, with the authorisation of the Central Government, to direct banks to commence the insolvency resolution process against the defaulting company under the IBC and Section 35AB, which enables the RBI to issue directions to any banking company or group of banking companies for the resolution of stressed assets. (*Source: The Gazette of India – The Banking Regulation (Amendment) Act, 2017*)

The Banking Regulation (Amendment) Act, 2020 was enacted with a view to expand the RBI's regulatory control over co-operative banks in terms of management, capital, audit and liquidation. The Bill makes two changes: (i) extending previously omitted provisions of the Banking Regulation (Amendment) Act, 2017 to co-operative banks, and (ii) amending certain provisions of the Banking Resolution Act, 1949 applying to all banks. (*Source: The Gazette of India – The Banking Regulation (Amendment) Act, 2020*

Recent Policy Measures Undertaken by the RBI

SLR Holdings in Held-to-Maturity Category

On September 1, 2020, the RBI increased the limits under the HTM category from 19.5% to 23% of NDTL in respect of SLR-eligible securities acquired on or after September 1, 2020 and on or before March 31, 2021. This dispensation was made available up to March 31, 2023. With a view to enable banks to better manage their investment portfolios, it has now been decided to extend the dispensation of the enhanced HTM limit of 23% up to March 31, 2024 to include securities acquired between September 1, 2020 and March 31, 2024. The HTM limit will be restored from 23% to 19.5% in a phased manner starting from the quarter ending June 30, 2024. (*Source: RBI - Statement on Developmental and Regulatory Policies dated December 07, 2022*)

Individual Housing Loans – Rationalisation of Risk Weights

On October 12, 2020, RBI had rationalised the risk weights for individual housing loans by linking them only with loan to value (LTV) ratios for all new housing loans sanctioned up to March 31, 2022. Taking importance of the housing sector into consideration along with its multiplier effects and its role in supporting the overall credit growth, it was decided that the risk weights as prescribed in October 2020 circular shall continue for all new housing loans sanctioned up to March 31, 2023. (*Source: RBI - Statement on Developmental and Regulatory Policies dated April 08, 2022*)

Introduction of the Standing Deposit Facility

In 2018, RBI introduced Standing Deposit Facility ("**SDF**") – an additional tool for absorbing liquidity without any collateral. On April 08, 2022, it was decided to institute SDF with an interest rate of 3.75% with immediate effect. The SDF will replace the fixed rate reverse repo ("**FRRR**") as the floor of the liquidity adjustment facility ("**LAF**") corridor. Both the standing facilities viz., the marginal standing facility ("**MSF**") and the SDF will be available on all days of the week, throughout the year. The fixed rate reverse repo (FRRR) rate was retained at 3.35%. The FRRR along with the SDF will impart flexibility to the RBI's liquidity management framework. (*Source: RBI - Statement on Developmental and Regulatory Policies dated April 08, 2022*)

Restoration of the Symmetric LAF Corridor

With effect from April 08, 2022, the RBI restored width of liquidity adjustment facility ("**LAF**") corridor to pre-pandemic level. With the introduction of the SDF at 3.75%, the policy repo rate being at 4.00% and the MSF rate at 4.25%, the width of the LAF corridor is restored to its pre-pandemic configuration of 50 bps (*Source: RBI - Statement on Developmental and Regulatory Policies dated April 08, 2022*)

Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies

On January 16, 2023, the RBI issued Master Directions and guidelines for major shareholders (Acquisition and Holding of Shares or Voting Rights in Banking Companies) consolidating the earlier directions. The major changes made in the guidelines include updates in the limits on permissible shareholding by different categories of shareholders, introduction of reporting requirements for encumbrance of shares by promoter and strengthening of arrangements for continuous monitoring of the 'fit & proper' status of major shareholders of a banking company. (*Source: RBI Notifications dated January 16, 2023. Available at https://www.rbi.org.in*)

Introduction of Securities Lending and Borrowing in Government Securities

The RBI proposed to permit lending and borrowing of Government securities which will augment the existing market for 'special repos'. The system is expected to facilitate wider participation in the securities lending market by providing investors an avenue to deploy idle securities and enhance portfolio returns. (*Source: RBI - Statement on Developmental and Regulatory Policies dated February 08, 2023*)

Recovery of Penal Charges on Loans

The extant regulatory guidelines on levy of penal interest have been reviewed by the RBI. It has been decided that any penalty for delay/default in servicing of the loan or any other non-compliance of material terms and conditions of loan contract by the borrower shall be in the form of 'penal charges' in a reasonable and transparent manner and shall not be levied in the form of 'penal interest' that is added to the rate of interest being charged on the advances. Further, there shall be no capitalisation of penal charges (i.e., the same shall be recovered separately and shall not be added to the principal outstanding). However, in case of any deterioration in credit risk profile of the borrower, REs shall be free to alter the credit risk premium under extant guidelines on interest rate. (*Source: RBI - Statement on Developmental and Regulatory Policies dated February 08, 2023*)

Governance, measurement, and management of Interest Rate Risk in Banking Book

On February 17, 2023, the RBI issued final guidelines on Interest Rate Risk in Banking Book (IRRRBB), in line with revised framework issued by the Basel Committee on Banking Supervision (BCBS). The IRRBB arises form banking activities and is encountered by all banks. It arises because interest rates can vary significantly over time, while the business of banking typically involves intermediation activity that produces exposure to both maturity mismatch and rate mismatch. The date of implementation will be communicated in due course. (*Source: RBI Notifications dated February 17, 2023. Available at https://www.rbi.org.in*)

Operation of Pre-Sanctioned Credit Lines at Banks through the UPI

Unified Payments Interface (UPI) is a robust payments platform supporting an array of features. Presently it handles 75% of the retail digital payments volume in India. The UPI system has been leveraged to develop products and features aligned to India's payments digitisation goals. Recently, RuPay credit cards were permitted to be linked to UPI. It is now proposed to expand the scope of UPI by enabling transfer to / from pre-sanctioned credit lines at banks, in addition to deposit accounts. (*Source: RBI - Statement on Developmental and Regulatory Policies dated April 06, 2023*)

Framework for acceptance of Green Deposits

On April 11, 2023, the RBI notified framework for acceptance of green deposits to enable financial sector mobilising resources and their allocation thereof in green activities/projects. The framework to come in effect from June 1, 2023. (*Source: RBI Notifications dated April 11, 2023. Available at https://www.rbi.org.in*)

Rs 2000 Denomination Banknotes- Withdrawal from Circulation

On May 19, the RBI decided to withdraw Rs 2000 denomination banknotes from circulation in pursuance of the "Clean Note Policy". The Rs 2000 denomination banknotes will remain legal tender. The facility for deposit and/or exchange of Rs 2000 banknotes shall be available for members of the public up to September 30, 2023. (*Source: RBI Notifications dated May 19, 2023. Available at https://www.rbi.org.in*) As the period specified for the withdrawal has come to an end, and based on a review, it has been decided to extend the current arrangement for deposit / exchange of ₹2000 banknotes until October 07, 2023 (*Source: https://www.rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12540*)

Guidelines on Default Loss Guarantee (DLG) in Digital Lending

The RBI decided to permit arrangements between Regulated Entities (REs) and Lending Service Providers (LSPs) or between two REs involving default loss guarantee (DLG), commonly known as FLDG, subject to the guidelines laid down in the Annex to the referred circular. DLG arrangements conforming to these guidelines shall not be treated as 'synthetic securitisation' and/or shall also not attract the provisions of 'loan participation'. (*Source: RBI Notifications dated June 8, 2023. Available at https://www.rbi.org.in*)

Requirement for maintaining additional Cash Reserve Ratio (CRR)

On August 10th, 2023, while reviewing the monetary policy for financial year 2023-24, the RBI announced incremental CRR (I-CRR) of 10 percent on the increase in net demand and time liabilities (NDTL) between May 19, 2023, and July 28, 2023. The I-CRR will be reviewed on September 8, 2023. (*Source: RBI Notifications dated August 10, 2023. Available at https://www.rbi.org.in*)

Regulatory measures towards consumer credit and bank credit to NBFCs

On November 16th, 2023, RBI has announced the following regulatory measures towards consumer credit and bank credit to NBFCs:

(i) Consumer credit exposure

- The risk weight for commercial banks towards consumer credit (outstanding as well as new) including personal loan, but excluding housing loans, education loans, vehicle loans and loans secured by gold and gold jewellery has been increased by 25% points from 100% to 125%

- The risk weight for Credit card receivables of SCBs has been increased by 25% points from 125% to 150%

(ii) Bank credit to NBFCs – Increase the risk weight on exposure of SCBs to NBFCs (excluding core investment companies) by 25% points in all cases where the extant of risk weight as per external rating of NBFCs is below 100%. For this purpose, loans to HFCs, and loans to NBFCs which are eligible for classification as priority sector shall be excluded.

(*Source: RBI notifications dated November 16, 2023. Available at https://www.rbi.org.in*)

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read sections "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", for a discussion of certain factors that may affect our business, financial condition or results of operations.

The manner in which some of the operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other banks in India and other jurisdictions. Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year. Unless otherwise specified or unless the context otherwise requires, financial information herein for Fiscals 2021, 2022 and 2023 are derived from our Audited Financial Statements, and the financial information included herein for the six months ended September 30, 2023 (including the comparative financial information with respect to the six months ended September 30, 2022) is based on the Reviewed Financial Results, included in this Placement Document.

The degree to which the financial information prepared in accordance with Indian GAAP will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, and includes extracts from publicly available documents from various sources, including officially prepared materials from the Government of India (the "**Government**") and its various ministries, the Reserve Bank of India and Ministry of Statistics and Programme Implementation, and has not been prepared or independently verified by the Bank, the Book Running Lead Managers or any of their affiliates or advisers.*

Overview

We were incorporated in 1906 and operated as a private bank until nationalization in 1969. As on September 30, 2023, the Bank was the sixth largest public sector bank in India in terms of total business, i.e. aggregate of gross advances and total deposits, among the scheduled public commercial banks in India. We cater to a wide range of customers including retail, corporate, agricultural, as well as micro, small and medium enterprises ("**MSME**"). In addition to our banking operations, we provide other financial services through our Subsidiaries, Joint Venture and Associates, including bancassurance services for distribution of life, general and health insurance products, distribution of mutual fund products, portfolio management services, depository participant services and merchant banking activities. As of the date of this Placement Document, the Government of India ("**GoI**") owned 81.41% of the Bank and exercises control over the Bank's management and operations.

As of September 30, 2023, the Bank had approximately 11.82 crore customers, reflecting our large customer base. As of September 30, 2023, the Bank's operations covered 28 States and eight Union Territories across India, with more than 5,135 branches across India, 5,129 ATMs (including 2,899 offsite and 2,230 onsite ATMs) and 3099 Cash Recycling Machines ("**CRM**"). The Bank's pan-India branch network allows it to provide banking services to a range of customers, including large and mid-sized corporates, institutions, state-owned enterprises as well as commercial, agricultural, industrial and retail customers. The Bank also has internet, mobile banking and door step banking solutions. As of September 30, 2023, the Bank had approximately 0.87 crore internet banking users and 0.91 crore mobile banking users.

We have over the past century expanded our presence in India and globally. We commenced international operations, through our branch in London in 1946 and our branch in Paris in 1974 and have since developed our international presence significantly. As of September 30, 2023, the Bank operated in 16 countries including IBU Gift city in India, through 47 branches and offices, including one representative office and branches in Dubai, Hong Kong, London, New York, Singapore, Paris, Tokyo and an international banking unit at GIFT City, Gandhinagar. We have also set-up four banking subsidiaries in Indonesia, Tanzania, New Zealand and Uganda, as of September 30, 2023. Operating profits of foreign branches accounted for 7.92% of the Bank's global operating profits in the six months ended September 30, 2023. The Bank's foreign business comprised 14.50% of the Bank's global net profits, in the six months ended September 30, 2023.

The Bank leverages technology to identify opportunities, and deliver products and services. For instance, the Bank has implemented an e-platform for our banking products to enable their life cycle digitally from origination. The e-platform has positioned the Bank to meet the Government of India's 'Enhanced Access and Service Excellence (EASE)' guidelines. In the past, the Bank has launched 'BOI Seva', a virtual digital assistant for better customer service and the 'PSB-59 Platform', an online digital loan management platform aimed at retail borrowers that allows for the in-principle sanction of loans digitally and within 59 minutes. The Bank has migrated all of its branches to its core banking application platform and expanded its ATM and internet banking networks, and introduced alternate delivery channels to remain updated with trends in the banking industry. The Bank launched its mobile banking application in August 2018, and revamped its website that was launched in December 2018 with device agnostic features for easy access on multiple devices. Other digital and cashless products and services that the Bank offers include debit and credit cards, point-of-sale terminals, and also GoI supported UPI / BHIM, Bharat QR and Aadhaar Pay facilities.

The Bank intends to undertake further initiatives to facilitate digital and alternate delivery channels. For further information, see "—*Technology*" on page 174. The Bank's backend operations including core banking system, customer relationship management systems, anti-money laundering monitoring systems, and loan monitoring systems are also automated and supported by digital processes.

Our principal banking operational units include:

- ***Corporate Banking***. Our corporate banking operations include fund based and non-fund based products, of which the fund based products consist of term loans, and non-fund based includes export finance, bullion banking, drawee bill financing. We also offer trade loans, bridge financing and project finance and syndication services. Our corporate banking operations primarily cater to the commercial requirements of private and public sector enterprises, large corporate groups and other financial institutions. As a percentage of the Bank's total advances, the Bank's advances in the corporate banking segment accounted for 48.34%, 46.23%, 44.89%, 45.75% and 44.50% in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and September 30, 2023, respectively.

- ***Retail Banking***. Our retail banking products comprise deposit products including savings, current, salary, term and tax saving deposit arrangements, as well as loan products such as home loans, vehicle loans, educational loans and personal loans. Our loan products are targeted primarily at individuals (salaried, self-employed professionals and other self-employed individuals) to meet their personal financial requirements, such as housing, vehicle, education, vacation, pension and other personal requirements. Our retail banking also includes retail hubs / business centers, which have been opened as dedicated channels for all types of retail loans including housing loans, mortgages and education loans. As a percentage of the Bank's total advances, the Bank's advances in the retail banking segment accounted for 18.78%, 20.48%, 21.94%, 21.21% and 22.15% in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and September 30, 2023, respectively.

- ***MSME Banking***. Our MSME banking operations include loans to enterprises engaged in manufacturing, trading and service activities in the form of investment as well as working capital. We also consider other criteria including cost of project/ relevant sector, while allocating the account under large, mid or SME verticals. As a percentage of the Bank's total advances, the Bank's advances in the MSME banking segment accounted for 17.50%, 16.43%, 16.40%, 16.14% and 16.29% in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and September 30, 2023, respectively.

- ***Agricultural Banking***. Our agricultural banking operations cater to farmers and agri-entrepreneurs through various short, medium and/ or long-term products, including crop loans. We also offer specialized products for women and self-help groups and offer a variety of schemes under our agricultural banking portfolio. The Bank has also set-up 147 dedicated Star Krishi Vikas Kendra ("**SKVKs**") specialized processing cells to build its agricultural banking portfolio especially in investment credit. These cells are specialized in technology linked agriculture projects and large volume agriculture businesses. As a percentage of the Bank's total advances, the Bank's advances in the agricultural banking segment accounted for 15.37%, 16.86%, 16.77%, 16.90% and 17.06% in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and September 30, 2023, respectively.

- ***International Banking***. Our international banking division offers a wide range of products that cater to our NRI customer base, and to industrial enterprises engaged in import and export. We cater to our NRI and international customer base through our Subsidiaries, branches, Joint Venture and representative office. As a percentage of the Bank's total advances, the Bank's advances in the international banking segment accounted for 11.71%, 13.79%,16.33%, 16.52% and 16.67% in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and September 30, 2023, respectively.

- ***Trade Receivable Discounting System ("TReDS").*** TReDS is an electronic platform for facilitating the financing / discounting of trade receivables of Micro, Small and Medium Enterprises (MSMEs) through multiple financiers. The Bank is an active participant on all three TReDS platforms. The Bank's outstanding business under TReDS has grown by 60.50% from ₹ 1,329.79 crore in Fiscal to ₹ 2,134.38 crore in Fiscal 2023 and was ₹ 2,404.00 crore as of September 30, 2023.

- ***Digital Lending***. The Bank's digital lending product comprises 'assisted journey' and 'web journey' on the e-platform for digitally processing the Bank's lending products under RAM segment for small ticket size loans.

- ***Digital Liabilities***. The Bank's digital liability products comprise 'customer assisted journey' and 'Do it yourself journey' on the e-platform for digitally opening Bank's deposit products.

- ***Other Services***. In addition to our primary banking operations, we also provide certain services on behalf of the GoI and various State governments such as collection of taxes, stamp duty collection, and pension disbursements. We also provide certain non-banking services through our Subsidiaries and Joint Venture, including bancassurance services for distribution of life, general and health insurance products, distribution of mutual fund products, portfolio management services, depository participant services and merchant banking activities.

History

The Bank was originally established as a private commercial bank in Mumbai in September 1906 and rapidly expanded its presence across India and abroad. The Bank was nationalized along with 13 other banks in July 1969 and was mandated under the Banking Companies Act, 1969 and Scheme to serve the needs of the development of the Indian economy in conformity with national policies and objectives including, among others, priority sector lending. The Bank initially offered its shares publicly in 1997 and, as of the date of the Preliminary Placement Document, the Government holds 81.41% of the Bank's issued and paid-up share capital. The Bank originated as a local Mumbai operation but rapidly expanded to establish a presence both in India and abroad.

The Bank established a relationship with the Bombay Stock Exchange in 1921 when it began operating the exchange's clearinghouse and has maintained this relationship through its subsidiary, BOI Shareholding Limited. The Bank has since opened branches in a number of major financial centres including New York, Paris, Tokyo, Hong Kong, Singapore, Dubai and Antwerp.

Competitive Strengths

Established brand with over 110 years of operations and legacy

With over 110 years of banking services in India and over seven decades of business globally, the Bank believes that it is one of the most trusted and recognized banking brands in India with a loyal customer base. As on September 30, 2023, the Bank was the sixth largest public sector bank in India in terms of total business, i.e. aggregate of gross advances and total deposits, among the scheduled public and private sector commercial banks in India. As of September 30, 2023, the Bank had approximately 11.82 crore customers, reflecting our large customer base. As of September 30, 2023, the Bank's operations covered 28 States and eight Union Territories across India, with more than 5,135 branches across India, 5,129 ATMs (including 2,899 offsite and 2,230 onsite ATMs) and 3,099 Cash Recycling

Machines ("**CRM**"). Through its expansive operations across India, including in rural regions, it has over the years provided a banking platform that has supported the growth of financial activity across India, enabling it to strengthen its brand, reputation and goodwill.

In addition, the GoI owns 81.41% of the total issued and paid-up share capital of the Bank as of the date of this Placement Document. As the Bank's Promoter and majority shareholder, the GoI enhances the Bank's brand value and goodwill.

The Bank has domestic subsidiaries engaged in merchant banking, depository participant activities for NSDL and CDSL and distribution of mutual fund products. Further, the Bank also engages in the insurance business through its Joint Venture Star Union Dai-ichi Life Insurance Co. Ltd. Overseas subsidiaries and Joint Venture of the Bank located in Tanzania, Uganda, New Zealand, Indonesia, and Zambia also form part of the Bank's operations.

Strong and diversified deposit base

The Bank has a strong, diversified, and low-cost deposit base. The Bank's deposits have grown by 0.12% from ₹ 6,27,113.56 crore in Fiscal 2021 to ₹ 6,27,895.96 crore in Fiscal 2022, and grew 6.64% to ₹ 6,69,585.77 crore in Fiscal 2023. As of September 30, 2022 and September 30, 2023, the Bank had ₹ 647,541.29 crore and ₹ 703,750.60 crore in deposits. Steps have been undertaken to optimize this pool of deposits by increasing the ratio of current accounts and savings accounts ("**CASA**", such ratio the "**CASA Ratio**"), which stands at 43.13% as of September 30, 2023. Aside from this our focus on keeping individual deposit accounts low-cost, has helped us reduce the cost of funds and deposits. The Bank's cost of deposit has decreased from 4.10% in Fiscal 2021 to 3.69% in Fiscal 2022, 3.67% in Fiscal 2023, and was 4.35% in the six months ended September 30, 2023.

Growing and diversified asset book

The assets of the Bank are diversified across business segments, industries and groups. In terms of sectors, as on September 30, 2023, the Bank's domestic large industry exposures were to infrastructure at ₹ 65,365.00 crore; basic metal and metal products at ₹ 15,803.60 crore; textiles at ₹ 6,468.51 crore; chemicals and chemical products at ₹ 6,725.56 crore, and gems and jewellery at ₹ 3,614.30 crore, comprising a total of ₹ 97,976.97 crore and constituting 21.65% of the Bank's gross domestic advances. The Bank's loan book concentration and depositor concentration are low, with its 20 largest borrowers comprising 16.00% of its loan book and its 20 largest domestic depositors 7.49% of its deposits.

The Bank's revenue is diversified across business segments, with the treasury operations, retail banking and wholesale banking (comprising large and non-retail accounts) accounting for 30.08%, 32.24% and 37.87% of the Bank's revenue for Fiscal 2023, and 28.06%, 34.51% and 37.35% for the six months ended September 30, 2023. While focusing on diversification, the Bank also focuses on growth, with a CAGR of 6.00% in terms of total assets from March 31, 2021 to March 31, 2023.

The Bank advances have been stable and consistently improving with growing share of RAM and corporate and other advances. The Bank's advances increased from ₹ 3,65,686.52 crore as of March 31, 2021 to ₹ 4,20,841.79 crore as of March 31, 2022 and further to ₹ 4,85,899.64 crore as of March 31, 2023. As of September 30, 2022 and September 30, 2023, the Bank's advances stood at ₹ 4,60,231.59 crore and ₹ 5,19,088.54 crore, respectively. As of September 30, 2023, the Bank had a portfolio of global advances of ₹ 5,43,128.31 crore. Since Fiscal 2021, there has been an increase in advances to the retail, agriculture, and MSME ("**RAM**") sector. As of September 30, 2023, RAM advances comprise 55.50% of the total advance mix. The Bank believes its strategically diversified asset portfolio across the RAM sectors and mid-corporate segment will lead to better risk diversification, increased revenue, improved margins and better assets quality.

The Bank believes it has consistently maintained strong capital fundamentals over the years and as on September 30, 2023, the Bank has a net advances-to-deposits ratio of 77.18%. As of September 30, 2023, of the Bank's total funding, 82.50% is from deposits.

Gradually improving asset quality

The Bank believes that it has effectively managed its risk-bearing asset portfolio and its asset quality has been improving. The Bank's risk management and credit evaluation processes, coupled with its ability to evaluate and appropriately price risk and automated system for NPA calculation, have helped it reduce exposure to NPAs, restructured standard assets and Special Mention Accounts ("**SMA**"). The Bank's gross NPAs as a percentage of gross advances were 13.77%, 9.98%, 7.31%, 8.51% and 5.84% as of March 31, 2021, 2022, 2023 and as of September 30, 2022 and September 30, 2023, respectively. The Bank's net NPAs as a percentage of gross advances were 3.35%, 2.34%, 1.66%, 1.92% and 1.54% as of March 31, 2021, 2022, 2023 and as of September 30, 2022 and September 30, 2023, respectively. The Bank's provision coverage ratio as of March 31, 2021, 2022, 2023 and as of September 30, 2022 and September 30, 2023, respectively, was 86.24%, 87.76%, 89.68%, 88.96% and 89.58%, respectively. The Bank's credit cost was 1.80%, 0.75%, 0.79%, 0.60% and 0.54% in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and September 30, 2023, respectively. The Bank has made adequate provisions for our NCLT account and has provided for 100.00% as of September 30, 2023.

The Bank believes that we have been able to contain NPA levels and maintain relatively healthy asset quality by implementing our independent risk management function, covering enterprise risk management, credit risk, market risk, and operational risks that are updated on a continuous basis towards preserving our asset quality, among other risk objectives. The independent risk management system seeks to identify and manage risks at the Bank's business group level, using technology to allow each business group to manage its risks effectively and within the Bank's policies.

Fast improving digital presence

The Bank continues to invest in technology as a means of improving its customers' banking experience, offering them a range of products tailored to their financial needs. The Bank believes that these initiatives will make it easier for customers to manage their accounts, while facilitating significant cross selling opportunities for a wider range of products on its digital platform, thereby building on its existing relationship with its customers.

As of September 30, 2023, the Bank has around 0.87 crore users of its internet banking services, and 0.91 crore using the Bank's mobile app. Its digital and digital-enabled products also include over 4.96 crore debit cards, 1.71 crore users on the Unified Payments Interface ("**UPI**"), and reach through 42,656 point of sale devices. The bank also has "digi branches" geared towards tech-savvy customers. The Bank has also launched a cardless cash withdrawal system using the UPI QR code, allowing its customers to withdraw cash readily without the use of cards. In line with the GoI's push for a nation less dependent on cash, the Bank is also working on other payment gateway solutions for government, public service units, and other organisations.

Over the years, the Bank has also established systems for its backend operations such as customer relationship management systems, anti-money laundering monitoring systems, and loan monitoring systems that are supported by automated technologies. The Bank is continually upgrading its risk management framework and has implemented a number of technology measures to implement the standardised and advanced approaches of credit risk. The Bank believes its IT infrastructure and effective use of technology has enabled it to develop an effective risk control framework and improve employee productivity and operating efficiencies.

Large physical footprint across India and significant international presence

As of September 30, 2023, the Bank had 5,135 branches in India and operated (through Subsidiaries and a Joint Venture) 47 branches and offices (including 22 branch offices), 23 Subsidiary branches, one Joint Venture and one representative office outside India. As of September 30, 2023, the Bank had about 11.82 crore customers, reflecting our large customer base. The Bank's operations covered 28 States and eight Union Territories across India, with 8,228 ATMs and cash recycler machines ("**CRMs**") across major towns and cities as of September 30, 2023. The Bank's India branch network allows us to provide banking services to a wide variety of customers, including large and mid-sized companies, institutions, state-owned enterprises, as well as corporate, agricultural, industrial and retail customers. As of September 30, 2023, the Bank's banking outlets were also well distributed across different kinds of cities, with 36.12% in rural areas, 28.35% in semi urban areas, 16.16% in urban areas, and 19.32% in metro cities. To increase lead generation and credit growth, and to reduce turnaround time, we have increased the number of processing centres, with 111 SME city centres and 140 retail business centres, as of September 30, 2023. Our international banking division offers a wide range of products that cater to our NRI customer base, and to industrial enterprises engaged in import and export. We cater to our NRI and international customer base through our Subsidiaries, branches and representative office.

Extensive portfolio of products and services

We offer a full range of banking products and services including short-term and long-term deposits, secured and unsecured loans, internet banking, mobile banking, credit cards, life insurance, merchant banking, agricultural and micro-finance banking products and project finance loans. As a result of its extensive network and product offerings, the Bank is able to meet the full range of its customers' banking needs throughout India.

In addition, our comprehensive product and service offerings provide us with numerous opportunities for cross-selling, allowing it to further grow all areas of its business, especially its corporate business. A special team of coaches has devised a large corporate relationship management model involving the provision of niche products to large corporates on competitive pricing terms and is implementing the model with the Bank's corporate customers. These corporates have particular financial needs and usually require a wide range of both standard and structured products in their investment portfolios. We believe that our extensive portfolio of products and services can be leveraged to further develop its relationship management model, enhance its market share in the corporate segment and increase its fee-based income.

Continuously enhanced risk management and internal control functions

The Bank continuously strengthens its risk management and internal control capabilities by improving its policies and procedures and introducing advanced risk management tools. The Bank has adopted an independent risk management system, which addresses the risks faced in all of its banking activities. The independent risk management system seeks to identify and manage risks at the Bank's business group level, using technology to allow each business group to manage its risks effectively and within the Bank's policies. The Bank has been maintaining adequate capital reserves in accordance with Basel III and has implemented new credit risk assessment models, independent validation of internal ratings and plans for increased use of IT tools to improve the quality of loan data. The Bank's capital adequacy ratio is 15.63% as on September 30, 2023, which is higher than the statutory requirement of 11.50%. The Bank also conducts regular stress tests which are forward looking economic assessments of the Bank's financial health based on a number of economic scenarios and will take remedial measures, if necessary, depending on the outcome of the tests.

Retaining and motivating staff and succession planning

The Bank understands that at the core of its ability to deliver quality service is its strong workforce. To improve the quality of its teams, the Bank has focussed on the following key areas: managing employees' job family, using a performance management system, and engaging in programs for talent management and leadership development. Employee feedback is important, and so the Bank has also launched Star Anveshan, a special survey for employee engagement. A highly motivated and competent workforce is essential for the Bank as a service-oriented organization. The Bank has implemented human resources ("**HR**") development strategies to provide opportunities for employees to enhance their knowledge and skills.

The Bank endeavours to develop and nurture an organizational culture in which employees are motivated to perform to the best of their ability. Competencies of employees are enhanced and they are equipped with the right skills and knowledge for meeting the ever changing business needs of customers. The Bank reviews HR policies from time to time to accommodate the aspirations of in-house employees as well as its corporate goals. The Bank organizes various training programs (including training in specialized areas such as foreign exchange and treasury operations) for in-house employees and at established training colleges as well as certain training centres abroad.

The Bank has taken various steps to motivate its staff and produce a positive working environment. In addition to traditional means of promotion, the Bank's HR policy provides a fast-track route for promotion to employees who possess the requisite qualifications, skills and an outstanding performance track record. An employee's performance is the key factor in awarding promotions, additional training and other incentives. The Bank has introduced a transparent appraisal system in accordance with Government guidelines and an appraisal form which can be accessed online, to cater to the requirements of different business units.

The Bank's succession plan is in place. Due care has been taken to fill the vacancies of the retiring top executives in key positions. The Bank has also implemented personnel retention initiatives such as well-defined career paths with fast promotions, attractive rewards and an excellent work environment. The Bank has restructured its organizational structure and its business is grouped into various units for focused segmental growth. This has helped the Bank to achieve higher business volumes and increased profitability.

Experienced management team

The Bank has an experienced management team staffed with a significant concentration of career banking professionals. We are guided by our Bank's MD and CEO, Rajneesh Karnatak, along with our Executive Directors Paripurnam Ramanujam Rajagopal, Swarup Das Gupta, M Karthikeyan and Subrat Kumar, who bring with them extensive experience in the banking sector. Our Board is also supported by other Directors such as independent directors and Directors who are representatives of the GoI, RBI, and shareholders with experience in banking, finance, strategic management and economics. The rest of the senior management team have strengths in key areas, including retail, corporate and international banking. The management team's extensive and diverse expertise provides the Bank with a broad perspective from which it can make strategic management and operational decisions. The Bank believes that its management team has created a clear, strategic direction for the Bank which will allow it to expand and maintain its position as a leading bank in India.

Strategies

The overall strategy of the Bank is to retain and strengthen the Bank's universal character by providing superior, proactive banking services to niche markets globally and cost-effective, responsive services to others in its role as a development bank. The Bank aims to become the bank of choice for large to mid-sized corporates, SMEs and high-end retail customers and to provide a cost-effective developmental bank for small businesses, mass markets and rural markets. The Bank aims to achieve these goals by, among other things:

Sustaining targeted growth in business by continuing to focus on RAM and SME lending and a low-cost deposit base

The Bank is committed to sustaining its business growth by targeting key business opportunities. We are currently focusing on increasing our RAM lending profile by leveraging our existing customer base, and are also looking to provide additional specialized credit processing centres for RAM advances. We are also looking to improve our portfolio through increasing mid-corporate advances. The Bank is also launching GST-based financing to our MSME customers, increasing how we can tap this key business demographic. The Bank is also continuing to focus on growing its loan book to SMEs along with expansion of services provided to SMEs by utilizing its existing relationships with key corporate customers.

The Bank is also looking to reach customers better through "doorstep banking" initiatives through various universal touchpoints, such as our website, mobile app, and call centre.

The Bank also intends to continue growing low-cost deposits such as CASA, which will allow it to contain funding costs. The Bank intends to continue to leverage our branch network to tap additional CASA accounts. We believe that by leveraging our core banking solution platform, internet and mobile banking systems, we will be able to increase our customer base, thereby increasing CASA deposits.

Focus on improving asset quality and maintaining NPA levels

The Bank will continue to work on improving the quality of its assets and limiting levels of non-performing assets. The Bank's gross NPAs were ₹ 37,685.56 crore and ₹ 31,718.78 crore, and net NPAs were ₹ 8,053.61 crore and ₹ 7,978.26 crore as of March 31, 2023 and September 30, 2023, respectively. The Bank has been making sustained efforts to contain NPAs and written off recovery by adopting Board-approved strategies with activation of asset recovery branches and staff at grass root levels. In order to contain NPAs, the Bank has introduced several settlements scheme for quick resolution of NPAs, NPA reduction, and credit monitoring or trigger management. The Bank has migrated to daily marking of NPAs beginning April 15, 2021 to have more transparency in identification of NPAs and for compliance of regulatory guidelines. We also carry out actions such as holding-on operations in NPA accounts arising out of temporary cash flow mismatch, for up-gradation within short span of time, restructuring in accounts which need long term support, filing application with NCLT, invoke promptly the provisions of SARFAESI Act, conducting mega E-auctions on an India-wide basis to fast forward the process and facilitating online submission of OTS application by NPA borrowers with tracking option.

Digital transformation and focusing on technology

The Bank has been significantly upgrading its technology and plans to continue to do so in order to capture deposits at a lower cost, bring down costs of resources, facilitate cross selling and enhance customer service and operational efficiency, including the use of a document management service to optimize internal processes. We intend to utilize data analytics to improve lead generation and are working to fully digitize our loan processing end to end. The Bank has entered into partnerships with financial technology companies to offer digital lending and digital liability products through electronic platforms. Using technology, the Bank intends to increase cross-selling opportunities, reduce costs, and enhance our customer experience.

"Anywhere Anytime" banking is now available for all of the Bank's retail and corporate customers and the Bank continues to build out its internet banking and branch networking operations. A fast and secure internet banking platform is available for customers to, among other things, pay utility bill payments, to purchase air and rail tickets, shop online and make inter- and intra-bank transfers. The Bank has also implemented a two-factor authentication, namely the Star Token, for both retail and corporate internet banking customers, which allows the Bank's customers to make secured banking transactions from their homes and offices.

The Bank has associated with a service provider that provides satellite connectivity to three Regional Rural Banks. The Bank believes in the value of satellite connectivity in delivering services to their customers and ensuring continuous and reliable operations. For MSMEs, we have launched a supply chain finance solution customer portal, to increase business through channel financing.

Improving our risk management to ensure the long-term sustainability of our business

The Bank is continually seeking means by which it can improve its risk profile to ensure the long-term sustainability of our business. In line with the Bank's renewed tech focus, we are looking at using a tech-driven credit monitoring system that will allow us to better analyse and study credit profiles, and which uses "early warning signals" to flag any potential issues. Another key initiative is the development of our enterprise-wide Fraud Risk Management framework that involves real-time monitoring of fraud. To improve efficiency and responsiveness, dedicated centres are being formed in each zone for recovery, reduction of non-performing assets, and monitoring and managing credit.

Building on strong brand identity and existing customer trust and relationships

In the retail sector, by upgrading its brand image to attract the young urban affluent class, and by targeting these young customers with education loans and home loans, the Bank has had considerable success in promoting changes in its customer age profile. New products designed to appeal to this target customer segment continued to be developed by the Bank. In the corporate sector, the Bank has long-standing and well-nurtured relationships with Indian corporates. The Bank intends to build upon these existing relationships to increase its cross selling efforts and fee income, including the sale of foreign exchange derivatives and structured products.

Diversifying non-interest income

The Bank has diversified its sources of non-interest income through tie-ups with life insurance companies, other insurance companies and asset management companies dealing in mutual funds. The Bank intends to improve fee income from new services, including credit/debit card operations, depository services, sale of third-party products, government business, and foreign exchange derivatives as well as equity, bond and derivatives trading through its 29.96% interest in the Securities Trading Corporation of India Limited, as of September 30, 2023.

The Bank's earnings from its new services, the sale of insurance (life and non-life insurance) and mutual fund products was ₹ 107.29 crore, ₹ 130.71 crore, ₹ 178.24 crore, in Fiscal 2021, 2022 and 2023 and ₹ 77.00 crore and ₹ 85.00 crore in the six months ended September 30, 2022 and September 30, 2023, respectively.

Key Milestones

Calendar Year	Major Milestones
1906	The Bank was founded
1921	Started managing the clearing house of BSE Limited
1946	Set up of branch office in London, UK
1969	The Bank was nationalised along with 13 other banks
1974	Set up of branch office in Paris, France
1989	Established a fully computerized branch and ATM facility at the Mahalaxmi Branch in Mumbai
1997	The Bank's first public issue—Equity shares listed on the National Stock Exchange of India Limited and BSE limited
2008	The Bank's first Qualified Institutions Placement
2019	Launched Employee Stock Purchase Scheme – Witnessed 94.70% employee participation

Products and Services

The Bank's core business lines are divided into five separate strategic business units ("**SBUs**"), each headed by a General Manager. The SBUs cover the following sectors: (i) large corporate; (ii) mid-corporates; (iii) SMEs; (iv) retail; and (v) agriculture. Advances to the agricultural sector, small enterprises, retail trade, education and housing sectors comprise priority sector lending and are required to constitute at least 40.0% of the Bank's net bank credit under current RBI guidelines.

The following sets out total net advances and deposits for the Bank as of March 31, 2021, 2022, 2023 and as of September 30, 2022 and 2023.

	As of March 31,			**As of September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
			(₹ crore)		
Gross advances	4,10,435.91	4,57,013.64	5,15,852.48	4,93,814.45	5,43,128.31
Total deposits	6,27,113.56	6,27,895.95	6,69,585.77	6,47,541.29	7,03,750.60

Deposits

Our deposits are broadly classified into current (also known as demand) deposits, savings deposits and term deposits, which are briefly discussed as under:

- *Savings accounts*: We offer savings accounts, which are interest bearing on-demand deposit accounts designed primarily for individuals/institutions and trusts. The Bank offered 2.75% for saving deposit up to ₹1,00,000 and 2.90% above saving deposit of ₹1,00,000 as of September 30, 2023.

- *Current Accounts*: We also offer current accounts which are non-interest-bearing accounts, designed primarily for businesses. Customers have a choice of regular and premium product offerings with different minimum average quarterly account balance requirements.
- *Term deposits*: We accept term deposits giving a fixed return, for periods ranging from 7 days to 10 years. Term Deposits are also known as fixed deposits or time deposits. Such deposits can be withdrawn before maturity in accordance with applicable rates by paying penalties. Term deposits include recurring deposits, which enable the customer to make deposits over a fixed term at regular intervals. We also offer overdraft facility against the term deposits to our customers.

Deposits for Non-Resident Indians

In addition to providing remittance services to NRIs, we allow NRIs to open various types of deposit account.

We offer the following deposit products to NRIs:

- *Foreign Currency Non-Resident Deposits*: We offer foreign currency deposits in six currencies, i.e. the U.S. dollar, the Pound Sterling, the Euro, the Japanese Yen, the Australian dollar and the Canadian dollar. The principal as well as the interest on these deposits are fully repatriable outside of India and interest and principal are repaid in the currency of deposit. The terms of these deposits range from a minimum of one year to a maximum of five years.
- *Non-Resident External Fixed Deposits*: These deposits are established in Rupees and are maintained for periods from a minimum of one year to a maximum of ten years. The principal and interest from these accounts are fully repatriable outside India. Loans can be granted against these deposits for up to 85% of the deposit amount.
- *Non-Resident External Savings Accounts*: Non-Resident External Savings Accounts are maintained in Rupees. The balances in these accounts are fully repatriable outside India. We also offer zero interest bearing current account for NRI customers.
- *Non-Resident Ordinary Deposits*: These products are offered primarily to NRIs who also derive income from India. These products are offered as savings bank deposits as well as fixed deposits. The interest rates and terms are structured along the same lines as domestic deposits

The Bank's primary sources of income are interest income and non-interest income, comprising fees and commissions received for exchange and brokerage services, profits on exchange transactions and profits on sales of investments. The following describes the breakdown of interest and non-interest income for the periods indicated.

	Fiscal						**Six months ended September 30,**			
	2021		**2022**		**2023**		**2022**		**2023**	
	(₹ crore)	**% of total**	**(₹ crore)**	**% of total**	**(₹ crore)**	**% of total**	**(₹ crore)**	**% of total**	**(₹ crore)**	**% of total**
Interest income	40,599.44	85.58%	38,075.83	82.86%	47,647.72	87.03%	21,470.04	89.31%	29,329.81	90.30%
Non-interest income	6,841.87	14.42%	7,878.73	17.14%	7,099.89	12.97%	2,569.04	10.69%	3,150.40	9.70%
Total	**47,441.31**	**100.00%**	**45,954.56**	**100.00%**	**54,747.61**	**100.00%**	**24,039.08**	**100.00%**	**32,480.21**	**100.00%**

Deposits in foreign branches represented 15.31% of the Bank's global deposits as of March 31, 2023, whilst gross advances made from foreign branches represented 15.91% of the Bank's global advances as of March 31, 2023.

Deposits in foreign branches represented 14.91% of the Bank's global deposits as of September 30, 2023, while gross advances made from foreign branches represented 16.65% of the Bank's global advances as of September 30, 2023.

Foreign Exchange and Derivatives

Our foreign exchange and derivative product offering to our customers covers a range of products, including forward exchange contracts. These transactions enable our customers to transfer, modify or reduce their foreign exchange and interest rate risks.

Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest in one currency against another currency and exchange of principal amounts at maturity based on predetermined rates. Rupee interest rate swaps are commitments to exchange fixed and floating rate cash flows in rupees. Currency options give the buyer, the right but not an obligation, to buy or sell specified amounts of currency at agreed rates of exchange on or before a specified future date.

The Bank had no exchange traded interest rate derivatives as of March 31, 2021, 2022, 2023 and September 30, 2023. As of March 31, 2021, 2022, 2023 and September 30, 2023, the Bank had notional principal amounts in respect of interest rate swaps and forward rate agreements of ₹ 1,450.00 crore, ₹ 1,525.00 crore, ₹ 800.00 crore and ₹ 740.00 crore, respectively.

National Banking Group

The National Banking Group provides a range of retail banking products to individuals, corporate banking products to the Bank's corporate, mid-corporate and small enterprise customers that are not serviced by the Corporate Banking Group or the Mid-Corporate Group, and banking services to the Government and state governments. Corporate banking products and services offered by the National Banking Group are largely the same as those offered by the Corporate Banking Group. The National Banking Group services customers located in urban and metropolitan areas, while customers in rural and semi-urban areas are serviced by the Rural Business Group (discussed below). Geographic areas are classified as urban, metropolitan, rural or semi-urban by the RBI, based on population.

SME Banking

SMEs are one of the Bank's core target customer segments. The SME Business Group focuses on servicing the specific credit needs of SMEs, defined by the Bank as entities with an annual turnover of up to ₹ 250 crore.

The Bank has concentrated on building its SME customer base due to the favourable margins being generated in this sector relative to the large and mid-sized corporate segments and believes that rapidly adapting to the needs of its SME customer base is essential to the growth and success of the Bank. The Bank is focusing on not merely growing its loan book to SMEs, but also on expanding the services it provides to SMEs by utilizing its existing good relationships with key corporate customers. The Bank believes that its current and target customer base will be receptive to the cross-selling of a wide variety of products and services such as trade finance, foreign exchange, credit cards and deposit products. The services provided to SMEs are similar to those provided to corporate customers, including term lending, trade finance, working capital, letters of credit, cash management and treasury services.

The Government passed the Micro, Small & Medium Enterprises Development Act 2006 ("**MSMED Act**") in June 2006 to promote lending to micro-enterprises and SMEs and to create uniformity in the way banks classify micro-enterprises and SMEs. Under the MSMED Act, services sectors were included within the classification of SMEs. Following implementation of the MSMED Act in October 2006, certain entities that the Bank had classified as mid or large borrowers have been re-classified as SME borrowers. Advances to the micro-enterprise and SME sectors have increased from ₹ 59,687.23 crore as of March 31, 2021, to ₹ 64,749.16 crore as of March 31, 2022, ₹ 70,777.00 crore as of March 31, 2023 and was ₹ 73,731.00 crore as of September 30, 2023.

The Bank has introduced a number of initiatives to promote its SME lending. These initiatives include:

- *Cluster Finance:* A cluster is a sectoral and geographical concentration of enterprises which produce and sell a range of related or complementary products and are therefore faced with common challenges and opportunities. The Bank intends to develop specific schemes to target certain of these clusters and, as of the date of this Placement Document, has initiated several such schemes. These schemes involve pricing, tailoring documentation, security, maturity profiles and other terms and procedures tailored to the needs and practices of the specific clusters. To make our cluster finance policies more inclusive and cater to customer requirements in various geographies, we have introduced the following schemes:

  - E-platform – Sanction of PMMY MUDRA loans up to ₹ 1,000,000 at the branch level has already commenced. This is likely to enable us to generate quality business and faster growth. The total MUDRA accounts sanctioned through E-platform is 52,953 accounts, with sanctioned amounts of ₹ 1,961.00 crore collectively.

  - BOI Star Welcome Offer Scheme - This has been launched by the Bank which is specifically designed for takeover of loans. The scheme has competitive charges and return on interest in order to acquire customers in the competitive SME market. The scheme is likely to attract MSME business and will help in enhancing the MSME portfolio of the Bank.

  - BOI Star Asset Back Loan Scheme – This was launched to provide hassle free loans against immovable property. The scheme caters to the different needs of SME customers including working capital and term loans.

  - BOI Star Doctor Plus Revised Scheme – This has been launched to cater to the financial requirements of medical and healthcare professionals. This is intended to boost MSME financing under the medical and healthcare sectors.

  - Star Insta Loan – This has been launched with the aim of meeting additional business requirements of our existing borrowers, such as the purchase of commercial vehicles, plant and machinery, furniture, fixtures, minor construction, repairs, renovation.

  - BOI Star Vehicle Express Loan - This has been introduced in September 2023, replacing existing schemes like MSME e-rickshaw finance. The scheme is intended to boost and support the growth of MSME financing for commercial vehicles across all segments. The Bank also in the process of developing an Equipment Express Scheme for financing equipment.

  - BOI Star Easy Biz Loan – This has been introduced to meet the working capital requirements and business requirements of GST-registered MSMEs in trading, manufacturing and service sectors.

  - BOI Star Energy Saver Scheme – The Bank is in the process of introducing the scheme to provide finance to projects related with renewable energy. Through this scheme, the Bank intends to contribute to climate change mitigation.

  - Star Start-up Scheme – This has been launched for funding eligible start-ups recognised by the Department of Promotion of Industry and Internal Trade. The Bank has identified three branches for smooth implementation of the scheme.

- *Channel Finance Credit:* The Bank intends to upgrade and expand its channel financing operations to increase credit flow to the SME sector. Channel financing includes both dealer finance and supplier finance. Under dealer finance, the Bank pays a manufacturer client for goods sold to the dealer either before or immediately after the client effects shipment and the dealer pays the Bank directly after selling the goods in the market. Under supplier finance, the Bank provides finance to suppliers post-shipment and is repaid by the recipient of the supplies. As many of the Bank's SME clients are dealers or suppliers for larger corporations, the Bank believes that channel financing can expand its SME lending operations and also improve relationships with corporate clients. The Bank has already initiated digitisation of channel financing.

- *Credit Ratings*: The Bank entered into a memorandum of understanding with the SME Rating Agency of India ("**SMERA**") in November 2005 to obtain the credit rating of certain of its SME customers. The Bank also offers interest rate concessions of up to 2% to customers with specified credit ratings.
- *MSME Branches*: To help increase focus on MSME business, the Bank has re-designated its branches which previously specialized in small-scale industry as MSME branches. As of September 30, 2023, the Bank has identified 125 SME focussed branches and as of September 30, 2023, the Bank has 111 SME processing centres.
- *SME Loan products*: The Bank has also customized loan products to meet activity-specific requirements and facilitate easy lending. The products include extending composite loan (both term debt and working capital finance) to small scale units, lines of credit for contractors, retail traders, small road transport operators, professionals and others. The Bank also encourages female entrepreneurs and offers an interest rate at concessional rate.
- *Collateral free lending*: For all eligible activity up to stipulated limits, loans are extended without any collateral security/third-party guarantee; however, such loans are covered under the credit guarantee scheme for micro and small enterprises ("**CGTMSE**").

To reduce turnaround time, SME City Centers have been set up to act as processing hubs for SME customers with a certain sanction credit limits. As of September 30, 2023, 111 SME City Centers are operational. Credit origination and processing transactions are segregated in the SME City Centers, with dedicated teams for credit processing, outbound sales and lead generation. Follow up of business acquisition has been implemented. Credit processes have been revised and simplified to ensure faster disbursement. Simplified application forms have been introduced for all SME customers, regardless of credit limit. A master check list has also been formulated for one-time information collection. Tracking and performance management systems have also been introduced at the SME City Centers to increase transparency in business processes.

The Bank has launched merchant credit cards to improve the Bank's digital penetration and generate higher leads. The Bank has also formulated a customer retention policy to retain existing customers and introduced a green renewal format, which helps to reduce turnaround time for review of accounts from ₹ 10,00,000 to ₹ 5,00,00,000.

Retail Banking

The Bank offers retail credit products such as home loans, vehicle loans, education loans, mortgage loans, personal loans, credit cards and other loan products. The Bank markets many of these products under the "Star" brand. The Bank's domestic retail credit portfolio as of September 30, 2023 was ₹ 1,00,260.00 crore, which constituted 22.15% of the Bank's net domestic credit portfolio as of such date. The Bank provides retail loans directly through its branches and retail hubs. As of September 30, 2023, the Bank had established 140 retail business centres across major cities in India, which are branches that are dedicated to managing the entire retail loan process through appraisal teams and monitoring teams. To promote its retail loan products, the Bank cooperates with other large institutions. The Bank coordinates with manufacturers and suppliers of consumer products and services such as cars, motorcycles and travel tours.

As the Indian economy continues to improve, the Bank believes that household income and consumer credit demand will continue to increase, especially among the growing middle class. To provide customers with convenient access to its products and services, the Bank has a wide network of branches and ATMs across India. The Bank is focused on developing specialized credit and non-credit products that meet the needs of its vast consumer base.

The following describes the Bank's domestic retail credit portfolio for the periods indicated.

	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
			(₹ crore)		
Home Loan	40,093.73	44,894.60	51,897.36	48,357.19	53,976.09
Personal Loan[(1)]	12,231.18	18,541.27	23,501.02	21,017.76	25,472.59
Mortgage/Loans against property	6,882.78	7,437.70	8,240.04	7,859.03	8,586.79
Other[(2)]	8,850.12	9,800.78	11,078.02	10,217.08	12,225.07
Total	68,057.81	80,674.35	94,716.44	87,451.06	1,00,260.54

Notes:
(1) Includes auto loans, educational loans, credit card debit and micro credit.
(2) Comprises staff loans such as Staff Housing loans, Vehicle loans, Clean Overdrafts, Personal loans and other loans to staff.

Retail Deposits

The Bank's retail deposit products include the following:

- *Savings accounts*. Demand deposits for retail customers that accrue interest at a fixed rate and offer withdrawal facility through check books and debit cards.
- *Current accounts*. Non-interest bearing demand deposits.
- *Time deposits*. Tenure-based deposits of a fixed amount over a fixed term that accrue interest at a fixed rate and may be withdrawn before maturity in accordance with applicable rates. Tenures range from seven days to 120 months.

The Bank has introduced a system to classify savings account customers into silver, gold and diamond, based upon the average quarterly balance of the deposits each customer maintains, with each category receiving certain benefits and privileges.

Star Home Loans

Star Home Loans are extended to those in regular employment, to professionals, to self-employed individuals and others with a regular source of income for construction or purchase of a house or flat on an ownership basis. The Bank also has a special scheme called the "Star Diamond Home Loan Scheme" to cater to customers in select cities. The Bank has also introduced a home loan scheme called the "Star Smart Home Loan" with an overdraft facility and two other special home loan schemes called the "Star Pravasi Home Loan", a scheme for NRIs and Persons of Indian Origin and the "Star Jai Jawan Home Loan", a scheme for army and navy personnel.

Star Mortgage Loan Scheme

Under the Star Mortgage Loan Scheme, the Bank provides loans and overdraft facilities against mortgage charged over existing property. The Scheme is targeted towards people engaged in trade, commerce and business, and also professionals and individuals with a high net worth, including salaried individuals.

Loans Against Securities

The Bank makes advances to some of its retail banking customers secured on collateral given by such customers in the form of pledges of government-issued securities and other investment grade instruments such as national savings certificates or Kisan Vikas Patra. Such loans are typically for terms of up to five years. Interest is charged at a spread over the interest on the underlying security and the amount advanced does not exceed the stipulated percentage of the face value of the underlying security.

Credit and Debit Cards

The Bank offers international credit and debit cards to its customers in association with Visa and MasterCard. To support its card operations, the Bank has established a wide network of merchants and has enabled advances against credit cards at all its branches. The Bank also has 5,129 ATMs as of September 30, 2023 throughout India and has tied up with various ATM networks to cater for credit and debit card holders. As of September 30, 2023, the Bank had issued approximately 4.96 crore debit cards.

Non-Resident Products and Services

The Bank provides a variety of services to NRIs. Such products and services include foreign currency non-resident deposits, non-resident external Rupee deposits, non-resident ordinary Rupee deposits (both savings bank and fixed deposits), remittance services and portfolio management services.

Rural Banking

The Bank services customers located in rural and semi-urban areas through a large number of branches and its ATM network in India. The Rural Banking Group focuses on developing innovative and effective ways of delivering banking services to all customers located in the rural and semi-urban areas of India, as defined by the RBI. As of September 30, 2023, 64.47% of the Bank's domestic branch network was in semi-urban and rural areas. Banking products and services provided to customers of the Rural Business Group generally include all corporate and retail products and services that are provided by the National Banking Group, and are provided to the same demographic customer groups as are served by the National Banking Group. In addition, to a much smaller extent, the Rural Business Group provides sophisticated corporate products and services to mid-corporate customers that are located outside the geographic areas served by the Mid-Corporate Group.

The Bank takes an active role in providing financial support and financing to sectors identified by the Government as "priority sectors" to promote the development of rural economies. Priority sector advances include loans to agriculture, small enterprises engaged in manufacturing or services, retail trade, education , housing, renewable energy, social infrastructure etc as defined by RBI from time to time. In 2012, the scope of the priority sectors was extended pursuant to an RBI directive to cover borrowers who may have experienced economic difficulties, such as individuals who were included in the Government's differential rate of interest scheme. Under this scheme, financial assistance is extended to selected low income, economically-disadvantaged groups at a concessional rate of interest or to individuals from certain minority communities (as classified by the Bank further to the RBI Directive and as notified by the Government as per Section 2(c) of the National Commission for Minorities Act, 1992, amended from time to time). Housing and education finance up to certain ceilings, lending for specific infrastructure projects and investments in instruments issued by specified eligible institutions are also classified under the priority sector. The Bank's agriculture SBU covers agriculture, micro-credit and rural habitat groups. While the Government has identified such sectors and provides lending guidelines, the Bank has full discretion in determining the commercial terms in which it enters into arrangements with priority sector entities.

Under current RBI guidelines, all banks in India, including the Bank, are required to lend (or invest in investments issued by specified eligible institutions) a minimum of 40% of their respective adjusted net bank credit to priority sectors, and at least 18% of net bank credit must be lent to or invested in the agricultural sector. Any shortfall in the amount required to be provided to the priority sectors may be required to be deposited with Government-sponsored Indian developmental banks such as National Bank for Agriculture and Rural Development ("**NABARD**") and SIDBI. These deposits have a maturity of up to seven years and carry interest rates lower than market rates. The Bank's priority sector advances are summarized below:

	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
			(₹ crore)		
Agriculture	59,007.00	66,418.09	72,378.85	69,667.48	77,225.74
MSME	57,267.49	62,398.23	68,678.55	64,290.38	71,216.39
Education	2,304.13	2,181.26	2,205.76	2,216.97	2,286.54
Housing	20,207.09	20,481.04	21,054.93	20,885.31	21,026.10
Others*	148.92	120.95	126.47	131.78	83.18
Total priority sector advances	**1,38,934.63**	**1,51,599.57**	**1,64,444.56**	**1,57,191.92**	**1,71,837.95**
ANBC	**3,43,874.00**	**3,51,206.00**	**3,83,380.00**	**3,59,608.00**	**3,99,803.28**
Regulatory Requirement (PSA)			**40%**		
% of ANBC	**40.40**	**43.16**	**42.89**	**43.71**	**42.98**

** Others include Export Credit, Social Infrastructure, Renewable Energy and other priority sector advances*

As of September 30, 2023, the Bank's total priority sector advances have registered a year-on-year growth of 9.32% from September 30, 2022 and 4.49% year-to-date growth from March 31, 2023. The Bank's total priority sector advances stood at 42.98% of ANBC as of September 30, 2023 compared to the regulatory target of 40.00% of ANBC.

As of September 30, 2023, agriculture advances have registered a year-on-year growth of 10.85% from September 30, 2022 and year-to-date growth of 6.70% from March 31, 2023. The Bank's agriculture sector advances stood at 19.32% of ANBC as of September 30, 2023 compared to the regulatory target of 18.00% of ANBC.

The Bank has traded Priority Sector Lending Certificate ("**PSLCs**"). We have earned ₹ 61.50 crore by selling ₹ 3,500.00 crore PSLC-SF-MF (Small farmer and marginal farmer) in the six months ended September 30, 2023. We have purchased of ₹ 850.00 crore PSLC– Agriculture with expenses of ₹ 1.91 crore. The Bank's net earnings by trading of PSLCs was ₹ 59.59 crore, inclusive of GST for the six months ended September 30, 2023.

Agriculture. Agriculture is a key sector of the Indian economy and contributes significantly to its GDP. As of September 30, 2023, the Bank has established 3,311 branches in semi-urban and rural areas to, among other things, support agricultural development.

The Bank’s branches support customers involved in a wide range of agricultural activities such as crop production, horticulture, plantation crops, floriculture, farm mechanization, land development and reclamation, digging of wells and irrigation projects, forestry, construction of cold storages, storage go-downs and processing of agricultural products. The Bank also supports allied activities such as dairy, poultry, fisheries, livestock and rearing of silkworms, among others. The Bank has been catering and covering various farm-based needs of the farmers. The Bank introduced a revised “Kisan Credit Card” scheme for farmers on September 30, 2021. The scheme provides scope for lending to cater to farming requirements, including animal husbandry and fisheries. The Bank has a “Kisan Tatkal Loan Scheme” to meet the immediate needs of farmers up to a sum of ₹ 50,000.

Micro and Small (Manufacturing and Services) Enterprise. Micro and small (manufacturing and services) enterprises that qualify for priority sector lending are those in the manufacturing and service sector as per RBI Master Directions – Priority Sector Lending (PSL) – Targets and Classification updated on July 27, 2023.

Micro Finance.

Micro finance involves the provision of a broad range of financial services such as deposits, loans, payment services, money transfers and insurance to the poor and low income households and their micro enterprises. The Bank endeavors to make such finance available for rural areas.

Self Help Groups ("**SHGs**") play a significant role in improving the economic standards of the poor in rural areas. The Bank believes that micro financing to SHGs has significantly contributed to the credit growth in rural areas and the alleviation of rural poverty. In line with RBI guidelines and market demand we have revised existing schemes and launched the "Star SHG Scheme" for financing SHGs. We have also devised a "Bank Sakhi Scheme" for promoting entrepreneurship among SHG members.

We also promote government schemes such as Agriculture Infrastructure Fund Scheme, Pradhan Mantri Formalisation of Micro Food Processing Enterprises Scheme and Animal Husbandry Infrastructure Development Fund.

In order to boost Indian agriculture, we have undertaken schemes for pisciculture, poultry, 'Kisan Ghar', 'Star Krishi Vahan', farm mechanisation, eNWR financing, in line with RBI and Government of India guidelines and market requirements. The Bank is also focussing on initiatives with various government and private agencies for boosting its agriculture credit portfolio.

Corporate Banking

The Bank offers a wide spectrum of financial services to large and mid-sized corporates. Key products and services for corporate customers include medium- to long-term funding, working capital financing, syndicated loans, cash management, derivatives, corporate loans and foreign currency loans.

Large Corporate Group

The Bank provides medium-and long-term loans for large corporates. The Bank's gross domestic large corporate loan portfolio was ₹ 2,01,444.27 crore, or 44.50% of the Bank's gross domestic loans as of September 30, 2023. The Bank's policy is to limit foreign currency loans to a term of less than 10 years and to lend only at floating interest rates. Corporate finance loans are offered to customers based on the Bank's appraisal of the quality of management, industry, prospects, business model and financial strength of the borrower. The Bank also provides credit protection for foreign currency convertible bonds, project finance and buyer's credit through its foreign branches network by way of credit linked notes and external commercial borrowings.

Working Capital Finance

The most common forms of working capital financing are cash credit, working capital demand loans, overdraft facilities, pre-shipment (packing credit) and post-shipment working capital facilities. These loans are funded facilities usually secured by current assets such as inventories and receivables. The facilities are generally advanced for a period of one year, and reviewed and renewed, as appropriate at the end of one year. In almost all cases, facilities are subject to an annual review and are generally repayable on demand. Interest is collected on a monthly basis, based on daily outstanding amounts.

Project Finance

Project financing activities cover a variety of sectors, including metal products, textiles, infrastructure and service sectors. The Bank provides corporate and project finance loans in both Rupees and foreign currencies. The Bank has developed significant syndication capabilities while structuring and arranging large corporate and project finance transactions. The Bank seeks to leverage these syndication capabilities to arrange project and corporate finance for its corporate customers and earn fee income.

The Bank believes that the current market climate in India provides opportunities to increase its infrastructure lending. The Bank provides project and infrastructure finance to both private and Government backed projects. The Bank has actively participated in the financing of infrastructure projects in port roads, power and telecommunications. As of September 30, 2023, gross loans for infrastructure finance amounted to ₹ 65,365.00 crore, constituting 14.44% of the Bank's gross domestic loan portfolio. As of September 30, 2022, gross loans for infrastructure finance amounted to ₹ 66,563.00 crore, or 16.15% of the Bank's gross domestic loan portfolio.

Transaction Banking

The Bank set up a separate Transaction Banking group under its Digital Banking Department to generate bulk income and float for the Bank by providing cash flow management for customers, especially large corporates, government institutions, and high net worth individuals through digital banking. The department's work comprises cheque collections, PDC collections, and direct debit mandates, as well as other services such as cash management services (doorstep banking), online share trading (three-in-one accounts, ASBA SYNDASBA), payment gateways, NACH activities on NPCI platform, and operational aspects of channel finance.

International Banking

Foreign Network

As of September 30, 2023, the Bank has a network of 47 overseas offices, comprising 22 branches including IBU Gift city, 23 Subsidiary branches, one Joint Venture, and one representative office, in 16 countries including IBU Gift city, covering all major time zones.

Country	**Branches**	**Total**
USA	New York, San Francisco Agency, Cayman Islands	3
Europe	London, Birmingham, Leicester, Wembley, Glasgow, Antwerp, Paris	7
Japan	Tokyo, Osaka	2
Kenya	Nairobi, Westland, Industrial Area, Mombasa, Eldoret,	5
Singapore	Singapore	1
Vietnam	Ho Chi Minh City	1
Hong Kong	Hong Kong	1
Dubai	DIFC (Dubai)	1
India	IBU Gift city, Gandhinagar, India	1
Total		**22**

Operating profits of foreign branches accounted for 7.92% of the Bank's global operating profits in the six months ended September 30, 2023. The Bank's foreign business makes up 14.50% of the Bank's global net profits in the six months ended September 30, 2023. Deposits in foreign branches represented 14.90% of the Bank's global deposits as of September 30, 2023 while gross advances made from foreign branches represented 16.66% of the Bank's global gross advances as of the same date.

The Group's operations in Europe (UK, Belgium, and France), the U.S., Japan, Hong Kong, Singapore, Kenya, DIFC and IBU Gift city comprise, in terms of sum of total deposits and total advances, 28.76%, 35.62%, 13.88%, 7.64%, 7.26%, 2.35%, 2.81% and 1.67% respectively, of the Bank's foreign business and, in terms of share of operating profit of foreign operations, comprise 42.69%, 27.42%, 6.78%, 1.26%, 2.04%, 3.02%, 16.04% and 0.75%, respectively, as of September 30, 2023.

Other Services

Merchant Banking

We are registered with SEBI for acting as a merchant banker. Through our Subsidiary, BOI Merchant Bankers Limited, we undertake merchant banking business including arranging of syndicated loans and debentures.

Government Banking

The Bank handles Government transactions as the agent of the Government and various state governments. The Bank collects Government revenue by ways of taxes under various categories and deposits under various Government schemes, savings and relief bonds. The Bank also handles payment functions of the Government, including salary and pension payments and expenditure payments of various ministries.

Depository Participant Services

The Bank has, through its Subsidiary, BOI Share Holding Limited, provides depository services. BOI Share Holding Limited is affiliated with the National Securities Depository Limited ("**NSDL**") and the Central Depository Services (India) Limited ("**CDSL**"). As of September 30, 2023, the Bank has networked most of its branches to its NSDL DPO or CDSL DPO for extending depository participant services. In order to deliver an efficient service, the Bank also maintains sufficient personnel (who have received the National Institute of Securities Markets certification) at such branches.

Bullion Banking

The Bank undertakes sales of gold under the Bullion Loan Scheme for Jewellery Exporters and also makes outright sales of gold to jewellery exporters.

Under the Bullion Banking Scheme, the Bank imports gold on a consignment basis for sale to domestic users as well as jewellery manufacturers and exporters.

Third Party Products

Bancassurance

We provide bancassurance services through corporate agencies for distribution of (i) life insurance products; (ii) non-life / general insurance products such as motor, health, home and travel insurance as well as commercial line of products, including engineering and marine insurance. We earn commissions from the distribution of such insurance products. In order to provide a wide range of finance and investment products to its customers as a value addition, and also to augment its noninterest income, the Bank is in distribution of insurance products to its customers of which the Bank has tied up with various insurance corporations and companies. Some employees of the Bank act as "Specified Persons" and they are responsible for the sale of such insurance products in various domestic branches. The aim is to provide the Bank's customers with various insurance solutions and enhanced customer experience by leveraging technology. The Bank distributes the insurance products through its network of branches within India.

In addition to the range of insurance products being offered, the Bank and Star Union Dai-ichi Life Insurance Co. Ltd. have also developed a life insurance product with the aim of offering such products to existing and new Star Home Loan borrowers and Star Education Loan borrowers on a reduced premium basis. Furthermore, the Bank has also co-developed and co-branded "floater" family medical health insurance policy for all of its customers. A floater medical policy provides that the insured, his/her spouse and two of their children are covered to the extent of the sum insured, where part of this sum can be claimed at different times by family members.

The Bank's income from bancassurance was ₹ 104.15 crore, ₹ 127.82 crore, ₹ 174.10 crore, and ₹ 74.87 crore, ₹ 82.68 crore in Fiscals 2021, 2022 and 2023 and the six months ended September 30, 2022 and September 30, 2023, respectively.

Mutual Fund/Securities Sales

We also distribute various mutual fund products through our metropolitan, urban and semi urban branches who have employees registered with the Association of Mutual Funds of India. The Bank's income from distribution of mutual fund products was ₹ 3.14 crore, ₹ 2.89 crore, ₹ 4.14 crore, ₹ 2.06 crore and ₹ 2.17 crore in Fiscals 2021, 2022 and 2023 and the six months ended September 30, 2022 and September 30, 2023, respectively, respectively.

Treasury Operations

Our treasury operations are the focal point for the management of our market risk. We undertake liquidity management by seeking to maintain an optimum level of liquidity while complying with SLR and CRR. Treasury conducts its operations in accordance with the Board approved investment policy which sets limits, controls, accounting policies and general guidelines for the treasury operations, including the parameters of investments in securities. Our investment portfolio is managed with a view to capitalize on the market movements in interest rates and credit spread, to maintain a balanced portfolio, to minimise risk, to ensure deployment of surplus cash in securities at attractive yields while maintaining adequate liquidity. The overall objective of our treasury activities is to earn optimal return on deployed investments and to minimize credit risks assumed in our investment and trading activities.

The following table gives details of the Bank's domestic investment portfolio by book value as of the dates indicated:

	As of March 31,			**As of September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
			(₹ crores)		
Held to Maturity	1,33,069.68	1,33,280.86	1,54,879.92	1,41,260.46	1,58,029.95
Available for sale	52,802.77	38,504.34	44,669.05	38,563.46	47,001.08
Held for Trading	4.22	(374.06)	21.62	65.22	1,742.57
Total	**1,85,876.67**	**1,71,411.14**	**1,99,570.59**	**1,79,889.14**	**2,06,773.60**

The following table sets forth the allocation of the Bank's net investment portfolio for the periods indicated therein:

Securities	**As of March 31,**					
	2021		**2022**		**2023**	
	(₹ crores)	**%**	**(₹ crores)**	**%**	**(₹ crores)**	**%**
SLR						
Government securities	1,41,144.59	75.93%	1,28,190.46	74.79%	1,55,026.95	77.68%
Sub total	**1,41,144.59**	**75.93%**	**1,28,190.46**	**74.79%**	**1,55,026.95**	**77.68%**
Non-SLR						
Subsidiaries and Joint Ventures	1,259.96	0.68%	1,267.75	0.74%	1,860.27	0.93%
Debentures and Bonds	13,120.75	7.06%	11,312.62	6.60%	11,320.51	5.67%
Shares	**2,520.23**	1.36%	2,924.44	1.71%	2,937.80	1.47%
Other	27,831.14	14.97%	27,715.88	16.17%	28,425.07	14.24%
Sub total	**44,732.08**	24.07%	**43,220.68**	25.21%	**44,543.64**	22.32%
Total	**1,85,876.67**	**100.00%**	**1,71,411.14**	**100.00%**	**1,99,570.59**	**100.00%**

Securities	September 30,			
	2022		2023	
	(₹ crores)	%	(₹ crores)	%
SLR				
Government securities	1,36,936.34	76.12%	1,62,889.47	78.78%
Sub total	1,36,936.34	76.12%	1,62,889.47	78.78%
Non-SLR				
Subsidiaries and Joint Ventures	1,798.40	1.00%	2,684.62	1.30%
Debentures and Bonds	10,075.42	5.60%	10,720.39	5.18%
Shares	2,649.21	1.47%	2,647.47	1.28%
Other	28,429.77	15.80%	27,831.63	13.46%
Sub total	**42,952.80**	**23.88%**	**43,884.13**	**21.22%**
Total	**1,79,889.15**	**100.00%**	**2,06,773.60**	**100.00%**

Asset Classification

Non-Performing Assets

The Bank has in the past suffered losses through impairment of loans as some borrowers were impacted by negative trends in the global marketplace, recessionary conditions in the domestic economy, increased competition and volatility in industrial growth and commodity prices. The Bank has adopted several measures to refine its credit selection processes and appraisal capabilities. The management of NPAs has been one of the focus areas of the Bank. Towards this goal, the Bank has focused on:

- identification and monitoring of Special Mention Accounts as per RBI guidelines in order to check the movement of Standard Assets into the NPA category, conducting regular reviews and taking quick corrective action;
- restructuring impaired standard accounts as well as viable NPAs, both under RBI's "Prudential framework for resolution of stressed assets" pursuant to its circular dated June 7, 2019 as well as under the Bank's own scheme for limiting NPAs; and
- upgrading the Bank's assets.

The following table sets forth, for the periods indicated, information about the Bank's NPA portfolio.

	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(₹ crores, except percentages)				
Gross NPAs	56,534.95	45,605.40	37,685.56	42,014.40	31,718.78
Specific provisions	42,073.89	33,775.29	27,589.92	31,158.07	21,612.84
Floating provisions	232.22	-	-	-	-
NPA net of provisions and nettable credits	12,262.03	9,851.93	8,053.61	8,836.18	7,978.26
Gross customer assets	4,10,435.91	4,57,013.64	5,15,852.48	4,93,814.45	5,43,128.31
Net customer assets	3,65,686.52	4,20,841.79	4,85,899.64	4,60,231.59	5,19,088.54
Gross NPAs/gross customer assets (%)	13.77%	9.98%	7.31%	8.51%	5.84%
Net NPAs/net customer assets (%)	3.35%	2.34%	1.66%	1.92%	1.54%
Specific provision as a percentage of gross NPAs (%)	74.42%	74.06%	73.21%	74.16%	68.14%
Total provisions as a percentage of gross NPAs (%)	74.83%	74.06%	73.21%	74.16%	68.14%
Provision cover (including prudential write-offs) (%)	86.24%	87.76%	89.68%	88.96%	89.58%

Restructured Assets

The RBI has issued separate guidelines for restructured assets. A standard asset can be restructured by rescheduling principal repayments and/or the interest element, but it must be separately disclosed as a restructured asset. The amount of sacrifice, if any, in the element of interest, measured in present value terms, is either written-off, or provision is made to the extent of the sacrifice involved. Similar guidelines apply to substandard assets. The sub-standard assets which have been subjected to restructuring as per earlier guidelines of RBI, whether in respect of a principal instalment or an interest amount, are eligible to be upgraded to the standard category only after the specified period, which is a period of not lower than one year after the date when first payment of principal or interest, whichever is later on the credit facility with longest period of moratorium under the terms of restructuring, subject to satisfactory performance during the period.

Set forth below are the Bank's gross restructured standard assets as a proportion of gross advances as of March 31, 2021, March 31, 2022 and March 31, 2023 and as at September 30, 2023:

As of	Gross Domestic Advances	Standard Restructuring (Domestic)	% of Standard Restructured Accounts to Gross Domestic Advances
	(₹ crores, except percentages)		
March 31, 2021	3,62,361.00	7,523.43	2.08%
March 31, 2022	3,93,991.00	14,657.00	3.72%
March 31, 2023	4,31,637.00	11,455.88	2.65%
September 30, 2023	4,52,641.00	9,143.88	2.02%

As of September 30, 2023, the Bank had outstanding standard restructured (domestic) accounts of ₹ 9,143.88 crore, with a provision of ₹ 760.67 crore on these accounts.

Branch Banking — Distribution Network

The Bank distributes its products and services through various access points ranging from traditional bank branches to ATMs and the internet.

Branch Network

As of September 30, 2023, the Bank had a network of 5,135 branches across India, including two digital banking units. The Bank had a branch network of 5,084 branches, 5,105 branches, 5,129 branches and 5,135 branches as of March 31, 2021, 2022, 2023 and September 30, 2023, respectively. The Bank has 10 banking branches dedicated exclusively to corporate borrowers. The Bank also has branches dedicated to SMEs and additional branches dedicated to recovery, capital markets, lease finance and treasury products. Domestic branches are controlled through 69 zonal offices. As of September 30, 2023, the Bank maintained 7 NRI branches to provide specialized services to high worth non-resident depositors.

The Bank's wide network of branches is spread across both metropolitan and rural locations. To provide banking access to rural areas efficiently, bank branches are located in rural/semi-urban areas. The lead bank functions as a co-ordinator between the banks and the relevant state government. The lead bank prepares the district credit plan based upon the Potential Linked Plan prepared by NABARD and ensures its successful implementation for the growth of the rural economy. As a lead bank, the Bank is required to implement the state-sponsored poverty alleviation programs for creating rural employment and income generation. It also ensures utilization of the resources mobilized in the district for the benefit of the local populace to avoid imbalance in growth.

The following table describes the geographic breakdown of the Bank's branches as of the dates indicated:

	As of March 31,			**As of September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
Metropolitan	991	991	991	986	992
Urban	812	815	829	820	830
Semi-Urban	1,453	1,462	1,456	1,457	1,456
Rural	1,828	1,837	1,853	1,837	1,855
Total	5,084	5,105	5,129	5,100	5,133

The Bank's domestic branch network caters to all of India's socio-economic classes, with 19.33%, 16.17%, 28.36% and 36.14% of its domestic branches located in metropolitan, urban, semi-urban and rural areas, respectively, as of September 30, 2023.

Automated Teller Machines (ATMs)

As of September 30, 2023, the Bank had installed 5,129 ATMs and plans to continue to expand its ATM network. The Bank has joined the National Financial Switch (NFS) Network that is run by the Institute for Development and Research on Banking Technology ("**IDRBT**"). Through the Bank's ATM networks, the Bank's customers have access to all the ATMs throughout India. Customers also have access to ATMs that are compatible with VISA and MasterCard debit cards. The Bank has outsourced the management and operation of its ATMs.

Financial Inclusion

We are engaged in financial inclusion across India through our entire branch network. Financial inclusion is part of a national scheme to deliver financial services to India's disadvantaged and low-income segments at an affordable cost. The Bank believes that the rural areas of India are greatly underserved by the financial sector, and therefore views rural banking as a driver of future growth. The Bank has carved out a "Financial Inclusion" ("**FI**") unit as a new business unit to address the issue.

Financial inclusion grew as a result of the "Pradhan Mantri Jan Dhan Yojana Scheme" ("**PMJDY**") aimed at bringing India's unbanked population into the formal financial system by creating awareness about the uses and benefits of the financial services offered by banks in India. Under the PMJDY, as of March 31, 2023 and as of September 30, 2023, the Bank had opened 2.82 crore and 2.89 crore accounts, respectively, and the balance contained in such accounts amounted to ₹ 13,021.29 crores and ₹ 13,273.58 crores, respectively, in the same period.

Rural banking offers a particular challenge due to the low margin transactions that typically occur at rural branches. The Bank seeks to overcome this challenge through IT-based initiatives targeted specifically at the rural customer. These initiatives include a kiosk project that will allow for access to more remote areas as well as a smart card program that allows rural customers to access basic banking services through business correspondents without meeting the minimum deposit requirements for accounts with the Bank.

The Bank is developing alternative delivery channels for banking services and products through business facilitators and business correspondents. As of September 30, 2023, the Bank has established 18,633 customer service points catering to customers through business correspondents.

The Bank is committed to providing banking services through business correspondents and hand-held communications devices (micro ATMs) to a large number of villages, connecting people through no-frill accounts with inbuilt overdraft facilities to address their urgent consumption needs, extending entrepreneurship credit to encourage sustainable livelihoods, offering mobile-based remittance facilities for migrant labor and the self-employed to remit money home and facilitating access to the Bank's third-party products, including micro insurance. Robust operational and risk management systems and best practices have been established to ensure the proper operation of the FI units.

Technology

Using technology to efficiently provide services to clients and achieve product differentiation has long been a strategy of the Bank. The Bank believes that improving its technology base is a key driving factor in achieving growth, reducing costs and increasing security. The Bank first established a fully computerized branch in 1989 in Mumbai and all of its branches have since been computerized. The Bank was also one of the founding members of the Society for Worldwide Interbank Financial Telecommunication ("**SWIFT**") in India. Leveraging its technology initiatives, the Bank has improved its employee productivity, in terms of business per employee, from ₹ 19.94 crores in Fiscal 2021 to ₹ 20.71 crores in Fiscal 2022, ₹ 22.47 crores in Fiscal 2023 and ₹ 23.87 crores in the six months ended September 30, 2023, respectively. It improved its business per branch from ₹ 203.16 crores in Fiscal 2021 to ₹ 212.48 crores in Fiscal 2022, ₹ 230.09 crores in Fiscal 2023 and ₹ 241.88 crores in the six months ended September 30, 2023, respectively.

The Bank pursues an IT policy with the objectives of achieving efficiency in internal operations and meeting customer and market expectations. The Bank commenced the development of its Core Banking Solution ("**CBS**") in 2004 and has migrated all of its branches to its CBS platform, which provides the capability of online real-time transaction processing. The Bank regards the speed and efficiency of adoption of CBS by the branches as a significant achievement. The Bank has its data center, disaster recovery, near disaster recovery sites in different seismic zones, to ensure round-the-clock banking service to the Bank's customers. Each of these cites are compliant with comprehensive business continuity requirements. We have a dedicated data centre located in Navi Mumbai in Maharashtra which has been ISO 27001:2013 and ISO 22301:2012 certified. The Bank has branch wide area network links from a total of eight telecom service providers, as of September 30, 2023. The Bank also has a well-documented business continuity and disaster recovery policy in place, which is constantly tested with live runs and is reviewed periodically. To achieve zero data loss, a near-site data recovery unit has been set up with primary site storage replication. Further, the Bank provides internet banking facilities to both retail and corporate customers.

Further, the Bank provides internet banking facilities to both retail and corporate customers. Online services include payment of various utility services and bills, payment of direct and indirect taxes, application supported by blocked amount for initial public offering, trading of shares, payment of Directorate General of Foreign Trade license fee and booking of railway and airline tickets. Short message service alerts are also available to all customers in respect of transactions carried out through any delivery channel.

Moreover, due to CBS' interface with the Bank's Treasury Branch and RBI's payment systems such as real time gross settlement systems and the national electronic funds transfer system, customers can, among other things, transfer or remit funds online in real time to branches of other banks in other cities. SWIFT messages can also be sent and received by the Bank's major branches which are authorized to deal in foreign exchange, thereby enabling quicker and more efficient processing of transactions.

The Bank has also brought its 21 overseas branches located in various countries, such as the USA, UK, Singapore, France, Japan, Belgium, China and Cambodia, under its "Finacle-CBS" software to have uniformity of CBS software across the Bank's global network, thereby improving the Bank's management of its information systems as well as its customer service.

The Bank constantly upgrades its technological capabilities to increase efficiency, reduce costs and expand its service portfolio. Ongoing and proposed technology initiatives include:

- introducing transaction and payment through mobile banking to allow customers, particularly rural customers, easy access to their account information and information regarding the Bank's products and services;
- implementing IT systems and technologies in rural and remote areas of the country to enable such customers to also benefit from the technological advance in the banking industry, so as to promote "financial inclusion";
- reducing the types of software and networks used by the branches to introduce more consistency across the Bank's operations; and
- introducing technology to allow customers to deposit cheques anywhere in the country and allowing the processing of such cheques through its electronic imaging (as required by the RBI).

The Bank has also won awards in recent years in recognition of its achievements in IT and technology, such as:

- Best IT Risk and Management Runner Up and Best Fintech Collaboration Runner Up at IVA's 18th Annual Banking Technology Conference, 2022.
- Infosys Finacle Client Innovation Awards 2020 Product Innovation Runner Up
- SKOCH Award 2021, Silver Category for Document Management System

Risk Management

We are exposed to various risks that are inherent in the banking business, with the major risks being credit, market and operational risk. We have established a comprehensive risk management policy for the management of these risks as per the guidelines issued by the RBI. In order to enhance our risk management framework, our processes for risk management include identification, measurement, monitoring and control for which we have formulated various policies specifically dealing with enterprise vide risk management, credit risk management, operational risk management, market risk management, derivatives, asset liability management and foreign exchange. We have also implemented a defined internal capital adequacy and assessment process, which is submitted to the RBI.

Risk management is a board-driven function with the overall responsibility of risk management assigned to the Risk Management Committee of our Board supported by operational level committees. Our risk management involves developing and maintaining a healthy portfolio of assets and liabilities within the parameters the applicable regulatory framework. We also conduct risk profiling on a quarterly basis for the purpose of self-assessment as well as reporting to the RBI.

The Bank is covered under the Basel III framework since April 1, 2013 when it was introduced in India by the RBI and is in the process of implementing the 'Basel III Revisions' issued by the Basel Committee on Banking Supervision.

Credit Risk

We are exposed to credit risk from the possibility that a borrower or counterparty may fail to meet its obligations in accordance with agreed terms. In order to minimize this risk, we have implemented a comprehensive credit risk management policy, which analyses the financial position of each potential customer or counterparty thoroughly under certain set financial and quantitative parameters. We also analyse qualitative features such as industry trends, competitiveness and management capabilities.

Our credit risk management committee is responsible for implementation of our credit policies approved by our Board and the Risk Management Committee. We utilize various risk management tools such as prudential limits, risk rating models, credit audits, loan pricing, portfolio management and conduct self-assessments. We have also set up a stressed assets resolution department in order to monitor high value borrower accounts.

We have also established a comprehensive risk rating system for various categories of exposures which serves as a single point indicator of diverse risk factors on the counterparty to facilitate execution of proper and consistent credit decisions. We have a rating cell for assigning internal ratings for all exposures above ₹ 0.10 crore. Our rating cell provides comprehensive rating coverage, integrity of rating process and proper data maintenance.

Market Risk

Market risk relates to the fluctuations in interest rates, foreign exchange rates or stock prices that can change the value of financial products held by us, leading to a potential loss. We currently follow the 'Standardised Duration Approach' for market risk. We have formulated a well-defined market risk management policy and an organizational structure for market risk management functions. Our market risk management policy is aimed at controlling financial trading risks, including those relating to derivatives and debt and equity securities. We manage market risk through our asset liability management policy, foreign exchange policy and market risk management.

We have well defined limits for managing mismatches for liquidity as well as interest rate risks. Liquidity risk is measured and managed through gap analysis for maturity mismatches based on residual maturity. Interest rate risk on our entire portfolio is monitored on a regular basis through sensitivity based measures. We manage our foreign exchange risk by hedging most of our open positions. We manage market risk and asset liability management risk by using various tools such as VaR limits and duration gap analysis.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. We have established an operational risk management framework to effectively identify, measure, manage and address operational risks. The Bank computes capital charge on operational risk under the 'Basic Indicator Approach'. Our risk standards provide guidance to business units and support units on baseline internal controls that ensure the safety and soundness of the units operating environment. These includes risk mitigation programs such as business continuity management and a rigorous risk review of newly launched products where all relevant risks are identified and assessed by departments independent of the risk-taking unit that proposed the product.

Further, in order to move towards advanced approaches, we have frameworks for risk control self-assessment and to identify key risk indicators. Our operational risk management focuses on proactive measures in order to ensure business continuity and its adherence to established rules and procedures as well as on security arrangements to protect our physical and IT infrastructure.

Risk Management Framework for Overseas Operations

We have put in place separate risk management policies for our overseas branches and Subsidiaries. These country-specific risk policies are based on the host country regulators' guidelines and in line with the practices followed for the Indian operations. The asset liability management policy and all the risk exposures for the overseas branches and subsidiaries operations are monitored centrally at the head office.

Capital Adequacy

We are subject to regulations relating to capital adequacy of banks, which determines the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio, or capital-to-risk asset ratio ("**CRAR**"). We are subject to regulations relating to the capital adequacy of banks, which determines the CRAR, or the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio. The RBI requires banks in India to maintain a minimum CRAR of 11.50% (including capital conservation buffer). In addition, RBI issued the RBI Basel III Capital Regulations on May 2, 2012 pursuant to our Bank for the International Settlement's Basel III international regulatory framework. The RBI Basel III Capital Regulations were implemented on April 1, 2013. The RBI Basel III Capital Regulations require, among other things, higher levels of Tier I capital and common equity, capital conservation buffers, maintenance of a minimum prescribed leverage ratio on a quarterly basis, higher deductions from common equity and Tier I capital for investments in subsidiaries and changes in the structure of non-equity instruments eligible for inclusion in Tier I capital. The RBI Basel III Capital Regulations also set out elements of regulatory capital and the scope of the capital adequacy framework, including disclosure requirements of components of capital and risk coverage. In accordance with the RBI Basel III Capital Regulations, the Bank is required to maintain a minimum common equity Tier I ("**CET-I**") capital ratio of 8.00% (including a capital conservation buffer of 2.50%), and a minimum Tier I CRAR of 9.50% (including a capital conservation buffer of 2.50%) of its risk weighted assets.

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

	As of March 31,			**As of September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
	(₹ crores, except percentages)				
Common equity tier I (CET I)	34,689.55	42,695.01	48,231.94	42,342.04	47,824.20
Additional tier I capital	1,352.00	1,352.00	2,852.00	1,352.00	2,852.00
Tier I capital(1)	36,041.55	44,047.01	51,083.94	43,694.04	50,676.20
Tier II capital(1)	8,948.64	8,205.57	6,643.48	6,961.66	8,633.36
Total capital	44,990.19	52,252.58	57,727.42	50,655.71	59,309.56
Risk weighted assets(1)	3,01,305.29	3,16,395.31	3,54,534.30	3,26,560.11	3,79,509.00
CET I ratio (%)	11.51%	13.49%	13.60%	12.97%	12.60%
Tier I capital ratio	11.96%	13.92%	14.41%	13.38%	13.35%
Tier II capital ratio	2.97%	2.59%	1.87%	2.13%	2.27%
Total capital ratio	14.93%	16.51%	16.28%	15.51%	15.63%

Note:

(1) Tier I and Tier II capital, risk weighted assets and capital adequacy ratios have been calculated in accordance with RBI guidelines (Basel III Capital Regulations, generally referred to as Basel III). See "Regulation and Policies" on page 224.

The following table sets forth, for the periods indicated, the Bank's RWA pertaining to credit risk, market risk and operational risk computed as per applicable the RBI guidelines in accordance with Basel III:

	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(₹ crores)				
Credit risk RWA	2,53,842.07	2,70,238.41	3,01,202.97	2,78,895.11	3,16,860.24
Market risk RWA	14,756.70	10,393.97	16,519.44	10,852.87	21,970.53
Operational risk RWA	32,706.52	35,762.93	36,811.89	36,811.89	40,678.32
Total risk weighted assets	3,01,305.29	3,16,395.31	3,54,534.30	3,26,559.87	3,79,509.09

Lead Bank Scheme

The Bank has Lead Bank responsibility in 51 districts spread across the five states of Jharkhand (15), Maharashtra (14), Madhya Pradesh (13), Uttar Pradesh (7) and Odisha (2) as on September 30, 2023. The Bank is convener of the State Level Bankers' Committee (SLBC) in the state of Jharkhand.

Compliance

We have a compliance function policy based on RBI guidelines. Our compliance department ensures compliance with all statutory, regulatory and internal requirements across all our businesses and operations including international operations. Further, in order to develop a strong compliance culture, we provide employee education on compliance through trainings, sessions and circulars. We have a KYC and Anti-Money Laundering policy in accordance with RBI guidelines. The compliance levels at branches are monitored periodically by the internal/concurrent auditors and reported to our KYC unit for follow-up.

Competition

Indian banking industry is highly competitive and we face strong competition in all our principal banking operations. We face competition from GoI-controlled public sector banks, private sector banks, foreign banks, co-operative banks, and for certain products, non-banking financial institutions, small finance banks, regional rural banks, payment banks and housing finance companies. The Bank faces competition in all its principal areas of business. Private sector banks, foreign banks and other public sector banks are the Bank's main competitors, followed closely by finance companies, mutual funds and investment banks. The Bank may also face increased competition from foreign banks if the Indian retail market is further liberalized or if regulations and restrictions upon branch network growth by foreign banks are simplified or reduced. The Bank seeks to gain a competitive advantage by offering innovative products and services, maximizing the functions of its extensive branch network, in particular in rural and semi-urban areas, investing in technology and building on relationships with the Bank's key customers. Consolidation in the Indian banking industry has increased and may continue to increase competitive pressures experienced by the Bank.

An increase in operations of existing competitors or entry of additional banks offering a similar or a wider range of products and services could increase competition. In addition, the moderation of growth in the Indian banking sector is expected to lead to greater competition for business opportunities. The GoI is also actively encouraging banks and other financial institutions to significantly increase their lending to the agricultural sector, which will make this segment more competitive. The RBI has also released guidelines with respect to a continuous licensing policy for universal banks as compared to the earlier practice of intermittently issuing licenses, and has demonstrated an intention to allow the small finance banks to apply for universal banking license under this framework, which may result in greater competitive pressure.

The RBI has also indicated that it plans to give greater access to foreign banks in the Indian market. We may also face increased competition from foreign banks if the Indian retail market is further liberalized or if regulations and restrictions upon branch network growth by foreign banks are simplified or reduced, foreign banks may operate in

India by establishing wholly owned subsidiaries which are allowed to raise Rupee resources through issue of non-equity capital instruments. Further, under the foreign exchange regulations, an aggregate foreign investment of up to 49.00% under the automatic route, and 74.00% under the government approval route, in Indian private sector banks is allowed. For public sector banks, subject to the Banking Companies (Acquisition and Transfer of Undertakings) Act, foreign direct investment of up to 20.00% under the government approval route is permitted.

For more information, see "Ma*nagement's Discussion and Analysis of Financial Condition and Results of Operations – Competition*" and "*Risk Factors – The banking industry is very competitive and our growth strategy depends on our ability to compete effectively*" on pages 86 and 46, respectively.

Corporate Banking

Corporate banking faces competition from foreign, private banks. Private sector banks compete in the corporate banking market on the basis of efficiency, service delivery and technology. Other PSU banks also compete in this area of operation. The lower risk rating of corporate clients, as well as the higher income generating capacity due to the volume and diversity of their business, attracts foreign and private banks to this sector.

However, the Bank believes its low-cost deposit base provides it with a competitive advantage in meeting its customers' borrowing pricing expectations. The Corporate Banking Group responded to competition through building strong customer relationships, an extensive network, geographical reach and through efficient and focused delivery of products and services.

Retail Banking

In the retail banking sector, the Bank faces competition primarily from foreign and Indian commercial banks. Foreign banks typically focus on limited customer segments, such as high net worth individuals and mass affluent, and targeted geographic locations due to limitations of their smaller branch networks relative to Indian commercial banks. Indian commercial banks generally have wider distribution networks than foreign banks, but relatively weaker technology and marketing capability. The Bank also faces competition from aggressive new generation private sector banks with technology-enabled products and services.

The Bank seeks to compete in this sector by offering a wide product portfolio through its extensive branch network, by leveraging its client relationships in diverse market and geographic segments and by offering technology-enabled products and services.

In recent years, investment in mutual funds and insurance policies has become an increasingly viable alternative to traditional banking products, since they offer tax advantages and have the capacity to earn competitive returns. This has resulted in competition for the deposit base of the Bank's retail customers. The Bank has sought to address the competitive pressure by offering a wider range of mutual fund and insurance products to its customers in addition to traditional deposits. See " *— Other Services — Mutual Funds*."

International Banking

The Bank's international strategy is focused on India-linked opportunities as well as quality local term loans, and the Bank also intends to expand its banking operations to serve NRI as well as local clients in its host countries. In its international operations, the Bank faces competition from other Indian banks with overseas operations, as well as foreign banks with products and services targeted at NRI and Indian businesses and other service providers. The Bank intends to leverage its strong relationships with Indian corporates in its international business. As of September 30, 2023, 16.65% of the Bank's total advances were outside of India. As of September 30, 2023, the Bank had a presence in 16 countries including IBU Gift city in India.

Government Banking

The RBI, the Bank and other public sector banks conduct Government business in India. Other public sector banks are the Bank's principal competitors in handling Government and state government payments and receipts. Few new-generation private sector banks have also been authorized by the RBI to collect revenues on behalf of the Central

Board of Excise and Customs and the Central Board of Direct Taxes of the Department of Revenue, the Ministry of Finance and the Government.

The Bank addresses this growing competition by offering online payment services and emphasizing the advantages of its branch network in providing easy access for customers.

Treasury

In its treasury advisory services for corporate clients, the Bank competes principally with foreign banks in foreign exchange and derivatives, as well as public sector banks in the foreign exchange and money markets business. Under the RBI's SLR requirement, as of September 30, 2023, we are required to maintain an amount equal to at least 18% of our demand and time liabilities in approved securities such as central and state government securities and other approved securities. As of September 30, 2023, SLR securities consisted of 23.37% of the Bank's demand and time liabilities. Under the RBI's CRR requirements, as of March 31, 2021, the Bank is required to maintain a minimum of 4.50% of the Bank's eligible demand and time liabilities in a current account with the RBI. As of September 30, 2023, CRR was 4.35% of the Bank's net demand and time liabilities were maintained in current accounts with the RBI.

Employees

As of September 30, 2023, the Bank had 52,236 employees. The Bank maintains cordial industrial relations with Officers' Association/Unions of Award Staff Employees. The Bank is a member of the Indian Banks' Association ("**IBA**"), which negotiates with the banking associations/unions regarding wage revision and service conditions. All member banks provide their mandate to the IBA to negotiate on their behalf with the banking unions and the settlement arrived at by the IBA and the banking unions is binding upon the Bank. These negotiations are usually conducted in five-year cycles and the present agreement in respect of wage revision was made effective from November 1, 2022.

To enhance and upgrade skills of staff at various levels and making them flexible to meet the changing requirements, the Bank has undertaken various training programs and workshops to impart training to staff. During Fiscal 2023, 17,484 staff members from different cadres participated in various training programmes/workshops conducted by our training centres/knowledge partners. In addition to the regular training programmes by our training centres, the Bank is also nominating staff for training from reputed external training institutes. For capacity building, the Bank is also encouraging the staff to complete certificate courses in specialised areas by reimbursing the fees on successful completion of such certification courses. The bank also conducts refresher courses relating to various skills on a regular basis.

The Bank has started providing executive one to one training to officers designated Assistant General Managers rank and higher. The Bank has been conducting specialised training for IT officers in data analytics and IT. The Bank has involved external training institutes for providing customised trainings to enhance capacity building.

Majority of our officers and employees are members of a recognized union or officers' association. We are party to several collective bargaining agreements/negotiations, in relation to salary, performance incentives and workforce flexibility, which are entered on a regional or industry level. We have also in the past had instances of strikes and work stoppages on account of our employees' unions participating in all India strikes. See "*Risk Factors—The Banks' employees are highly unionized and any union action may adversely affect the Bank's business*" on page 46.

Corporate Social Responsibility

The Bank is deeply committed to, and recognizes the importance of, contributing towards societal welfare.

Corporate social responsibility activities include various welfare and social activities, projects and programmes to raise the quality of life of underprivileged sections of the society. These activities are implemented for addressing larger social causes and addressing sustainability requirements through initiatives involving Swachhta Bharat Abhiyan, rural development, environment sustainability, educational programs such as Beti Bachao Beti Padhao Abhiyan, extending health care to the underprivileged, socioeconomic development, sanitation, providing drinking water, improving standard of living, skill development, welfare of women, children and economically weaker sections.

The Bank is also continuing its flagship corporate social responsibility activities under brand name “Star Angel Scheme” for promoting Beti Bachao Beti Padhao Abhiyan. In this program, female students from economically weaker sections receive financial support for meeting specified educational expenses up to graduation.

The Bank has assisted in the health sector by sponsoring health camps for poor and underprivileged citizen. The Bank also provides medical equipment to hospitals catering to underprivileged patients.

Properties

Our branches and our offices operate on leased premises as well as on owned premises. The Bank’s head office is located at Star House, C-5, ‘G’ Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, which is owned by the Bank.

As of September 30, 2023, the Bank had a network consisting of 5,135 domestic branches, 69 zonal offices and 8,228 ATMs and CRMs spread over 28 states and 8 union territories, throughout India as well as 47 overseas branches, including one office in IBU Gift city, spread across 16 countries.

For more information on our branch network, see “*Our Business – Branch Network*” on page 174.

Intellectual Property Rights

Our trade name “Bank of India” and Logo “ ” is registered with the Trademarks Registry, Mumbai and the registrations are valid till September 19, 2028 and June 04, 2032, respectively.

However, we do not own other taglines that we use for our services and have not made an application to the Trademarks Registry for registration of the same. For further details, see “*Risk Factors—Our intellectual property rights may be subject to infringement or we may breach third party intellectual property rights*” on page 46.

Insurance

The Bank maintains its own insurance policies and coverage that it deems to be appropriate. The Bank’s standard insurance policies cover for losses of or damage to property including furniture, fixtures, computer hardware, ATMs and vehicles. Cash-in-transit, cash, securities and precious metals and other valuables are covered against theft. In addition, the Bank has also obtained a fidelity policy for employees, as well as directors’ and officers’ liability insurance to cover the Bank’s directors and other key management members. The Bank carries insurance coverage commensurate with its level of operations and risk perception. We believe that we maintain all material insurance policies commonly required by a bank in India. See “*Risk Factors — Risk Relating to the Business of the Bank — Our insurance coverage may be inadequate to cover claims. If we incur substantial uninsured loss or loss that exceeds our insurance coverage, there could be an adverse effect on our business, cash flows, results of operations and financial condition*” on page 46.

Legal Proceedings

The Bank is involved in legal proceedings, including criminal cases, which are pending before various courts and other forums in the ordinary course of the Bank’s business. Certain of these proceedings could, if adversely determined, may have a material effect on the Bank’s financial condition or results of operation. For more information see “*Legal Proceedings”* on page 294.

Subsidiaries, Joint Venture, associates and strategic investments

The following describes certain information regarding the Bank’s subsidiaries, Joint Venture and strategic investments as of September 30, 2023.

	Primary operations	Bank's ownership (%)	Investment (₹ crores, unless stated otherwise)	Net profit (after tax) after minority interest (₹ crores)
Subsidiaries				
BOI Shareholding Ltd.	Manage clearing house of BSE	100.00%	6.65	0.09
P.T. Bank of India Indonesia Tbk	Banking	90.96%	1,795.41	(53.27)
Bank of India (Tanzania) Ltd.	Banking	100.00%	70.22	4.24
BOI (New Zealand) Ltd.	Banking	100.00%	176.91	9.39
BOI (Uganda) Ltd	Banking	100.00%	206.46	5.97
Bank of India Investment Managers Pvt Ltd	Investment Managers	100.00%	78.90	(1.59)
Bank of India Trustees Services Pvt Ltd	Trustee Services	100.00%	0.00(**)	0.00
BOI Merchant Bankers Ltd	Merchant Banker	100.00%	10.00	0.86
Joint Venture				
Star Union Dai Ichi Life Insurance Co. Ltd	Life insurance	28.96%	132.92	15.42
Strategic Investments (₹100 million and above)				
SIDBI(*)	Providing working capital facilities to SME customers	2.66%	45.30	2,166.00
Metropolitan Stock Exchange Ltd.	Exchange platform for currency futures	1.04%	27.50	20.30
National Payment Corp of India#	An umbrella organization for operating retail payments and settlement systems	7.12%	10.00	(#)
Invent Assets Securitization & Reconstruction Pvt Ltd	Asset Securitisation and Reconstruction Company	3.14%	10.00	10.16
National Asset Reconstruction Company Ltd.	Asset Reconstruction Company	9.00%	187.16	(#)

(*) Only the financials provided by SIDBI are audited whereas the financials provided by other Companies are unaudited.
(**) The absolute amount is ₹ 2,100.00.
(#) National Payment Corp of India (NPCI), being a company under Section 8 of the Companies Act, 2013, does not publish financials to the public on quarterly / half-yearly basis. NPCI had net profit of ₹ 809.62 crore in Fiscal 2023.
(##) We have also made strategic investments in National Asset Reconstruction Company Limited, with investment of more than ₹ 10 crore. However, National Asset Reconstruction Limited's Board has not approved the financials of the company as of September 30, 2023, and accordingly, this information cannot be provided. National Asset Reconstruction Limited had net profit of ₹ 2,824.11 crore as on March 31, 2023.

Regional Rural Banks

The Bank, along with the Government and state governments, sponsors three regional rural banks ("**RRBs**") that are located in three states, as of September 30, 2023. These banks operate in 82 districts through a network of 2,554 branches. The Bank made an initial subscription of ₹ 896.14 crores and has contributed an additional ₹ 346.61 crores to the restructuring and recapitalization of these RRBs. As a result, the total capital exposure of the Bank to RRBs as of September 30, 2023 was ₹ 1,242.75 crores. The Bank is continuing to provide necessary managerial and administrative support to these RRBs. The aggregate deposits and advances of the sponsored RRBs and combined net profit for the last three years is furnished below:

	As of March 31,			**As of September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
	(₹ crores)				
Aggregate deposits	51,156.55	53,384.37	56,668.65	52,624.30	57,576.85
Advances	31,991.93	35,630.14	39,943.60	37,579.82	40,880.54
Combined net profit	(388.99)	(282.92)	257.11	164.35	181.61

Awards and Certifications

Calendar Year	**Awards and Certifications**
2023	Annual APY Exemplary award of excellence by the Pension Fund Regulatory and Development Authority
2022	Best Innovative Bank- Winner and Best Bank For Promoting Social Scheme- -Runner Up at the MSME Banking Excellence Award by CIMSME-New Delhi
2022	Second Best in Category-I Public Sector Banks for Excellence in Financial Reporting by ICAI for Fiscal 2022
2022	Dr. Ambedkar Business Excellence Award for lending to SC Entrepreneurs awarded by IFCI Venture Capital Ltd
2021	Runners-Up Award in Finacle Innovation Awards 2021 from M/s Infosys - Large Bank Segment - for "COVID Response Innovation"
2021	HR Leadership Award 2021 by World HRD Congress
2021	APY Annual Award (2020-21)" for overall performance for achieving 'per APY' target
2019	Most Innovative Large Size Bank - ETBFSI Excellence Awards 2019
2019	Best Public Sector Bank – India Banking Summit & Awards 2019
2019	2nd Most Trusted Brand - Reader's Digest Trusted Brand, 2019 - Banks category

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition and appointment of directors of our Board is governed by the provisions of the Banking Companies Act, the Nationalised Banks Scheme and the Bank of India (Shares and Meetings) Regulations, 2007, as amended.

As per sub-section 3 of section 9 of the Banking Companies Act, every board of directors of a corresponding new bank, constituted under any scheme made under sub-section 1 of section 9 of the Banking Companies Act is required to include:

a) not more than five whole-time directors to be appointed by the Central Government after consultation with RBI;
b) one director who is an official of the Central Government to be nominated by the Central Government; provided that no such director shall be a director of any other corresponding new bank;
c) one director, possessing necessary expertise and experience in matters relating to regulation or supervision of commercial banks, to be nominated by the Central Government on the recommendation of RBI;
d) one director, from among such of the employees who are workmen (as defined under clause (s) of section 2 of the Industrial Disputes Act, 1947) to be nominated by the Central Government;
e) one director, from among the employees who are not workmen (as defined under clause (s) of section 2 of the Industrial Disputes Act, 1947) to be nominated by the Central Government after consultation with RBI;
f) one director who has been a chartered accountant for not less than 15 years to be nominated by the Central Government after consultation with RBI;
g) subject to directors appointed by shareholders as provided under clause (i) of sub-section 3 of section 9 of the Banking Companies Act, not more than six directors to be nominated by the Central Government;
h) directors elected by shareholders of the bank (other than the Central Government) from amongst themselves where the capital raised by public issue or rights issue or by issue of bonus shares or preferential allotment or private placement, of equity shares or preference shares is:

    1. not more than 16.00% of the total paid-up capital, one director;
    2. more than 16.00% but not more than 32.00% of the total paid-up capital, two directors; and
    3. more than 32.00% of the total paid-up capital, three directors

As on the date of this Placement Document, we have ten (10) directors on our Board. Our Board has one (1) Managing Director and Chief Executive Officer, four (4) Executive Directors, one (1) Government of India Nominee Director, one (1) RBI Nominee Director, one (1) Part time Non-official Director and two (2) Shareholder Directors on our Board. All Directors are appointed/nominated/elected pursuant to the Banking Companies Act, the Nationalized Banks Scheme and the Bank of India Regulations.

The Managing Director and Chief Executive Officer and the Executive Directors are appointed by the Central Government. The remaining Directors are non-executive Directors that represent the Central Government, RBI and the shareholders of the Bank. As on the date of this Placement Document, the Board does not have the full strength as prescribed in accordance with the provisions of the Banking Companies Act, as one (1) director under section 9(3)(e) of Banking Companies Act required to be nominated by the Central Government, one (1) director each under section 9(3)(f) and 9(3)(g) of Banking Companies Act required, to be nominated by the Central Government in consultation with RBI and directorships under section 9(3)(h) the Banking Companies Act, to be nominated by the Central Government on the Board of our Bank are vacant as on date of this Placement Document. For further details, see *"Risk Factors – The Bank's Board does not have the prescribed strength in terms of the Banking Companies Act and the SEBI Listing Regulations."*

RBI has also prescribed "fit and proper" criteria pursuant to the Master Directions ('Fit and Proper' Criteria for Elected Directors on the Boards of PSBs) Directions, 2019 to be considered when appointing the directors elected by the shareholders ("Shareholder Directors"). Our Shareholder Director is required to make declarations confirming their on-going compliance with such criteria.

The following table sets forth details regarding our Board as on the date of this Placement Document:

Name, Address, Occupation, Term and Nationality	Clause (as per Section 9(3) of the Banking Companies Act) under which appointed / nominated / elected	Age (years)	Designation
Rajneesh Karnatak **Address**: H. No. 78, Mahavir Prasad Block, Asiad Village, Delhi – 110049 **Occupation**: Service **Term**: For the period of 3 years with effect from the date of assumption of office i.e., April 29, 2023, or until further orders, whichever is earlier. **Nationality**: Indian	9(3)(a)	53	Chairman, Managing Director and Chief Executive Officer
Paripurnam Ramanujam Rajagopal **Address**: D/203, Milap Complex, P and T Colony, Near Hanuman Mandir P and T Colony, Dombivli East, Thakurli, Thane, Maharashtra – 421201 **Occupation**: Service **Term**: Term extended for a period of two years till February 29, 2026. **Nationality**: Indian	9(3)(a)	56	Executive Director
M Karthikeyan **Address**: No. 2, Meenakshi Street, Near tambaram Sanatorium Railway Station, Tambaram, Kancheepuram, Tamil Nadu – 600047 **Occupation**: Service **Term**: Term extended beyond his currently notified term which expires on 09.03.2024, till the date of his superannuation, i.e., 31.03.2025, or until further orders, whichever is earlier **Nationality**: Indian	9(3)(a)	58	Executive Director
Swarup Dasgupta **Address**: A-4-2-4, Millenium Towers, Sector 9, Sanpada, Navi Mumbai, Thane, Maharashtra – 400705	9(3)(a)	59	Executive Director

Name, Address, Occupation, Term and Nationality	Clause (as per Section 9(3) of the Banking Companies Act) under which appointed / nominated / elected	Age (years)	Designation
Occupation: Service **Term**: For the period of 3 years with effect from the date of assumption of office i.e., March 10, 2021 or until further orders, whichever is earlier. **Nationality**: Indian			
Subrat Kumar **Address**: #12, Road No 21, Rajeev Nagar, Phulwari, Patna, Bihar – 800024 **Occupation**: Service **Term**: For the period of 3 years with effect from the date of assumption of office i.e., November 21, 2022 or until further orders, whichever is earlier. **Nationality**: Indian	9(3)(a)	53	Executive Director
Bhushan Kumar Sinha **Address**: A – 43, Nivedita Kunj, near Mohan Singh Market, Sector – 10, R K Puram, Delhi – 110022. **Occupation**: Services **Term**: With immediate effect from April 11, 2022 or until further orders **Nationality**: Indian	9(3)(b)	59	Government Nominee Director
Veni Thapar **Address**: C-2/37, Safdarjung Development Area, Hauz Khas, Delhi – 110016 **Occupation**: Professional **Term**: From December 4, 2021 for a period of three years up to December 3, 2024. **Nationality**: Indian	9(3)(i)	51	Shareholder Director
Munish Kumar Ralhan **Address**: House No. 153, Ward No. 14, Street	9(3)(h)	50	Part-time Non-official Director

Name, Address, Occupation, Term and Nationality	Clause (as per Section 9(3) of the Banking Companies Act) under which appointed / nominated / elected	Age (years)	Designation
No. 1, New Civil Lines, Hoshiarpur, Punjab – 146001 **Occupation**: Professional **Term**: For a period of 3 years from March 21, 2022 or until further orders, whichever is earlier **Nationality**: Indian			
Vishwanath Vittal Shenoy **Address**: B 303, Vasanta, Dosti Vihar, Off Pokhran Road No. 1, Vartak Nagar, Near Vedant Complex, Thane, Maharashtra – 400606 **Occupation**: Retired **Term**: For a period of three years from November 28, 2023 **Nationality**: Indian	9(3)(i)	61	Shareholder Director
Ashok Narain **Address**: Flat number 41, Vasant Vihar, RBI Senior Officers Flats, 85, Napean Sea Road, opposite Dariya Mahal, Malabar Hills, Mumbai-400006 **Occupation**: Retired **Term**: With immediate effect i.e., July 14, 2023 and until further orders **Nationality**: Indian	9(3)(c)	61	RBI Nominee Director

Brief Profiles of our Directors

Rajneesh Karnatak, is the Chairman, Managing Director and Chief Executive Officer of our Bank. He has been a Managing Director and Chief Executive Officer of our Bank since April 29, 2023. Prior to joining our Bank, he has worked as an executive director with Union Bank of India. He has past experience of working with nationalized bank.

Paripurnam Ramanujam Rajagopal, is an Executive Director of our Bank. He has been a Director on our Board since March 18, 2020. Prior to joining our Bank, he has worked as an executive director with erstwhile Allahabad Bank. He has past experience of working with nationalized bank.

M Karthikeyan is the Executive Director of our Bank. He has been a Director on our Board since March 10, 2021.

Prior to joining our Bank, he has worked as general manager with Indian Bank. He has past experience of working with nationalised bank.

Swarup Das Gupta is an Executive Director of our Bank. He has been a Director on our Board since March 10, 2021. Previously, he has worked as general manager of our Bank. He has past experience of working with a nationalised bank.

Subrat Kumar, is the Executive Director of our Bank. He has been a Director on our Board since November 21, 2022. Prior to joining our Bank, he was Chief General Manager of Bank of Baroda.

Bhushan Kumar Sinha, is the Government Nominee Director of our Bank. He has been on our Board since April 11, 2022.

Veni Thapar, is the Shareholder Director of our Bank. She is a qualified member of the Institute of Chartered Accountants of India ("**ICAI**"). Presently, she is on the Board of Governors of Indian Institute of Corporate Affairs.

Munish Kumar Ralhan, is the Part-time Non-Official Director of our Bank. He has been on our Board since March 21, 2022.

Vishwanath Vittal Shenoy, is the Shareholder Director of our Bank. He has been on our Board since November 28, 2022.

Ashok Narain is the RBI Nominee Director of our Bank. He holds a master's degree in Indian Institute of Ahmedabad. Prior to joining our Bank, he was Chief General Manager of RBI. He is also on the board of Star Union Dai-ichi Life Insurance Company Limited as a non- executive independent director.

Relationship between our Directors

None of our Directors are related to each other as on the date of this Placement Document.

Remuneration details of our Directors

(i) Remuneration details of our Executive Directors

The details of the remuneration paid by our Bank to our present Executive Directors including all allowances, provident fund contribution for the period April 1, 2023 till November 30, 2023 and for the Fiscals 2023, 2022 and 2021, respectively are set forth below:

(₹ in crore)

Name of the Director	Remuneration			
	For the period from April 1, 2023 till November 30, 2023	For Fiscal 2023	For Fiscal 2022	For Fiscal 2021
Rajneesh Karnatak^	0.15	-	-	-
Paripurnam Ramanujam Rajagopal *	0.20	0.39	0.34	0.31
Swarup Dasgupta#	0.16	0.30	0.27	0.02
M Karthikeyan #	0.16	0.30	0.27	0.02
Subrat Kumar**	0.17	0.12	-	-

^Rajneesh Karnatak was appointed as Chairperson, Managing Director and Chief Executive Officer with effect from April 29, 2023.
**Paripurnam Ramanujam Rajagopal was appointed as Executive Director with effect from March 18, 2020.*
***Subrat Kumar was appointed as Executive Director with effect from November 21, 2022.*
 # Swarup Dasgupta, M Karthikeyan were appointed as Executive Directors with effect from March 10, 2021.

(ii) Sitting fees payable to our Non-Executive Directors

As per Government of India's directive F. No. 15/1/2011-BO.I dated January 18, 2019, all the directors other than the executive directors, Government's nominee director and RBI's nominee director, are to be paid a sitting fees amounting to ₹40,000 for attending each meeting of the board, ₹20,000 for attending each meeting of the sub-committee of the board, additional ₹10,000 for chairing the meeting of the Board and ₹5,000 for chairing the meeting of sub-committee of the Board.

Accordingly, the details of the sitting fees paid by our Bank to our present Non-Executive Directors for the period April 1, 2023 till November 30, 2023 and for the Fiscals 2023, 2022 and 2021, respectively are set forth below:

(₹ in crore)

Name of the Director	**Sitting fees paid***			
	For the period from April 1, 2023 till November 30, 2023	**For Fiscal 2023**	**For Fiscal 2022**	**For Fiscal 2021**
Veni Thapar	0.21	0.25	0.10	-
Munish Kumar Ralhan	0.23	0.25	-	-
Vishwanath V Shenoy	0.25	0.11	-	-
Ashok Narain	0.13	-	-	-
Bhushan Kumar Sinha	-	-	-	-

**the sitting fees include fees (after deducting applicable taxes) paid for attending the meetings of the Board, meetings of the sub-committee of the Board and additional fees for chairing the meeting of the Board and sub-committees, if any.*

Bonus or profit-sharing plan for our Directors

Government of India, Ministry of Finance, Department of Financial Services vide notification number F.No.12/1/2014-BOA dated August 18, 2015 has set out broad parameters for payment of performance linked incentives to executive directors on the boards of public sector banks. Such performance linked incentives are given in accordance with scores obtained as per the performance evaluation matrix prescribed in the notification. The performance evaluation matrix consists of qualitative and quantitative parameters. Further, in accordance with the action point 16 of banking reforms set out in the Reforms Agenda for Responsive and Responsible PSBs ("**PSB Reforms Agenda**"), the board of directors of a public sector bank shall evaluate the performance of the bank's whole-time directors in terms of its implementation of the six-point action plan stated in the PSB Reforms Agenda. Further, in terms of 11th Bipartite Settlement/8th Joint Note dated November 11, 2020, as amended from time to time, the employees of the Bank are eligible for performance linked incentives which is payable to all eligible staff members annually over and above the normal salary payable to the employees depending on the annual performance of the Bank

Shareholding details of our Directors in our Bank

The directors elected under section 9(3)(i) of the Banking Companies Act by the shareholders (other than the Government), are required to hold a minimum of 100 shares of our Bank in terms of regulation 65 (i) (a) of the Bank of India (Shares and Meetings) Regulations, 2007, as amended.

The following table sets forth details of shareholding of our Directors in our Bank, as on the date of this Placement Document:

Name of the Director	**No. of Equity Shares (pre-Issue)**	**Percentage shareholding (%)**
Rajneesh Karnatak	Nil	N.A.
Paripurnam Ramanujam Rajagopal	Nil	N.A
Subrat Kumar	Nil	N.A
Swarup Dasgupta	3,000	N.A

Name of the Director	No. of Equity Shares (pre-Issue)	Percentage shareholding (%)
M Karthikeyan	Nil	N.A
Bhushan Kumar Sinha	Nil	N.A
Veni Thapar	300	N.A
Munish Kumar Ralhan	Nil	N.A
Vishwanath V Shenoy	600	N.A
Ashok Narain	Nil	N.A

Interest of our Directors

Our Executive Directors may be deemed to be interested to the extent of salary and remuneration paid to them for services rendered as Directors of our Bank, perquisites and reimbursement of expenses, if any, payable to them, as allowed in the ordinary course of business. For details of remuneration paid to our executive Directors, see "- *Remuneration details of our Executive Directors*" above.

Further, our Non-Executive Directors other than the Government's Nominee Director and RBI's Nominee Director, are entitled to receive sitting fees for attending each meeting of our Board and Committee thereof and are also entitled to reimbursement of expenses to attend such meeting as may be applicable, details of which have been provided under the heading "-*Remuneration details of our Non-Executive Directors*" above.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Bank and dividend payable to them, if any. For details of Equity Shares held by our Directors in our Bank, see "*Shareholding details of our Directors in our Bank*" above.

Except as disclosed in this Placement Document, and except to the extent of shareholding in our Bank, our Directors do not have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Except as otherwise stated in this Placement Document, as on date or in the last three years immediately preceding this Placement Document, none of our Directors or any of their relatives have entered into any contract, arrangement or agreement with regard to loans or advances, guarantees or securities provided by or to the Bank.

Except as stated in "*Related Party Transactions*" in *"Financial Statements"* on page 301, our Directors do not have any other interest in the business of our Bank.

Other Confirmations

Neither our Bank, nor any of our Directors have been identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by RBI.

Neither our Bank nor any of our Directors have been debarred from accessing capital markets under any order or direction made by SEBI, the Stock Exchanges or any other regulatory or supervisory authority.

None of our Directors have been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Corporate Governance

Our Board has one (1) Managing Director and Chief Executive Officer, four (4) Executive Directors, one (1) Government of India Nominee Director, one (1) RBI Nominee Director, one (1) Part time Non-official Director and two (2) Shareholder Directors on our Board. The Board of the Bank and certain of its committees does not have prescribed strength with regard to its composition in terms of the Banking Companies Act and the Nationalised Bank Scheme and the SEBI Listing Regulations. For further details, see "*Risk Factors – The Bank's Board does not have the prescribed strength in terms of the Banking Companies Act and the SEBI Listing Regulations*.*"* The Bank is in compliance with other corporate governance requirements under the SEBI Listing Regulations to the extent it does not violate statutes or guidelines or directives issued by the relevant authorities applicable to the Bank.

RBI has issued a circular RBI/2021-22/24 DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021 pertaining to instructions with regard to the chairman and meetings of the board, composition of certain committees of the board, age, tenure and remuneration of directors, and appointment of the whole-time directors ("**RBI Circular**"). Our Bank is yet to comply with the instructions as mentioned in the RBI Circular.

Committees of our Board

Our Board has constituted the following key Committees, as may be applicable on the Bank:

1. Management Committee of the Board;
2. Credit Approval Committee of the Board;
3. Audit Committee of the Board;
4. Stakeholders' Relationship Committee;
5. Share Transfer Committee;
6. Committee of Directors for Risk Management;
7. Committee of Directors for Customer Services;
8. Nomination and Remuneration Committee;
9. Investment Approval Committee;
10. Committee for Monitoring on Large Value Frauds;
11. IT Strategy and Digital Payment Promotion Committee;
12. Directors Promotion Committee;
13. Steering Committee of the Board on HR;
14. Committee for Monitoring High Value NPAs and Loss Assets;
15. Review Committee for Wilful Defaulters;
16. Independent Directors' Committee of the Board;
17. Disciplinary Proceeding Committee;
18. Corporate Social Responsibility Committee;
19. Committee for Performance Evaluation of MD&CEO, Executive Directors and General Managers;
20. Review Committee for declaration of Non Co-operative Borrower; and
21. Group Governance Committee.

Details of key Committees are as follows:

1. Management Committee of the Board

The Management Committee of the Board has been constituted in pursuance of Clause 13 of Nationalized Banks Scheme read with the directives of the MoF, Government of India. The composition of Management Committee of the Board has been advised by Department of Financial Services, Ministry of Finance, Government of India vide communication F. No. 13/1/2006-BO.1/80061042 dated August 24, 2015, as may be amended by further communications. Our Management Committee comprises the following member:

Name of Director	Designation	Nature of Directorship
Rajneesh Karnatak	Chairman	Managing Director and Chief Executive Officer
Paripurnam Ramanujam Rajagopal	Member	Executive Director
Subrat Kumar	Member	Executive Director
Swarup Dasgupta	Member	Executive Director
Ashok Narain	Member	Non-Executive- Nominee Director
Vishwanath V Shenoy	Member	Non-Executive- Independent Director

2. Audit Committee of the Board

Our Audit Committee has been constituted in terms of RBI circular note dated April 26, 2021 bearing reference number DOR.GOV.REC.8/29.67.001|2021-22 and such other circulars issued by RBI. Our Audit Committee comprises the following members:

Name of Director	Designation	Nature of Directorship
Veni Thapar	Chairperson	Non-Executive- Independent Director
Bhushan Kumar Sinha	Member	Non-Executive- Nominee Director
Munish Kumar Ralhan	Member	Non-Executive- Independent Director
Ashok Narain	Member	Non-Executive- Nominee Director

In Audit Committee, post of the non-executive chartered accountant director (to be appointed in terms of Section 9(3)(g) of the Banking Companies Act) in the Audit Committee is vacant as on the date of this Placement Document as such director has not been nominated to our Board by GOI.

3. Stakeholders' Relationship Committee

Our Stakeholders' Relationship Committee has been constituted pursuant to Regulation 20 read with Clause B of Part D of Schedule II of the SEBI Listing Regulations as amended and Indian Bank Regulations, with the objective of specifically looking into the redressal mechanism of grievances of shareholders, debenture holders and other security holders and to consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends among other things. Our Stakeholders' Relationship Committee comprises the following members:

Name of Director	Designation	Nature of Directorship
Vishwanath V Shenoy	Member	Non-Executive- Independent Director
Paripurnam Ramanujam Rajagopal	Member	Executive Director
Subrat Kumar	Member	Executive Director
Swarup Dasgupta	Member	Executive Director
M Karthikeyan	Member	Executive Director
Veni Thapar	Member	Non-Executive- Independent Director

4. Committee of Directors for Risk Management

Our Committee of Directors for Risk Management has been constituted in accordance with the RBI note RBI note dated April 26, 2021 bearing reference number DOR.GOV.REC.8/29.67.001|2021-22, as may be amended by further notifications on risk management and Regulation 21 of the SEBI Listing Regulations, as may be amended. It has been formed for successful implementation of proper risk management systems in our Bank and devises the policies and strategies for integrated risk management containing various risk exposures of our Bank. Our Committee of Directors for Risk Management comprises the following members:

Name of Director	Designation	Nature of Directorship
Vishwanath V Shenoy	Member	Non-Executive- Independent Director
Paripurnam Ramanujam Rajagopal	Member	Executive Director
Rajneesh Karnatak	Member	Managing Director and Chief Executive Officer
Subrat Kumar	Member	Executive Director
Swarup Dasgupta	Member	Executive Director
M Karthikeyan	Member	Executive Director
Veni Thapar	Member	Non-Executive- Independent Director
Munish Kumar Ralhan	Member	Non-Executive- Independent Director

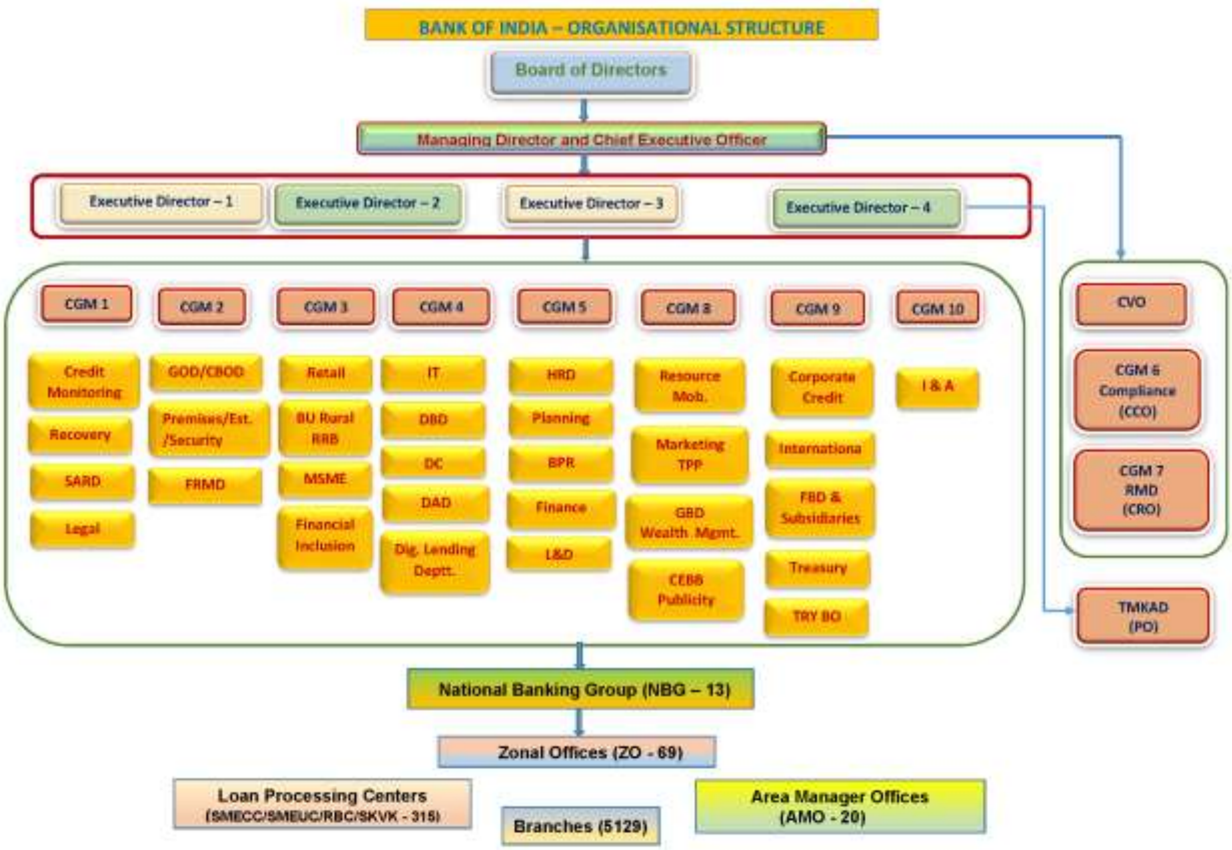
5. Nomination and Remuneration Committee

Our Nomination & Remuneration Committee was constituted in terms of the April 26, 2021 bearing reference number DOR.GOV.REC.8/29.67.001|2021-22, as may be amended, to undertake the process of due diligence to determine the 'fit and proper' status of the persons to be elected as directors clause (i) of sub-section (3) of Section 9 of the Banking Companies Act. Further, the Government of India vide its notification dated August 30, 2019 directed the Bank to constitute a single Nomination and Remuneration Committee for carrying out the functions of both the Nomination Committee and the Remuneration Committee. Our Nomination & Remuneration Committee comprises the following members:

Name of Director	Designation	Nature of Directorship
Vishwanath V Shenoy	Member	Non-Executive- Independent Director
Bhushan Kumar Sinha	Member	Non-Executive- Nominee Director
Veni Thapar	Member	Non-Executive- Independent Director
Munish Kumar Ralhan	Member	Non-Executive- Independent Director

Organization Structure

Set forth is the management organization structure of our Bank:



Set forth is the organization structure of our Bank:

Bank's Subsidiary/Associates/Joint Ventures

Sr. No.	Entities	Relation with the Bank	% Holding of the Bank
1.	BOI Shareholding Limited	Domestic Subsidiary	100%
2.	Bank of India Investment Managers Private Limited	Domestic Subsidiary	100%
3.	Bank of India Trustee Services Private Limited	Domestic Subsidiary	100%
4.	BOI Merchant Bankers Limited	Domestic Subsidiary	100%
5.	STCI Finance Limited	Domestic Associate	29.96%

Sr. No.	Entities	Relation with the Bank	% Holding of the Bank
6.	ASREC (India) Limited	Domestic Associate	26.02%
7.	Star Union Dai-Ichi Life Insurance Company Limited	Joint Venture	28.96%
8.	Aryavart Bank in Uttar Pradesh	Regional Rural Bank	35%
9.	Madhya Pradesh Gramin Bank in Madhya Pradesh	Regional Rural Bank	35%
10.	Vidharbha Konkan Gramin Bank	Regional Rural Bank	35%
11.	PT Bank of India Indonesia TBK	Overseas Subsidiary	90.96%
12.	Bank of India (Tanzania) Limited	Overseas Subsidiary	100%
13.	Bank of India (New Zealand) Limited	Overseas Subsidiary	100%
14.	Bank of India (Uganda) Limited	Overseas Subsidiary	100%
15.	Indo Zambia Bank Limited	Overseas Associate	20%

Senior Managerial Personnel

The following table sets forth the details of the senior managerial personnel of the Bank:

Name of Senior Managerial Personnel	Designation
Prakash Kumar Sinha	Chief General Manager – Credit Monitoring, Recovery, SARD, Legal
Sudhiranjan Padhi	Chief General Manager – Information Technology, Digital Banking, Data, Analytics (DAD), Digital Lending
Nitin Govindrao Deshpande	Chief General Manager – Corporate Credit, Treasury, International FBD
Sharda Bhushan Rai	Chief General Manager – Resource Mobilisation, Publicity, Marketing, CEBB, Wealth Management, Third Party Products, Government Business
Prafulla Kumar Giri	Chief General Manager – Compliance
Abhijit Bose	Chief General Manager – General Operations, Premises, Fraud Risk Management
Ashok Kumar Pathak	Chief General Manager – Retail, Rural, MSME, Financial Inclusion
Pinapala Hari Kishan	Chief General Manager – Risk Management
Gyaneshwar Jagannath Prasad	Chief General Manager – Inspection & Audit
Rajesh Sadashiv Ingle	Chief General Manager – Retail
B Kumar	Chief Financial Officer
Rajesh Venkataraj Upadhya	Company Secretary and Compliance Officer

The details of the senior managerial personnel of our Bank are as follows:

Prakash Kumar Sinha, aged 59 years, is the Chief General Manager – Credit Monitoring, Recovery, SARD, Legal . He has been associated with our Bank since July 9, 1990.

Sudhiranjan Padhi, aged 57 years, is the Chief General Manager – Information Technology, Digital Banking, Data, Analytics (DAD), Digital Lending. He has been associated with our Bank since May 29, 1990.

Nitin Govindrao Deshpande, aged 56 years, is the Chief General Manager – Corporate Credit, Treasury, International FBD. He has been associated with our Bank since July 1, 1992.

Sharda Bhushan Rai, aged 57 years, is the Chief General Manager – Resource Mobilisation, Publicity, Marketing, CEBB, Wealth Management, Third Party Products, Government Business. He has been associated with our Bank since May 14, 1990.

Prafulla Kumar Giri, aged 56 years, is the Chief General Manager – Compliance. He has been associated with our Bank since April 9, 1992.

Abhijit Bose, aged 56 years, is the Chief General Manager – General Operations, Premises, Fraud Risk Management . He has been associated with our Bank since March 30, 1992.

Ashok Kumar Pathak, aged 56 years, is the Chief General Manager – Retail, Rural, MSME, Financial Inclusion. He has been associated with our Bank since May 29, 1992.

Pinapala Hari Kishan, aged 54 years, is the Chief General Manager – Risk Management. He has been associated with our Bank since January 2, 1995.

Gyaneshwar Jagannath Prasad, aged 58 years, is the Chief General Manager – Inspection & Audit. He has been associated with our Bank since September 13, 2011.

Rajesh Sadashiv Ingle, aged 52 years, is the Chief General Manager – Retail. He has been associated with our Bank since January 2, 1995.

B Kumar, aged 49 years, is the Chief Financial Officer of our Bank. He has been associated with our Bank since 2008.

Rajesh Venkataraj Upadhya, aged 54 years, is the Company Secretary of our Bank with effect from December 11, 2020. He holds a bachelor's degree in Commerce from Bangalore University. He is a member of Institute of Company Secretaries of India. He has been associated with our Bank since March 30, 1990.

Relationships between Senior Managerial Personnel and with Directors

None of the Directors are related to the Senior Managerial Personnel as on the date of this Placement Document.

Bonus or a profit-sharing plan to our Senior Managerial Personnel

As on the date of this Placement Document, there is no bonus or profit-sharing plan for the Senior Managerial Personnel.

Interest of Senior Managerial Personnel

The senior managerial personnel of the Bank do not have any interest in the Bank other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them and banking relations undertaken by them in the ordinary course of business and to the extent of the Equity Shares held by them or their dependants in the Bank, and any dividend or other distributions payable to them in respect of the said Equity Shares (if any). For details of Equity Shares held by our Senior Managerial Personnel in our Bank, see "*Shareholding details of our Senior Managerial Personnel*" below.

None of our Senior Managerial Personnel have any financial or other material interest in the Issue and there is no effect of an interest by virtue of having shareholding in our Bank, so far as it is different from the interests of other persons.

Other than as disclosed in this Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by the Bank, in which the senior managerial personnel are interested.

Shareholding of Senior Managerial Personnel

The following table sets forth the shareholding of the Senior Managerial Personnel of the Bank as on September 30, 2023:

Sr. No.	Name of Senior Managerial Personnel	Designation	No. of Equity Shares held as on September	Percentage of Equity Shares to total paid up

			30, 2023	capital
1.	Prakash Kumar Sinha	Chief General Manager – Credit Monitoring, Recovery, SARD, Legal	8,125	Negligible
2.	Sudhiranjan Padhi	Chief General Manager – Information Technology, Digital Banking, Data, Analytics (DAD), Digital Lending	5,200	Negligible
3.	Nitin Govindrao Deshpande	Chief General Manager – Corporate Credit, Treasury, International FBD	2,000	Negligible
4.	Sharda Bhushan Rai	Chief General Manager – Resource Mobilisation, Publicity, Marketing, CEBB, Wealth Management, Third Party Products, Government Business	8,000	Negligible
5.	Ashok Kumar Pathak	Chief General Manager – Retail, Rural, MSME, Financial Inclusion	8,525	Negligible
6.	Gyaneshwar Jagannath Prasad	Chief General Manager – Inspection & Audit	1,000	Negligible
7.	B Kumar	Chief Financial Officer	6,000	Negligible
8.	Rajesh Venkataraj Upadhya	Company Secretary and Compliance Officer	200	Negligible

Policy on disclosures and internal procedure for prevention of insider trading

Regulation 8(1) and 9(1) of the SEBI Insider Trading Regulations, 2015 applies to the Bank and its employees and requires the Bank to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with. The Bank has implemented a code of conduct for prevention of insider trading in accordance with the SEBI Insider Trading Regulations, 2015, the Bank has also maintaining Structural Digital Data Base and designated National Securities Depository Limited as designated Depository for System Driven Disclosure in this regards.

Related Party Transactions

For details in relation to the related party transactions entered by the Bank during the last three Fiscal Years, as per the requirements under Accounting Standard 18 issued by the Institute of Chartered Accountants in India read together with circular dated March 29, 2003 issued by the RBI on 'Guidance on Compliance with the Accounting Standards by Banks'. For further information, see "*Financial Statements*" on page 301.

Employee Stock Option Scheme/Employee Stock Purchase Scheme

As on the date of this Placement Document, our Bank does not have any Employee Stock Option Scheme/Employee Stock Purchase Scheme.

PRINCIPAL SHAREHOLDERS AND OTHER INFORMATION

The following table presents information regarding the ownership of Equity Shares by the Shareholders as of September 30, 2023:

Summary statement holding of Equity Shares as at September 30, 2023

Category of Shareholder	No. of Shareholders	No. of fully paid up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of Locked in shares		No. of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	
(A) Promoter & Promoter Group	1	3,34,08,61,720	3,34,08,61,720	81.41	3,34,08,61,720	81.41	42,11,70,854	12.61	3,34,08,61,720
(B) Public	5,16,201	76,27,04,350	76,27,04,350	18.59	76,27,04,350	18.59		0.00	74,94,91,196
(C1) Shares underlying DRs	-	-	-	0.00	-	0.00	-	0.00	-
(C2) Shares held by Employee Trust	-	-	-	0.00	-	0.00	-	0.00	-
(C) Non Promoter-Non Public	-	-	-	0.00	-	0.00	-	0.00	-
Grand Total	**5,16,202**	**4,10,35,66,070**	**4,10,35,66,070**	**100.00**	**4,10,35,66,070**	**100.00**	**42,11,70,854**	**10.26**	**4,09,03,52,916**

Note: *C = C1+C2*
Grand Total = A+B+C

Shareholding Pattern of Promoters and Promoter Group of our Bank as on September 30, 2023

Category of Shareholder	No. of Shareholders	No. of fully paid up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Locked in shares		No. of equity shares held in dematerialized form
					No.(a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held (b)	
A1) Indian				0.00		0.00		0.00	
Central Government/ State Government(s)/ President of India	1	3,34,08,61,720	3,34,08,61,720	81.41	3,34,08,61,720	81.41	42,11,70,854	12.61	3,34,08,61,720
President of India	1	3,34,08,61,720	3,34,08,61,720	81.41	3,34,08,61,720	81.41	42,11,70,854	12.61	3,34,08,61,720
Sub Total A1	**1**	**3,34,08,61,720**	**3,34,08,61,720**	**81.41**	**3,34,08,61,720**	**81.41**	**42,11,70,854**	**12.61**	**3,34,08,61,720**
A2) Foreign									
A=A1+A2	**1**	**3,34,08,61,720**	**3,34,08,61,720**	**81.41**	**3,34,08,61,720**	**81.41**	**42,11,70,854**	**12.61**	**3,34,08,61,720**

Shareholding Pattern of Public Shareholders as on September 30, 2023

Category of Shareholder	No. of Shareholders	No. of fully paid up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of Locked in shares		No. of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	
B1) Institutions	0	-							
B2) Institutions (Domestic)									
Mutual Funds/	42	505,10,556	5,05,10,556	1.23	5,05,10,556	1.23		0.00	5,05,10,556
Alternate Investment Funds	2	5,06,500	5,06,500	0.01	5,06,500	0.01		0.00	5,06,500

Category of Shareholder	No. of Shareholders	No. of fully paid up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of Locked in shares		No. of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	
Banks	10	9,14,008	9,14,008	0.02	9,14,008	0.02		0.00	9,14,008
Insurance Companies	16	34,03,54,757	34,03,54,757	8.29	34,03,54,757	8.29		0.00	34,03,54,757
Life Insurance Corporation of India	1	28,92,87,324	28,92,87,324	7.05	28,92,87,324	7.05		0.00	28,92,87,324
NBFCs registered with RBI	1	1,325	1,325	0.00	1,325	0.00		0.00	1,325
Other Financial Institutions	7	1,000	1,000	0.00	1,000	0.00		0.00	200
Sub Total B1	78	39,22,88,146	39,22,88,146	9.56	39,22,88,146	9.56		0.00	39,22,87,346
B3) Institutions (Foreign)	0	0		0.00		0.00		0.00	
Foreign Portfolio Investors Category I	113	9,91,50,043	9,91,50,043	2.42	9,91,50,043	2.42		0.00	9,91,50,043
Foreign Portfolio Investors Category II	11	2,03,12,839	2,03,12,839	0.50	2,03,12,839	0.50		0.00	2,03,12,839
Any Other(Institutions (Foreign))	8	5,000	5,000	0.00	5,000	0.00		0.00	
Sub Total B2	132	11,94,67,882	11,94,67,882	2.91	11,94,67,882	2.91		0.00	11,94,62,882
B4) Central Government/ State Government(s)/ President of India	0								
State Government / Governor	2	3,036	3,036	0.00	3,036	0.00		0.00	3,036
Sub Total B3	2	3,036	3,036	0.00	3,036	0.00		0.00	3,036
B5) Non-Institutions									
Directors and their relatives (excluding independent directors and nominee directors)	1	3,000	3,000	0.00	3,000	0.00		0.00	3,000
Key Managerial Personnel	2	6,200	6,200	0.00	6,200	0.00		0.00	6,200
Resident Individuals holding nominal share capital up to Rs. 2 lakhs	501544	16,27,62,003	16,27,62,003	3.97	16,27,62,003	3.97		0.00	15,17,73,34
Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	756	5,46,20,696	5,46,20,696	1.33	5,46,20,696	1.33		0.00	5,46,20,696
Non Resident Indians (NRIs)	3639	62,31,043	62,31,043	0.15	62,31,043	0.15		0.00	55,99,043
Foreign Nationals	2	800	800	0.00	800	0.00		0.00	800
Bodies Corporate	1344	1,60,52,616	16052616	0.39	16052616	0.39		0.00	1,57,91,816

Category of Shareholder	No. of Shareholders	No. of fully paid up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of Locked in shares		No. of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	
Any Other (specify)	8701	1,12,68,928	1,12,68,928	0.27	1,12,68,928	0.27		0.00	99,43,028
OTHER DIRECTORS	2	900	900	0.00	900	0.00		0.00	900
Trusts	15	4,60,711	4,60,711	0.01	4,60,711	0.01		0.00	4,60,711
PROPRIETORY FIRM	1	33,832	33,832	0.00	33,832	0.00		0.00	33,832
Overseas Corporate Bodies	2	1,55,700	1,55,700	0.00	1,55,700	0.00		0.00	
HUF	4876	75,10,852	75,10,852	0.18	75,10,852	0.18		0.00	75,10,852
Employees	3718	11,70,200	11,70,200	0.03	11,70,200	0.03		0.00	
Clearing Members	87	19,36,733	19,36,733	0.05	19,36,733	0.05		0.00	19,36,733
Sub Total B4	**515989**	**25,09,45,286**	**25,09,45,286**	**6.12**	**25,09,45,286**	**6.12**		**0.00**	**23,77,37,932**
B=B1+B2+B3+B4	**516201**	**76,27,04,350**	**76,27,04,350**	**18.59**	**76,27,04,350**	**18.59**		**0.00**	**74,94,91,196**

Shareholding Pattern of the Non Promoter – Non Public shareholder as on September 30, 2023

Category & Name of Shareholder (I)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	Total no. of shares held (VII = IV + V + VI)	Shareholding as a % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	No. of Locked in shares		No. of equity shares held in dematerialized form (XIV) (Not Applicable)
					No.	As a % of total Shares held	
C1) Custodian/ DR Holder	0	0		0.00		0.00	
C2) Employee Benefit Trust	0	0		0.00		0.00	

Details of disclosure made by the Trading Members holding 1% or more of the Total Number of shares of our Bank as on September 30, 2023

S. No.	Name of the Trading Member	Name of the Beneficial Owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
-	NIL	NIL	NIL	NIL	NIL

REGULATIONS AND POLICIES

The following description is a summary of some of the relevant statutes, regulations and policies as prescribed by the central, state, and regulatory bodies in India that are applicable to our Bank and its Subsidiary. The following description is not meant to be exhaustive, and is only intended to provide general information to the investors on some of the key statutes, regulations and policies applicable to us and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions.

*The primary legislation governing banking companies in India is the Banking Regulation Act, 1949 (the "**Banking Regulation Act**") which applies to public sector banks such as our Bank, only to a limited extent. Sections 34A, 35AA, 35AB, 36AD, and section 51 of the Banking Regulation Act are applicable to corresponding new banks constituted under the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 ("**Banking Companies Act**"). In turn, section 51 of the Banking Regulation Act makes some of its sections applicable to corresponding new banks. Our Bank, as a corresponding new bank, is governed primarily by the provisions of the Banking Companies Act. The Nationalised Bank (Management and Miscellaneous Provisions) Scheme, 1970 and the Bank of India (Shares and Meetings) Regulations, 2007 ("**Bank of India Regulations**") also governs our operations. Other important laws governing banking companies include the Reserve Bank of India Act, 1934, the Negotiable Instruments Act, 1881 the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI Act**") the Recovery of Debts and Bankruptcy Act, 1993, Foreign Exchange Management Act, 1999 and, Bankers' Books Evidence Act,1891. Taxation statutes such as the Income Tax Act, labour laws and other miscellaneous regulations and statutes such as the Trade Marks Act, 1999, also apply to us as they do to any other Indian bank. Additionally, the RBI, from time to time, issues guidelines, regulations, policies, notifications, press releases, circulars, etc. to be followed by us and supervises our compliance with these guidelines. Our Bank is listed on Stock Exchanges in India and therefore, our Bank will be governed by various regulations of the SEBI.*

Reserve Bank of India Act, 1934

RBI may, subject to certain conditions, direct the inclusion or exclusion of any bank from the second schedule of the RBI Act. Scheduled banks are required to maintain cash reserves with RBI. In this regard, RBI may stipulate an average daily balance requirement to be complied with, by such banks and may direct that such banks regard a transaction or class of transactions as a liability. RBI has the power to impose penalties against any person for inter-alia failure to produce any book, account or other document or furnish any statement, information, or particulars which such person is duty-bound to produce or furnish under the RBI Act, or any order, regulation, or direction thereunder.

Banking Regulation Act, 1949

Our Bank is a 'corresponding new bank' as defined under the Banking Regulation Act, only certain provisions of the Banking Regulations Act is applicable thereto, including in respect of inspection by the RBI, penalties and restrictions on commission and brokerage payable on sale of shares. The RBI can direct a special audit in the interest of the depositors or in public interest. The Banking Regulation Act also prescribes certain requirements in relation to financial statements of banks including our Bank.

Commercial banks in India are required to obtain a license from the RBI to carry on banking business in India. Such license is granted to a bank subject to compliance with certain conditions including (i) that the bank has or will have the ability to pay its present and future depositors in full as their claims accrue; (ii) that the affairs of the bank are not or are not likely to be conducted in a manner detrimental to the interests of present or future depositors; (iii) bank has adequate capital structure and earnings prospects; (iv) any other condition, the fulfilment of which would, in the opinion of the RBI, be necessary to ensure that the carrying on of banking business in India by the company will not be prejudicial to the public interest or the interest of its depositors ; and (v) that public interest will be served if such license is granted to the bank.

The RBI may cancel the license if the bank fails to meet the qualifications or if the bank ceases to carry on banking operations in India. Additionally, the RBI has issued various reporting and record-keeping requirements for commercial banks. Further, the appointing, re-appointing, or removing of auditor or auditors of the bank requires prior approval of the RBI, as the Bank is a government company.

We have obtained a banking license since the date of nationalisation through Gazette of India and are regulated and supervised by the RBI as applicable to as a Corresponding New Bank. The RBI requires us to furnish statements, information and certain details relating to our business and it has issued guidelines for commercial banks on recognition of income, classification of assets, valuation of investments, maintenance of capital adequacy and provisioning for non-performing and restructured assets. The RBI has set up a board for financial supervision ("**BFS**"), under the chairmanship of the Governor of the RBI. The primary objective of BFS is to undertake consolidated supervision of the financial sector comprising of *inter alia*, commercial banks, financial institutions and non-banking finance companies. The RBI can direct a special audit in the interest of the bank or the depositors or in the public interest.

The Banking Regulation Act confers power on the RBI (in consultation with the central government) in the public interest or for preventing the affairs of the bank from being conducted in a manner detrimental to the interest of the depositors or any banking company or for securing the proper management of any banking company, to pass orders to supersede the board of directors of a banking company for a period of up to six months, provided that the period of supersession may be extended from time to time, so, however, that the total period shall not exceed 12 months.

During the moratorium, the RBI may prepare a scheme: (i) for the reconstruction of the bank, or (ii) for the amalgamation of the banking company with any other banking institution, if it is satisfied that it is necessary to do so in:

(i) in the public interest; or
(ii) in the interests of the depositors; or
(iii) in order to secure the proper management of the banking company; or
(iv) in the interest of the banking system of the country as a whole.

The abovementioned scheme shall be in accordance with the provisions of the Banking Regulation Act.

When a bank fails to or omits to comply with the provisions of the Banking Regulation Act, the RBI may impose fine within prescribed limits on banks and its officers or punish with imprisonment for the term provided in the law, on the basis of the nature of the violation.

The Banking Regulation (Amendment) Act, 2017 had been promulgated by the President of India with a view to give extensive powers to RBI to issue directions to banks for resolution of stressed assets. The amendment introduced two new sections to the Banking Regulation Act, Section 35AA and Section 35AB which enables RBI to direct banks to commence the insolvency resolution process against the defaulting company under the Insolvency and Bankruptcy Code, 2016 ("**IBC**"). The RBI has also been granted the discretion to set up one or more advisory/supervisory committees to advise banks on resolution of stressed assets.

The Banking Regulation (Amendment) Ordinance, 2020, ("**Ordinance**") was promulgated by the President of India on June 26, 2020. The Ordinance amends the Banking Regulation Act as applicable to Cooperative Banks. It seeks to protect the interests of depositors and strengthen cooperative banks by improving governance and oversight by extending powers already available with RBI in respect of other banks to Co-operative Banks as well for sound banking regulation, and by ensuring professionalism and enabling their access to capital.

The Ordinance also amends Section 45 of the Banking Regulation Act, to enable making of a scheme of reconstruction or amalgamation of a banking company for protecting the interest of the public, depositors and the banking system and for securing its proper management, even without making an order of moratorium, so as to avoid disruption of the financial system.

Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 ("Nationalised Banks Scheme")

In terms of the powers conferred under the Banking Companies Act, the Central Government, in consultation with the RBI framed the Nationalised Banks Scheme which governs the management of corresponding new banks incorporated under the Banking Companies Act, defined as the nationalised banks under the Nationalised Banks Scheme. The Nationalised Banks Scheme confers power on the Central Government to constitute the board of directors and designate the chairman and managing director of the board, in consultation with the RBI from a panel of names recommended by the bureau. Further, the Central Government has the right to decide the term and remuneration of the directors of the nationalised banks. The Nationalised Banks Scheme confers terms of office and remuneration of a whole-time directors including managing director, term of office for other directors, disqualification of directors, vacation of office of directors and removal from office of an elected director etc. The scheme also provides for constitution of different committees of the board including, inter alia, the management committee of the board, credit approval committee and advisory committees.

Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 ("**Banking Companies Act**")

Our Bank was constituted as a corresponding new bank pursuant to the provisions of the Banking Companies Act which provides the operational framework for the Bank to operate and conduct its business. The Banking Companies Act, provides for, amongst others, operational and management framework; mode and number of directors to be appointed along with the grounds of qualification, manner for preparation and closure of accounts, holding meetings and other procedural aspects. The Banking Companies Act provides that a corresponding new bank shall be governed by the directions provided by the Central Government in consultation with the RBI. Further, the board of directors after consultation with the RBI and with prior consultation of the Central Government may make regulations for, amongst others, (a) power, functions and duties of committees of the board; (b) nature and manner in which the shares maybe held, transferred and all other activities in relation to the rights and duties of the shareholders; (c) procedure and manner in which meetings are to be held; and (d) other procedural aspects as maybe required for the operations of a bank.

The entire paid-up capital of a corresponding new bank, except the paid-up capital raised from public by public issue or preferential allotment or private placement, should stand vested in and allotted to the Central Government. No shareholder of the corresponding new bank, other than the Central Government is entitled to exercise voting rights in respect of any shares held by him in excess of 10% of the total voting rights of all the shareholders of the corresponding new bank. However, the shareholder holding any preference share capital in the corresponding new bank will have, in respect of such capital, a right to vote only on resolutions placed before such corresponding new bank, which directly affects the rights attached to his preference shares and no preference shareholder is entitled to exercise voting rights in respect of preference shares held by him in excess of 10% of the total voting rights of all the shareholders holding preference share capital only. The Banking Companies Act also clarifies that no provision of law relating to winding up of corporations shall apply to a corresponding new bank and no corresponding new bank shall be placed in liquidation save by order of the Central Government. The Central Government is, on recommendation of RBI, also empowered to supersede the board of the corresponding new bank in the public interest or for preventing the affairs of any corresponding new bank being conducted in a manner detrimental to the interest of the depositors or the corresponding new bank or for securing the proper management of any corresponding new bank.

The Banking Companies Act requires the shareholding of GoI in all corresponding new banks, including the Bank, at all times be a minimum of 51%. Further, not more than 20% of the shareholding of all corresponding new banks, including the Bank, can be held by foreign entities or an individual. Raising of further capital is permitted under the Banking Companies Act subject to prior consultation with the RBI and obtaining the prior approval of the GoI.

Bank of India (Shares and Meetings) Regulations, 2007 ("Bank of India Regulations")

Our Bank is governed by Bank of India Regulations which regulates matters including, inter alia, the transfer of shares, issuance of share certificates, voting rights and manner of voting of the shareholders of the Bank. Every shareholder registered on the register of shareholders prior to a general meeting has one vote on show of hand and in case of a poll has one vote for every share held by him. Further, the Bank of India Regulations also govern the manner of elections of the Directors on the Board of the Bank. Every shareholder on the register of shareholders, except the Central Government, has the right to elect the Directors from amongst themselves.

Master Direction - Reserve Bank of India ('Fit and Proper' Criteria for Elected Directors on the Boards of PSBs) Directions, 2019 ("Master Direction RBI Fit and Proper")

In exercise of the powers conferred by sub-sections (3AA) & (3AB) of Section 9 of the Banking Companies Act, the RBI notified and specified the authority, manner, procedure and criteria for determining the 'fit and proper' status of a person to be eligible to be elected as a shareholder director on the board of public sector banks. Pursuant to the Master Direction RBI Fit and Proper, the Bank is required to constitute a nomination and remuneration committee (hereinafter referred to as the "**Committee**") consisting of a minimum of three non-executive directors from amongst the board of directors of the Bank (hereinafter referred to as "**Board**"), out of which not less than one-half shall be independent directors and should include at least one member from the risk management committee of the Board, for undertaking a process of due diligence to determine the 'fit and proper' status of the persons to be elected as directors under clause (i) of sub-section (3) of Section 9 of the Banking Companies Act. The Government of India nominee director and the director nominated under section 9(3)(c) of the Banking Companies Act shall not be part of the Committee. The non-executive chairperson of the Bank may be appointed as a member of the Committee but shall not chair such Committee. The Board is also required to nominate one among them as chairperson of the Committee. The quorum required is three, including the chairperson. In case the absence of any nominated member results in want of quorum, the Board may nominate any other non-executive director in his place for the meeting. At the time of constituting the Committee, the Board can decide on its tenure.

Regulatory reporting and examination procedures

RBI is empowered under the Banking Regulation Act to call for certain information from a bank as well as to inspect a bank. RBI monitors prudential parameters at periodic basis. RBI has introduced a system of off-site monitoring and surveillance, with the primary objective of monitoring the financial condition of banks in between two on-site examinations. To this end and to enable off-site monitoring and surveillance by RBI, banks are required to report to RBI on various aspects of their business. This system of off- site monitoring and surveillance has been migrated to a secured Online Returns Filing System ("**ORFS**") in which data collection and consolidation has been streamlined. RBI also conducts on-site supervision of selected branches with respect of their general operations and foreign exchange related transactions.

RBI also conducts periodical on-site inspections on matters relating to the bank's portfolio, risk management systems, internal controls, credit allocation and regulatory compliance, at intervals ranging from one to three years.

Maintenance of records

The "Reserve Bank of India (Know Your Customer (KYC) Directions, 2016 issued by RBI dated February 25, 2016 as updated from time to time, provide for certain records (identification of the customers and their addresses) to be maintained for a minimum period of five years from the date on which the transaction/ business relationships have ended and maintain all necessary records of transactions between the bank and the customer, both domestic and international, for at least five years from the date of transaction.

Regulations relating to the opening of branches

Under Section 23 of the Banking Regulation Act, banks are required to obtain the prior approval of the RBI to open new branches, in or outside India or to change the existing place of such business, other than a change of existing place within the same city, town or village. Permission is granted based on factors such as overall financial position of the bank, the history of the bank, the general character of its management, the adequacy of its capital structure, its earning prospects and public interest.

The RBI issues instructions and guidelines to banks on branch authorization from time to time, including guidelines allowing banking companies to open new branches, banking outlets, closure, shifting of branches/ extension counters/ ATMs etc. In terms of the Rationalisation of Branch Authorisation Policy - Revision of Guidelines issued by the RBI dated May 18, 2017, domestic scheduled commercial banks may open branches, unless otherwise specifically restricted, in tier 1 to tier 6 centres without prior permission from RBI, subject to the conditions laid down by RBI thereunder.

The RBI has further stipulated that the banks are required to open at least 25 percent of the total number of 'Banking Outlets' opened during a financial year in 'unbanked rural centres' i.e., tier 5 and tier 6 centre that does not have a core banking solution (CBS) enabled 'Banking Outlet' of a scheduled commercial bank, a small finance bank, a payment bank or a regional rural bank nor a branch of local area bank or licensed co-operative bank for carrying out customer based banking transactions, failing which appropriate penal measures, including restrictions on opening of tier 1 branches, may be imposed.

Further, such banks may also shift, merge, or close all branches except rural branches and sole semi-urban branches without prior permission from District Consultative Committee/ District Level Review Committee, subject to certain conditions. Rural branches and sole semi-urban branches can also be closed subject to certain conditions. Further, RBI has permitted installation of onsite/offsite ATMs at centres identified by banks. Further, banks are required to periodically report details of the branches opened/closed/shifted to RBI.

Storage of payment system data

RBI on April 6, 2018 issued a notification on storage of information relating to the payment ecosystem as not all system providers store the payments data in India. In accordance with the notification, all system providers shall ensure that data relating to payment systems operated by them are stored in a system only in India. Data should include the full end-to-end transaction details, information collected, carried, processed as part of the message or payment instruction. For the foreign leg of the transaction, if any, the data can also be stored in the foreign country, if required. The notification further required compliance within a period of 6 months and reporting of the same to RBI latest by October 15, 2018.

Capital adequacy requirements

RBI has issued guidelines based on the Basel III reforms on capital regulation on May 2, 2012, to the extent applicable to banks operating in India. The Basel III capital regulation has been implemented from April 1, 2013 in India in a phased manner and was scheduled to be fully implemented by April 1, 2021, and the last tranche of such implementation has been further deferred until October 1, 2021, as specified below. Banks have to comply with the regulatory limits and minima as prescribed under Basel III capital regulations on an ongoing basis. The table below summarizes the capital requirements under Basel III guidelines for banks in India:

Sr. No.	Regulatory Capital	As % of Risk Weighted Assets
1.	Minimum Common Equity Tier I Ratio	5.50%
2.	Capital Conservation Buffer (comprised of Common Equity)	2.50%
3.	Minimum Common Equity Tier I Ratio plus Capital Conservation Buffer (1)+(2)	8.00%
4.	Additional Tier I Capital	1.50%
5.	Minimum Tier I Capital Ratio (1) +(4)	7.00%
6.	Tier II Capital	2.00%
7.	Minimum Total Capital Ratio (MTC) (5)+(6)	9.00%
8.	Minimum Total Capital Ratio plus Capital Conservation Buffer (7)+(2)	11.50%

To ensure smooth transition to Basel III, appropriate transitional arrangements have been provided for meeting the minimum Basel III capital ratios, full regulatory adjustments to the components of capital etc. Consequently, in accordance with the master circular on "Basel III Capital Regulations" dated July 1, 2015, capital ratios and deductions from common equity will be fully phased-in and implemented as on March 31, 2019. In view of the gradual phase-in of regulatory adjustments to the common equity component of Tier I Capital under Basel III, certain specific prescriptions of Basel II capital adequacy framework (e.g. rules relating to deductions from regulatory capital, risk weighting of investments in other financial entities etc.) continued to apply to the remainder of regulatory adjustments not treated in terms of Basel III rules, till March 31, 2017.

However, RBI, *vide* its notification dated January 10, 2019, has deferred the implementation of the last tranche of 0.625% of Capital Conservation Buffer ("**CCB**") from March 31, 2019 to March 31, 2020. Accordingly, minimum capital conservation ratios as applicable from March 31, 2018 (1.875%) will also apply from March 31, 2019 till the CCB attains the level of 2.50% on March 31, 2020. Further, RBI, *vide* its notification dated March 27, 2020, had further deferred the implementation of the last tranche of 0.625% of the CCB from March 31, 2020 to September 30, 2020. RBI, *vide* its notification dated September 29, 2020, has again deferred the implementation of the last tranche of 0.625% of the CCB from September 30, 2020 to April 1, 2021. Further, by way of circular dated February 5, 2021 (bearing number RBI/2020-21/93 DOR.CAP.BC.No.34/21.06.201/2020-21), in view of the continuing stress on account of COVID-19 and in order to aid in the recovery process, RBI has been decided to defer the implementation of the last tranche of 0.625 per cent of the Capital Conservation Buffer (CCB) from April 1, 2021 to October 1, 2021. Accordingly, the minimum capital conservation ratios in para 15.2.2 of Part D 'Capital Conservation Buffer Framework' of Master Circular, dated July 1, 2015 on 'Basel III Capital Regulations', shall continue to apply till the CCB attains the level of 2.5 per cent on October 1, 2021. Further, the pre-specified trigger for loss absorption through conversion/write-down of Additional Tier 1 instruments (PNCPS and PDI) shall remain at 5.5% of RWAs and will rise to 6.125% of RWAs from October 1, 2021.

RBI has thereafter issued revisions to the Master Circular - Basel III Capital Regulations dated May 12, 2023. As per Master Circular - Basel III Capital Regulations, Banks shall maintain a minimum Pillar 1 Capital to Risk-weighted Assets Ratio (CRAR) of 9% on an on-going basis. In May 2012, the RBI released guidelines on implementation of Basel III capital regulations in India and in May 2023, the RBI issued a master circular consolidating all relevant guidelines on Basel III.

The key items covered under these guidelines include: (i) improving the quality, consistency and transparency of the capital base; (ii) enhancing risk coverage; (iii) graded enhancement of the total capital requirement; (iv) introduction of capital conservation buffer and countercyclical buffer; and (v) supplementing the risk-based capital requirement with a leverage ratio. One of the major changes in the Basel III capital regulations is that the Tier I capital will predominantly consist of common equity ("Common Equity Tier 1") of the banks which includes common shares, reserves and stock surplus. Innovative perpetual debt instruments and perpetual non-cumulative preference shares will not be considered a part of Common Equity Tier I capital.

Basel III also defines criteria for Additional Tier I and Tier II instruments to improve their loss absorbency. The guidelines also set-out criteria for loss absorption through conversion/writedown/write-off of all non-common equity regulatory capital instruments at the point of non-viability. The point of non-viability is defined as a trigger event upon the occurrence of which non-common equity Tier I and Tier II instruments issued by banks in India under the Basel III rules may be required to be written off or converted into common equity.

The capital requirement, including the capital conservation buffer, will be 11.5% once these guidelines are fully phased-in. Domestically, systemically important banks would be required to maintain Common Equity Tier ("CET") I capital requirement ranging from 0.2% to 0.8% of risk weighted assets. Banks will also be required to have an additional capital requirement increasing linearly up to 2.5% of the risk weighted assets if the RBI announces the implementation of countercyclical capital buffer requirements. Additionally, the Basel III Liquidity Coverage Ratio ("LCR") requirements, which have been fully implemented as of January 1, 2019, require a minimum 100% ratio of the Bank's high quality liquid assets to its anticipated cash outflows measured over a 30-day stressed period.

Liquidity coverage ratio

The Basel III framework on 'Liquidity Standards' includes 'Liquidity Coverage Ratio', 'Net Stable Funding Ratio' ('**NSFR**") and liquidity risk monitoring tools. In June, 2014, the RBI issued guidelines in relation to liquidity coverage ratio ("**LCR**"), liquidity risk monitoring tools and LCR disclosure standards pursuant to the publication of the 'Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools' in January, 2013 and the 'Liquidity Coverage Ratio Disclosure Standards' in January, 2014 by the Basel Committee which provided enhanced guidance on liquidity, risk governance, measurement, monitoring and reporting to the RBI on liquidity positions. The guidelines stipulate that banks were to ensure a LCR of 60% for the calendar year 2015 with effect from January 1, 2015 and will be expected to transition to a LCR of 100% in January, 2019. In order to accommodate the burden on banks' cash flows on account of the Covid19 pandemic, the RBI *vide* its circular dated April 17, 2020, has permitted banks to maintain LCR as under:

(i) April 17, 2020, to September 30, 2020 – 80 percent;

(ii) October 1, 2020, to March 31, 2021 – 90 per cent; and

(iii) April 1, 2021, onwards – 100 per cent.

Further, banks shall prepare LCR restoration plans upon breach of the aforesaid prescribed LCR requirement, for scrutiny by the RBI's Department of Supervision.

The RBI issued guidelines on Net Stable Funding Ratio on May 17, 2018, with the objective to ensure that banks maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities. The RBI has *vide* circular dated February 5, 2021 notified that the NSFR guidelines shall come into effect from October 1, 2021.

Prudential framework for resolution of stressed assets

RBI has, pursuant to its circular dated June 7, 2019 established a new regulatory framework for resolution of stressed assets ("**Revised Framework**"). Pursuant to the Revised Framework, existing guidelines and schemes for debt resolution such as revitalising distressed assets, corporate debt restructuring scheme, flexible structuring of existing long-term project loans, strategic debt restructuring ("**SDR**"), change in ownership outside SDR, and scheme for sustainable structuring of stressed assets have been withdrawn. In addition, the guidelines /framework for joint lenders' forum have also been discontinued. According to the Revised Framework, the lenders must identify incipient stress in loan accounts immediately on default by classifying stressed assets as special mention account.

Under the Revised Framework, RBI has introduced a revised framework for resolution of stressed assets, where banks are required to put in place a board approved policy for resolution of stressed assets, including the timelines for resolution. Upon the occurrence of a default in payment of debt (as defined under IBC), banks are required to, within a period of 30 days from the date of such default ("**Review Period**"), review the account of the borrower and determine a strategy for implementing a resolution plan or choose to initiate legal proceedings or recovery or insolvency. If a resolution plan route is chosen by the lenders during the Review Period, the lenders are required to enter into an inter-creditor agreement to provide rules for finalisation and implementation of the resolution plan and also provide in such inter-creditor agreement that decisions by lenders representing 75% by value of the total outstanding facilities (fund based and non-fund based) and 60% by number shall bind all lenders to the inter-creditor agreement. The resolution plan is to be implemented within 180 days from the end of the Review Period in respect of accounts with aggregate exposure above a threshold (as listed below) with the lenders. Depending on the aggregate exposure (including fund based and non-fund based) of the borrower towards the lender, the Review Period is required to commence by a specified date, as set out below:

1. ₹2,000 crore and above– June 7, 2019;
2. ₹1,500 crore and above but less than ₹2,000 crore– January 1, 2020; and
3. Less than ₹1,500 crore– To be announced.

The Revised Framework further clarifies that in the event a viable resolution plan in respect of the borrower is not implemented within the aforementioned timelines (180 days from the end of the Review Period), all lenders with exposure to the Borrower are required to make additional provisions as set out below:

Timeline for implementation of viable resolution plan	**Additional provisions to be made as a percentage of total outstanding, if resolution plan not implemented within the timeline**
180 days from the end of Review Period	20%
365 days from the commencement of Review Period	15% (i.e. total additional provisioning of 35%)

As per the Revised Framework, the additional provisions shall also be required to be made in cases where the lenders have initiated recovery proceedings, unless the recovery proceedings are fully completed. The Revised Framework shall not be available for borrower entities in respect of which specific instructions have already been issued or are issued by the RBI to the banks for initiation of insolvency proceedings under the IBC. It may be noted that the certain sections of the Revised Framework (Implementation of Resolution Plan, Implementation Conditions of Resolution Plan, Delayed Implementation of Resolution Plan) is not applicable to MSMEs whose revival and rehabilitation is already mentioned RBI Circular on 'Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises (MSMEs)' dated March 17, 2016.

As part of the regulatory measures aimed at alleviating the lingering impact of Covid-19 pandemic, the RBI through its circulars dated April 17, 2020 and May 23, 2020 each titled "COVID19 Regulatory Package - Review of Resolution Timelines Under the Prudential Framework on Resolution of Stressed Assets" extended the resolution timeline under the Revised Framework as follows:

i. within the Review Period as on March 1, 2020, the period from March 1, 2020 to August 31, 2020 shall be excluded from the calculation of the 30-day timeline for the Review Period. In respect of all such accounts, the residual Review Period shall resume from September 1, 2020, upon expiry of which the lenders shall have the usual 180 days for resolution; and

ii. in respect of accounts where the Review Period was over, but the 180-day resolution period had not expired as on March 1, 2020, the timeline for resolution shall get extended by 180 days from the date on which the 180-day period was originally set to expire.

Consequently, the requirement of making additional provisions as specified above shall be triggered as and when the extended resolution timeline expires. Further, the RBI directed that the lending institutions shall make relevant disclosures in respect of accounts where the resolution period was extended in the 'Notes to Accounts' while preparing their financial statements for the half year ending September 30, 2020 as well as the financial years 2020 and 2021.

The Insolvency and Bankruptcy Code, 2016

The IBC was enacted and notified in the Gazette of India on May 28, 2016. The IBC covers individuals, companies, limited liability partnerships, partnership firms, proprietorship firms and other legal entities. The IBC has established an Insolvency and Bankruptcy Board of India to function as the regulator for all matters pertaining to insolvency and bankruptcy. The IBC prescribes a time limit of 180 days (extendable by up to a maximum of 90 days) for the insolvency resolution process to be completed ("**IBC Moratorium Period**") during which period the entity shall be revived. During the Moratorium Period, (i) the management of the debtor vests in favour of the resolution professional appointed by National Company Law Tribunal ("**NCLT**"); (ii) no assets of the debtor can be transferred, encumbered; (iii) there can no enforcement of security interest; (iv) no fresh proceedings can be initiated against the debtor and the continuation of pending proceedings are prohibited.

The resolution professional shall invite and verify claims of all creditors of the debtor and constitute a committee of creditors comprising of all creditors whose claims are verified and accepted. Thereafter a resolution plan is prepared for the revival of the entity which shall be approved by majority of the committee of creditors which is then sanctioned by the NCLT. In the event no resolution plan is approved by committee of creditor or the NCLT rejects the resolution plan for non-compliance, the NCLT directs the liquidation of the debtor.

The IBC was recently amended by the Insolvency and Bankruptcy Code (Amendment) Act, 2020 ("**Amendment**"), which received Presidential Assent on March 13, 2020 and is deemed be effective from December 28, 2019. The Amendment has *inter alia* prescribed minimum thresholds for filing of the application in certain cases i.e. in terms of number, for instance, in case of homebuyers / allottees, at least 100 homebuyers/allottees under the same project or at least 10% of the total numbers of such allottees whichever is less.

The Amendment has introduced a non-obstante explanation stating that any permit, license, registration which has been provided by any local, central or state authority constituted under any law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in the payment of current dues arising for the use or continuation of such license, permit or registration during the IBC Moratorium Period.

The Amendment also clarifies that the effect of the approval of a resolution plan by the Adjudicating Authority should result in (i) the extinguishment of all liabilities of the corporate debtor existing at or pertaining to the period prior to the insolvency commencement date; and (ii) no action being taken against the property of the corporate debtor, in relation to the offences committed in the period prior to the insolvency commencement date. However, this immunity is only available in cases where the resolution plan specifically provides for a change in the management control of the corporate debtor to a person not being a promoter managing or controlling the corporate debtor / any related party or a person against whom a complaint has been made before the relevant authority in relation to the aforementioned offence.

The Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 and the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021

In terms of the Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 (effective June 5, 2020) (the "**2020 Act**") Section 10 A was inserted in the IBC through of which an embargo was imposed on initiation of corporate insolvency resolution proceedings ("**CIRP**") against corporate debtors for any default arising on or after March 25, 2020 for a period of period of six months or such further period not exceeding one year ("**Embargo Period**"). Further, the Act also provided that initiation of CIRP, for defaults arising during the Embargo Period shall be barred in perpetuity. Subsequently, the Embargo Period was initially extended up till December 24, 2020 and thereafter up till March 24, 2021. Additionally, the 2020 Act also amended Section 66 of the IBC in terms of a resolution professional was authorised to apply to the National Company Law Tribunal against persons who were knowingly party to transactions undertaken to defraud the creditors of a Corporate Debtor or for any fraudulent purposes. In terms of the 2020 Act, Section 66 was amended to restrict resolution professionals from initiating actions under such persons provided the CIRP of the relevant corporate debtor is covered under the Embargo Period.

Subsequently, the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021 was introduced on April 4, 2021 in terms of which, the pre-packaged insolvency framework was introduced, and the Embargo Period ended with effect from March 24, 2021. On July 26, 2021, the Insolvency and Bankruptcy Code (Amendment) Bill, 2021 ("**Bill**") was introduced. On the August 11, 2021, the Bill received the assent of the President thus enacting the Insolvency and Bankruptcy (Amendment) Act, 2021 ("**Amendment**") deemed to have come into force on the April 4, 2021.

The Recovery of Debts and Bankruptcy Act, 1993 as amended by the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2019 ("RDB Act")

The DRT Act prescribes the rules for establishment of DRTs, procedure for making application to Debt Recovery Tribunals ("**DRTs**"), powers of DRTs and modes of recovery of debts determined by DRTs, including attachment and sale of movable and immovable properties of defendants, arrest of defendants, defendants' detention in prison and appointment of receivers for management of the movable or immovable properties of defendants.

The DRT Act also provides that a bank or public financial institution, having a claim to recover its debt may join an ongoing proceeding filed by some other bank or public financial institution against its debtor at any stage of the proceedings before the final order is passed by making an application to the DRT. Pursuant to the recovery certificate being issued, the recovery officer of the respective DRT shall effectuate the final orders of the DRT in the application. Unless such final orders of the DRT have been passed with the consent of the parties to an application, an appeal may be filed against such final orders of the DRT before the debt recovery appellate tribunal ("**DRAT**"), which is the appellate authority constituted under the RDB Act.

Further, no court or other authority, except the Supreme Court of India or a high court exercising jurisdiction under Articles 226 and 227 of the Constitution of India, shall have, or is entitled to exercise, any jurisdiction, powers or authority in relation to the aforementioned matter.

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act")

The SARFAES1 Act, read with the Security Interest Enforcement Rules, 2002, as amended, governs securitization of assets in India. Any securitization or reconstruction company may acquire assets of a bank or financial institution by either entering into an agreement with such bank or financial institution for transfer of such assets to the company or by issuing a debenture or bond or other security in the nature of debentures, for consideration, as per such terms and conditions as may be mutually agreed. If a bank or financial institution is a lender in relation to financial assets acquired by the securitization/reconstruction company, such company shall be deemed to be the lender in relation to those financial assets.

The SARFAESI Act provides for sale of financial assets by banks and financial institutions to asset reconstruction companies. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in case of default. The Prudential Norms issued by the RBI describe the process to be followed for sales of financial assets to asset reconstruction companies. The banks may not sell financial assets at a contingent price with an agreement to bear a part of the shortfall on ultimate realisation.

The SARFAESI Act provides for the enforcement of security interest without the intervention of the courts. Under the provisions of the SARFAESI Act, a secured creditor can recover dues from its borrowers by taking any of the measures as provided therein. Rights, with respect to the enforcement of security interest, under the SARFAESI Act cannot be enforced unless the account of the borrower has been classified as an NPA in the books of account of the secured creditor in accordance with the directions or guidelines issued by the RBI or any other applicable regulatory authority.

The secured creditors must serve a 60-days' notice on the borrower demanding repayment of the amount due and specifying the borrower's assets over which the bank proposes to exercise remedies. If the borrower still fails to pay, the secured creditors, on expiry of the 60-days' notice period, can: (i) take possession of the secured assets; (ii) take over the management of the secured assets along with the right to transfer by way of lease, assignment or sale of the secured assets; (iii) appoint any person to manage the secured assets; and (iv) require any person who has acquired any of the secured assets from the borrower to pay amounts necessary to satisfy the debt.

The security interests covered by the SARFAESI Act are security interests over immovable and movable property, existing or future receivables, certain intangible assets (such as know- how, patents, copyrights, trademarks, licenses, franchises) and any debt or any right to receive payment of money, or any receivable, present or future, and in which security interest has been created. Security interests over ships and aircraft, any statutory lien, a pledge of movables, any conditional sale, hire purchase or lease or any other contract in which no security interest is created, rights of unpaid sellers, any property not liable to attachment, security interest for securing repayment of less than ₹ 100,000, agricultural land and any case where the amount due is less than 20% of the principal amount and interest are not enforceable under the SARFAESI Act.

In the event that the secured creditor is unable to recover the entire sum due by exercise of the remedies under the SARFAESI Act in relation to the assets secured, such secured creditor may approach a debt recovery tribunal or the relevant court for the recovery of the balance amounts. A secured creditor may also simultaneously pursue its remedies under the SARFAESI Act as well as a debt recovery tribunal.

The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 ("ESIRDA Amendment Act")

The ESIRDA Amendment Act received Presidential Assent on August 12, 2016. It seeks to amend certain provisions of the SARFAESI, RDB Act, the Indian Stamp Act, 1899 and the Depositories Act, 1996.

The key amendments to the SARFAESI include: (a) Debenture Trustees registered with SEBI have now been included in the definition of 'secured creditor' and can take enforcement action under Section 13 of the SARFAESI, as the remedies under SARFAESI have been extended to apply to listed debt securities. The scope of SARFAESI has been widened to include hire purchase, financial leasing and conditional sale transactions; (b) the process of taking possession over collateral against which a loan has been provided by a secured creditor, with the assistance of the Chief Metropolitan Magistrate or District Magistrate, has been made time-bound, requiring an order to be passed within 30 days from the date of the application by the secured creditor; and (c) amendments in relation to registration of security interest have been introduced, including *inter alia* setting up of a central database to integrate records of security registered under various registration systems.

The key amendments to the RDB Act include (a) Debenture Trustees registered with SEBI can initiate proceedings under the RDB Act regarding defaults in listed debt securities; (b) a bank or a financial institution has now been permitted to take proceedings under the RDB Act before a tribunal in whose jurisdiction where the defaulted account is maintained / located; (c) a defendant, upon service of summons under the RDB act, is restricted from transferring the secured assets or other assets disclosed in the application made by the bank of financial institution without the approval of the tribunal, except in the ordinary course of business; and (d) electronic filing of recovery application, documents and written statements has been introduced.

The Banking Ombudsman Scheme, 2006

The Banking Ombudsman Scheme, 2006 (the "**Scheme**") provides the extent and scope of the authority and functions of the Banking Ombudsman (RBI's officers in the rank of Chief General Manager or General Manager) for redressal of grievances against deficiency in banking services, including internet banking, loans and advances and other services as specified in clause 8 of the Scheme. The Scheme was last amended on July 1, 2017 by the RBI to include within the scope of Banking Ombudsman, inter alia, deficiencies arising out of sale of insurance/ mutual fund/ other third party investment products by banks and deficiencies in mobile/electronic banking services. The pecuniary jurisdiction of the Banking Ombudsman to pass an award has been increased from existing rupees one million to rupees two million. Compensation not exceeding rupees hundred thousand can also be awarded by the Banking Ombudsman to the complainant for loss of time, expenses incurred as also, harassment and mental anguish suffered by the complainant. The Banking Ombudsman receives and considers complaints relating to the deficiency in banking services filed on the grounds mentioned in the Scheme and facilitates their satisfaction or settlement by agreement or through conciliation and mediation between the bank concerned and the aggrieved parties or by passing an award in accordance with the Scheme.

Classification and Reporting of Fraud Cases

The RBI issued Master Direction on July 1, 2016 (as updated up to July 3, 2017) on the classification and reporting of fraud cases by commercial banks and select FIs. The fraud cases have been classified into misappropriation and criminal breach of trust, fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property, unauthorised credit facilities extended for reward or for illegal gratification, negligence and cash shortages, cheating and forgery, irregularities in foreign exchange and any other type of fraud not coming under the specific heads as above. The banks are required to submit fraud related data to the RBI through various returns/ reports.

Information relating to frauds for the quarters ending June, September and December may be placed before the audit committee of the board of directors during the month following the quarter to which it pertains. Banks are also required to conduct an annual review of the frauds and place a note before the board of directors for information. Additionally, banks have to constitute a special committee for monitoring and follow up of cases of frauds involving amounts of ₹1 crore and above exclusively. Such committee is required to meet and review as and when a fraud involving an amount of ₹1 crore and above comes to light. Pursuant to the RBI notification dated January 21, 2016, the RBI, has inter alia, increased the limits in relation to flash reporting to RBI of fraud cases to ₹ 5 crore as against the earlier limit of ₹1 crore and above.

Priority sector lending

The Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2020 dated September 04, 2020 and further updated as on July 27, 2023 ("**PSL Master Directions**"), as amended from time to time, sets out the broad policy in relation to priority sector lending. In accordance with this circular, the priority sectors for all scheduled banks include (i) agriculture; (ii) micro, small and medium enterprises; (iii) export credit; (iv) education; (v) housing; (vi) social infrastructure; (vii) renewable energy and (viii) others.

Further, it also prescribes the details of eligible activities under the aforesaid categories. Under the aforementioned master direction, the priority sector lending targets are linked to adjusted net bank credit as defined ("**ANBC**") or credit equivalent amount of off-balance sheet exposure ("**CEOBE**"), whichever is higher, as on the corresponding date of the preceding year. Currently, the total priority sector lending target for domestic banks is 40% of ANBC or CEOBE, whichever is higher. This has to be achieved in a phased manner by 2020 as prescribed in the directions. It also prescribed sub-targets for small and marginal farmers, micro-enterprises and weaker sections. By way of a notification dated September 20, 2019, the RBI has, in relation to export credit, enhanced the sanctioned limit, for classification of export credit under priority sector lending, from ₹ 25 crore per borrower to ₹ 40 crore per borrower and removed the existing criteria of 'units having turnover of up to ₹ 1 billion.

The RBI via circular reference FIDD.CO.Plan.BC.7/04.09.01/2019-20 dated August 13, 2019, decided that bank credit to registered NBFCs (other than MFIs) for on-lending will be eligible for classification as priority sector under respective categories, subject to the conditions laid out therein. This was to be applicable will March 31, 2020, and was subject to review thereafter. Therefore, RBI via FIDD.CO.Plan. BC.No.19/04.09.01/2019-20 dated March 23, 2020 decided to extend the priority sector classification for bank loans to NBFCs for on-lending for FY 2020-21. Further, existing loans disbursed under the on-lending model will continue to be classified under Priority Sector till the date of repayment/maturity. Pursuant to circular reference FIDD.CO.Plan.BC.No.5/04.09.01/2022-23, dated May 13, 2022, to ensure continuation of the synergies that have been developed between banks and NBFCs in delivering credit to the specified priority sectors, the above facility has been allowed on an on-going basis. Further, bank credit to NBFCs (including HFCs) for on-lending has been allowed up to an overall limit of 5 percent of an individual bank's total priority sector lending in case of commercial banks. These limits shall be computed by averaging across four quarters of the financial year, to determine adherence to the prescribed cap.

The RBI has periodically issued guidelines/instructions/directives to banks with regard to providing credit facilities to minority communities. The Master Circular on Credit Facilities to Minority Communities dated August 2, 2022 consolidates the circulars issued by RBI on the subject till that date.

The RBI via master circular reference FIDD.CO.Plan.BC.5/04.09.01/2020-21 dated September 4, 2020, amended the definition of MSME in line with amendment to MSME Act and also aligned guidelines to bring sharper focus on inclusive development and achieve sustainable development goals.

The PSL Master Directions requires the banks to furnish the data on priority sector advances on a quarterly and annual basis and also provides for measures to be taken in the event of non-achievement of the prescribed targets which includes Banks having any shortfall in lending to priority sector shall be allocated amounts for contribution to the Rural Infrastructure Development Fund established with National Bank For Agriculture And Rural Development ("**NABARD**") and other funds with NABARD /National Housing Bank / Small Industries Development Bank of India / Micro Units Development and Refinance Agency Limited, as decided by the RBI from time to time and such non-achievements shall also be taken into account while granting regulatory clearances/approvals for various purposes

Exposure norms

As a prudent measure aimed at better risk management and avoidance of concentration of credit risk, RBI advised the banks to fix limits on their exposure to specific industry or sectors and has prescribed credit exposure limits for banks in respect of their lending to individual borrowers and to all borrowers belonging to a single group. In addition, banks are also required to observe certain statutory and regulatory exposure limits in respect of advances against / investments in shares, convertible debentures /bonds, units of equity-oriented mutual funds and all exposures to venture capital funds ("**VCFs**").

RBI pursuant to Master Circular on Exposure Norms dated July 1, 2015 has prescribed exposure ceiling for a single borrower as 15% of capital funds and group exposure limit as 40% of capital funds comprising of Tier I and Tier II capital. Relaxations to the credit exposure (for single borrower as well as the group) are permitted in exceptional circumstances, with the approval of their boards or for lending to infrastructure sector or for lending to oil companies who have been issued oil bonds by Government of India. The total exposure (both lending and investment, including off-balance sheet exposures) to a single NBFC, NBFC-AFC (Asset Financing Companies) and infrastructure finance companies should not exceed 10%, 15% and 15%, respectively, of the bank's capital funds as per its last audited balance sheet. The limit may be increased by another 5% provided that the excess exposure is on account of funds on-lent to the infrastructure sector.

Section 19(2) of the Banking Regulation Act restricts a banking company from holding shares in any company, whether as pledgee, mortgagee, or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less, except as provided in sub-section (1) of Section 19 of the Banking Regulation Act.

The aggregate exposure of a bank to the capital markets in all forms (both fund based and non-fund based) should not exceed 40% of its net worth, on both standalone and consolidated basis as on March 31 of the previous year. Within this overall ceiling, the bank's direct investment in shares, convertible bonds/debentures, units of equity oriented mutual funds and all exposures to VCFs (both registered and unregistered) should not exceed 20% of its net worth on both standalone and consolidated basis.

On August 25, 2016, RBI released guidelines on 'Enhancing Credit Supply for Large Borrowers through Market Mechanism' with the objective of mitigating the risk posed to the banking system on account of large aggregate lending to a single corporate. As per the framework, exposure to corporate with large borrowing from banking system beyond the prescribed limit would attract additional provisions and higher risk weights.

On June 3, 2019, the RBI released the guidelines on 'Large Exposures Framework to align the exposure norms for Indian banks' with the Basel Committee. As per the framework, the sum of all exposure values of a bank to a counterparty or a group of connected counterparties is defined as a 'Large Exposure (LE)', if it is equal to or above 10 percent of the bank's eligible capital base (i.e., Tier 1 capital) and the bank is required to report their LE to the Reserve Bank of India (RBI) and Department of Banking Supervision, Central Office, (DBS, CO). Further, exposure limits to a single counterparty and group of connected counterparties will be 20% (extendable up to additional 5% exposure by the board of the banks during exceptional circumstances) and 25% of available eligible capital base respectively.

Prevention of Money Laundering Act, 2002 ("PMLA")

In order to prevent money laundering activities, the Government enacted the PMLA which seeks to prevent money laundering and to provide for confiscation of property derived from, or involved in money laundering, and for incidental matters connected therewith. Section 12 of the PMLA casts certain obligations on, inter alia, banking companies in regard to preservation and reporting of customer account information.

RBI has advised all banks to go through the provisions of the PMLA and the rules notified thereunder and to take all steps considered necessary to ensure compliance with the requirements of Section 12 of the PMLA.

Revised Prompt Corrective Action (PCA) framework for banks

The RBI vide its circular dated April 13, 2017 has reviewed and revised the Prompt Corrective Action (PCA) framework for banks, which is effective from April 1, 2017.Further, RBI *vide* its circular dated November 2, 2021, stated that the existing PCA Framework has further been revised and the new provisions will be effective from January 1, 2022.The PCA framework sets out certain 'risk thresholds', the breach of which would mandate the relevant bank to implement certain mandatory and discretionary actions. The 'risk thresholds' take into consideration the capital adequacy ratio, net non-performing advances ratio, return on assets and the leverage ratio of the relevant bank.

Regulations relating to Know Your Customer ("KYC") and anti-money laundering

RBI issued the Reserve Bank of India (Know Your Customer (KYC) Directions, 2016 on February 25, 2016 ("M**aster Direction on KYC**"), (updated on May 4, 2023), prescribing the guidelines for KYC and anti-money laundering procedures. Banks are required to formulate a KYC policy which shall include (i) customer acceptance policy, (ii) customer identification procedures, (iii) monitoring of transactions and (iv) risk management. In relation to each of the above, the master direction also specifies minimum procedures required to be followed by banks. Banks are not permitted to make payment of cheques/drafts/pay orders/banker's cheques, if they are presented beyond the period of three months from the date of such instrument. Banks have been advised to ensure that systems and procedures are in place to control financial frauds, identify money laundering and suspicious activities and monitor high value cash transactions. Such monitoring includes cross border transactions. Further, banks have also been advised to ensure that adequate policies are formulated and adopted in relation to KYC and Anti Money Laundering. The Master Direction on KYC was further updated by RBI *vide* its notification dated January 9, 2020 due to amendments to Prevention of Money Laundering (Maintenance of Records) Rules, 2005.

On April 20, 2020, the RBI amended the Master Direction on KYC, requiring banks and financial institutions regulated by the RBI to periodically carry out money laundering and terrorist financing risk assessments to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk for clients, countries or geographic areas, products, services, transactions or delivery channels. The banks and financial institutions shall apply a risk-based approach for mitigation and management of the identified risk and should have board approved policies, controls and procedures which take into consideration sector-specific vulnerabilities which are shared by the regulators.

Regulations relating to maintenance of Cash Reserve Ratio ("CRR") and Statutory Liquidity Ratio ("SLR")

A bank is required to maintain, on a daily basis, CRR, which is a specified percentage of its Net Demand and Time Liabilities ("**NDTL**"), excluding interbank deposits, by way of a balance in a current account with RBI. RBI does not pay any interest on CRR balances. The CRR has to be maintained on an average basis for a fortnightly period and the minimum daily maintenance of the CRR should be 90% effective from the fortnight beginning April 16, 2016. RBI may impose penal interest at the rate of 3% above the bank rate on the amount by which the reserve falls short of the CRR required to be maintained on a particular day and if the shortfall continues further, the penal interest charged shall be increased to a rate of 5% above the bank rate in respect of each subsequent day, during which the default continues. In light of the COVID 19 pandemic, the RBI has *vide* circular issued on May 22, 2020 to all scheduled and non-scheduled banks, revised the bank rate downwards by 40 basis points from 4.65% to 4.25% with effect from May 22, 2020. In case of default in the maintenance of CRR, on average basis during the fortnight, penal interest will be recovered as envisaged under Section 42(3) of the RBI Act. Further, RBI *vide* its circular dated February 5, 2021, has decided to gradually restore the CRR in two phases in a non-disruptive manner. Accordingly, banks are required to maintain the CRR at 3.50 per cent of their NDTL effective from the reporting fortnight beginning March 27, 2021 and 4.00 per cent of their NDTL effective from fortnight beginning May 22, 2021.

In light of the recent COVID-19 pandemic, the RBI *vide* its circular dated March 27, 2020 has reduced the CRR of all banks by 100 basis points from 4.00% to 3.00% of their NDTL with effect from the reporting fortnight beginning March 28, 2020 for a period of one year, ending on March 26, 2021.

In addition to the CRR, a bank is required to maintain SLR, a specified percentage of its NDTL, by way of liquid assets like cash, gold or approved unencumbered securities. The percentage of this liquidity ratio is fixed by RBI from time to time, pursuant to Section 24 of the Banking Regulation Act. At present, the required SLR is 18%.

Further, on December 21, 2011, RBI had permitted banks to avail funds from RBI on an overnight basis, under the Marginal Standing Facility, against their excess SLR holdings. Additionally, they can also avail themselves of funds, on an overnight basis below the stipulated SLR, up to 1% of their respective NDTL outstanding at the end of the second preceding fortnight. Further RBI *vide* circular dated March 27, 2020 read with February 5, 2021 raised the borrowing limit of scheduled banks (excluding Regional Rural Bank) under the MSF scheme from 2% to 3% of their NDTL outstanding at the end of the second preceding fortnight with immediate effect until June

30, 2020. The period was extended till September 30, 2020 by circular dated June 26, 2020 and subsequently till March 31, 2021 through press release dated September 28, 2020. On February 5, 2021, RBI has further extended such period till September 30, 2021.

On September 1, 2020, the RBI increased the limits under the held-to-maturity category ("**HTM**") from 19.5% to 22% of NDTL in respect of SLR-eligible securities acquired on or after September 1, 2020 and on or before March 31, 2021. This dispensation was made available up to March 31, 2022. In order to provide certainty to market participants in the context of the borrowing programme of the centre and states for Fiscal 2022, it has now been decided to extend the dispensation of the enhanced HTM limit of 22% up to March 31, 2023 to include securities acquired between April 1, 2021 and March 31, 2022. The HTM limit will be restored from 22% to 19.5% in a phased manner starting from the quarter ending June 30, 2023. It is expected that banks will be able to plan their investments in SLR securities in an optimal manner with a clear glide path for the restoration of HTM limits.

Further, Section 17(1) of the Banking Regulation Act and RBI circular dated September 20, 2006 requires every banking company to create a reserve fund to which it must transfer not less than 20% of the profits of each year before declaring dividends. If there is an appropriation from this account, the bank is required to report the same to RBI within 21 days, explaining the circumstances leading to such appropriation.

Marginal Cost of Funds based Lending Rate (MCLR)

Pursuant to the notification issued by RBI dated December 17, 2015, all rupee loans sanctioned and credit limits renewed with effect from April 1, 2016 are to be priced with reference to the MCLR which is the internal benchmark for such purposes. MCLR comprise of: (a) marginal cost of funds; (b) negative carry on account of CRR; (c) operating costs and; (d) tenor premium.

In terms of the notification, the board of directors of the banks is required to adopt a policy delineating the components of spread charged to a customer. Actual lending rates are to be determined by adding the components of spread to the MCLR. Further, no lending below the MCLR of a particular maturity for all loans linked to that benchmark is permitted. The aforementioned notification provides exemption to certain loans from being linked to MCLR as the benchmark for determining interest rate. Further, the aforementioned notification also provides for review of MCLR, reset of interest rates, treatment of interest rates linked to base rate charged to existing borrowers and mandates all the banks to move to the MCLR based pricing from April 1, 2016.

External benchmark based lending

The RBI *vide* circular dated September 04, 2019 (as amended from time to time) mandated that all new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans extended by banks to Micro and Small Enterprises from October 01, 2019 and floating rate loans to Medium Enterprises from April 01, 2020 extended by banks shall be linked to external benchmarks. Banks are free to offer such external benchmark linked loans to other types of borrowers as well.

In furtherance of the same, the said new floating rate shall be benchmarked to one of the following: (1) RBI’s policy repo rate; (2) Government of India 3-Months Treasury Bill yield published by the Financial Benchmarks India Private Ltd (“**FBIL**”); (3) Government of India 6-Months Treasury Bill yield published by the FBIL; and (4) Any other benchmark market interest rate published by the FBIL. The adoption of multiple benchmarks by the same bank is not allowed within a loan category. Banks are free to decide the spread over the external benchmark, subject to the conditions specified in the aforesaid circular. The interest rate under external benchmark shall be reset at least once in three months.

Central Repository of Information on Large Credits

The RBI has vide its circular dated May 22, 2014, set up the Central Repository of Information on Large Credits (“**CRILC**”) to collect, store and disseminate data on all borrowers' credit exposures including ‘special mention accounts’ (SMA 0, 1 & 2) having aggregate fund-based and non-fund based exposure of ₹ 5 crores and above. The CRILC is designed entirely for supervisory purposes and its focus is on the reporting entities’ exposure to the borrower (as individual and/or as a group) under various heads, such as bank’s exposure to a large borrower; the borrower’s current account balance; bank’s written-off accounts; and identification of non-co-operative borrowers, among others. Further, the CRILC system started with information on SMA2 (default for 61-90 days) to be submitted on as and when basis i.e., whenever repayment for a large borrower's account becomes overdue for 61 days it is to be reported by the bank immediately.

Further, in terms of RBI circular dated June 7, 2019 (Prudential Framework for Resolution of Stressed Assets), all banks are required to report to CRILC, on a monthly basis, exposures of individuals and entities having exposure (both fund and non-fund based) of more than ₹ 5 crores. Banks are also required to report to CRILC, on a weekly basis for all borrower entities in default, having aggregate exposure of more than ₹ 5 crores. In addition, banks are required to report to CRILC the classification of an account to 'special mention account' in respect of borrower entities having aggregate exposure of more than ₹ 5 crores. Any non-submission of or incorrect reporting in these returns attracts penalties as specified in the Banking Regulation Act

Master Regulations and Guidelines of the SEBI

SEBI was established in 1992 in accordance with the provisions of the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") to protect the interests of public investors in securities and to promote the development of, and to regulate, the Indian securities market including all related matters. The SEBI Act also provides for the registration and regulation of the function of various market intermediaries including stock brokers, depository participants, merchant bankers, portfolio managers, investment advisers, and research analysts. Pursuant to the SEBI Act, SEBI has formulated various rules and regulations to govern the functions and working of these intermediaries. SEBI also issues various circulars, notifications and guidelines from time to time in accordance with the powers vested with it under the SEBI Act. SEBI has the power to impose (i) monetary penalty under the SEBI Act and the regulations made thereunder, and (ii) penalties prescribed under the SEBI Intermediaries Regulations including suspending or cancelling the certificate of registration of an intermediary and to initiate prosecution under the SEBI Act. Further, SEBI has the power to conduct inspection of all intermediaries in the securities market, including, stock brokers, sub brokers, investment advisers, merchant bankers, underwriters, research analysts, to ensure, amongst others, that the books of account are maintained in the manner required in accordance with applicable law.

We are subject to regulations prescribed by SEBI in respect of capital issuances as well as some of our activities, including acting as agent for collecting subscriptions to public offerings of securities made by other Indian companies, underwriting, custodial, depositary participant, and investment banking and because our Equity Shares are listed on Indian stock exchanges. These regulations provide for registering with SEBI the functions, responsibilities and the code of conduct applicable for each of these activities.

Regulatory measures on account of COVID-19

The RBI has issued circulars, the Statement of Developmental and Regulatory Policies dated May 22, 2020 and Monetary Policy Statement, 2020-2021: Resolution of Monetary Policy Committee dated May 22, 2020 announcing certain additional regulatory measures with an aim to revive growth and mitigate the impact of COVID-19 on business and financial institutions in India, including:

i. restriction from declaring any further dividend payouts from the profits pertaining to the Financial Year ended March 31, 2020 until further instructions;

ii. pursuant to the RBI notification bearing reference no. RBI/2020-21/95DOR.No.LRG.BC.40/21.04.098/2020-21 dated February 5, 2021, the implementation of the Net Stable Funding Ratio (NSFR) guidelines was deferred by six months from April 1, 2021. The NSFR guidelines will be effective from October 1, 2021;

iii. modifying the Prudential Framework for Resolution of Stressed Assets to provide that all accounts which were within the review period as on March 1, 2020, the period from March 1, 2020 to August 31, 2020 is to be excluded from the calculation of the 30-day timeline for the review period and accordingly, for all such accounts, the residual review period shall resume from September 1, 2020, upon the expiry of which, the lenders shall have the usual 180 days for resolution. The accounts for which the 180 days resolution period has not expired as on March 31, 2020, the timeline for resolution shall get extended by 180 days from the date on which the 180-day period was originally set to expire.

iv. The RBI vide its circular dated March 27, 2020, announced certain regulatory measures inter alia to mitigate the burden of debt servicing due to the pandemic and to ensure the continuity of viable businesses. In furtherance of the same, a moratorium of three months was granted on payment of all instalments (including all (i) principal and/or interest components; (ii) bullet repayments; (iii) Equated Monthly instalments; (iv) credit card dues) falling due between March 1, 2020 and May 31, 2020 in respect of all term loans (including agricultural term loans, retail and crop loans) ("Moratorium Period"). The RBI vide DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020 further permitted the lending institutions to extend the Moratorium Period on payment of all instalments in respect of term loans (including agricultural term loans, retail and crop loans) by another three months i.e. from June 1, 2020 to August 31, 2020;

v. Pursuant to notification dated August 6, 2020, RBI permitted, *inter alia*, the resolution of eligible corporate exposures /accounts without change in ownership and personal loans sanctioned to individual borrowers by lending institutions to become eligible for resolution under the Revised Framework while classifying such exposures as standard (as set out under the Prudential Framework) subject to specified conditions. However, only those borrower accounts shall be eligible for resolution under Prudential Framework which were classified as standard, but not in default for more than 30 days with the lending institution as on March 1, 2020 and resolution under this framework may be invoked not later than December 31, 2020 and must be implemented within 90 days from the date of invocation. However, the lending institutions should strive for early invocation. Under the Revised Framework, lending institutions are required to frame policies, as approved by their board of directors, for implementation of viable resolution plans for eligible borrowers pursuant to the Revised Framework and ensure that the resolution plans under this facility are extended only to borrowers bearing stress on account of the COVID-19 pandemic;

vi. RBI through its circular dated September 7, 2020 on 'Resolution Framework for COVID-19 related Stress –Financial Parameters' directed each of the lending institutions to mandatorily consider the key ratios prescribed therein, while finalizing the resolution plans in respect of all eligible borrowers;

vii. permitting banks to grant a moratorium of six months on all term loan instalments and working capital facilities sanctioned in the form of cash credit/overdraft ("**CC/OD**"), falling due between March 1, 2020 and August 31, 2020, subject to the fulfilment of certain conditions;

viii. permitting the recalculation of 'drawing power' of working capital facilities sanctioned in the form of cash/ credit overdraft facilities by reducing the margins till the extended period, being August 31, 2020, and permitting lending institutions to restore the margins to the original levels by March 31, 2021;

ix. permitting the increase in the bank's exposures to a group of connected counterparties from 25% to 30% of the eligible capital base of the bank, up to June 30, 2021;

x. deferring the recovery of the interest applied in respect of all working capital facilities sanctioned in the form of cash/credit overdraft facilities during the period from March 1, 2020 to August 31, 2020;

xi. permitting lending institutions to convert the accumulated interest on working capital facilities up to the deferment period (up to August 31, 2020) into a funded interest term loan which shall be repayable not later than the end of the current financial year (being, March 31, 2021). Such changes will not be treated as concessions granted due to 'financial difficulty' of the borrower under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 dated June 7, 2019 and consequently, will not result in asset classification downgrade;

xii. permitting the lending institutions to exclude the moratorium period wherever granted in respect of term loans as stated in (iv) above, from the number of days past-due for the purpose of asset classification under the Prudential Norms, in respect of accounts classified as standard as on February 29, 2020, even if overdue;

xiii. permitting the lending institutions to exclude deferment period on recovery of the interest applied, wherever granted as stated in (vii) above, for the determination of out of order status, in respect of working capital facilities sanctioned in the form of CC/OD where the account is classified as standard, including SMA, as on February 29, 2020; and

xiv. requiring lending institutions to make general provisions of not less than 10% of the total outstanding of accounts in default but standard as on February 29, 2020 and asset classification benefit is availed, to be phased over two quarters as provided: (i) not less than 5% for the quarter ended March 31, 2020; and (ii) not less than 5% for the quarter ended June 30, 2020, subject to certain adjustments.

xv. RBI issued circular RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021, pertaining to requirements specific to resolution of advances to individuals and small businesses and working capital support for: (i) individuals who have availed of loans for business purposes and to whom the lending institutions have aggregate exposure of not more than ₹25 crore as on March 31, 2021, and (ii) small businesses including those engaged in retail and wholesale trade, other than those classified as micro, small and medium enterprises as on March 31, 2021, and to whom the lending institutions have aggregate exposure of not more than ₹25 crore as on March 31, 2021, where resolution plans were implemented previously. Further lists the disclosure requirements for the lending institutions with respect to the resolution plans implemented under the window. Further, the RBI vide its circular no. RBI/2021-22/46/ DOR.STR.REC.20/21.04.048/2021-22 dated June 4, 2021, enhanced the aforementioned limits from ₹ 25 crores to ₹ 50 crores.

xvi. RBI vide its circular dated August 6, 2021 revised the timeliness for compliance under the Resolution Framework for COVID-19-related Stress (i) in view of the resurgence of the Covid-19 pandemic in 2021 and recognising the difficulties it may pose for the borrowers in meeting the operational parameters, it has been decided to defer the target date for meeting the specified thresholds in respect of the four operational parameters, viz. Total Debt / EBIDTA, Current Ratio, DSCR and ADSCR, to October 1, 2022 and (ii) the target date for achieving the ratio TOL/ATNW, as crystallised in terms of the resolution plan, shall remain unchanged as March 31, 2022.

Declaration of dividend by banks

The payment of dividends by banks is subject to restrictions under the Banking Regulation Act. Section 15(1) of the Banking Regulation Act states that no banking company may pay any dividend on its shares until all its capitalized expenses (including expenses, organisation expenses, share-selling commissions, brokerage, amounts of losses incurred and any other item of expenditure not represented by tangible assets) have been completely written off. In addition, Section 17(1) of the Banking Regulation Act and RBI circular dated September 20, 2006 requires every banking company to create a reserve fund and, out of the balance of the profit of each year as disclosed in the profit and loss account, transfer a sum equivalent to not less than 25% of such profit to the reserve fund before declaring any dividend. If there is an appropriation from this account, the bank is required to report the same to the RBI within 21 days, explaining the circumstances leading to such appropriation.

Further, on May 4, 2005, the RBI issued guidelines on ‘Declaration of Dividends by Banks’, which prescribed certain conditions for declaration of dividends by banks.

In light of the recent COVID-19 situation, the RBI has mandated on December 4, 2020, that the banks shall not make any further dividend payouts from the profits pertaining to the financial year ended March 31, 2020 until further instructions. RBI has further vide circular dated December 4, 2020 has stated In view of the ongoing stress and heightened uncertainty on account of COVID-19, it is imperative that banks continue to conserve capital to support the economy and absorb losses. In order to further strengthen the banks’ balance sheets, while at the same time support lending to the real economy, it has been decided that Banks shall not make any dividend payment on equity shares from the profits pertaining to the financial year ended March 31, 2020. Further, RBI vide its circular DOR.ACC.REC.7/21.02.067/2021-22 dated April 22, 2021, partially modified the instructions contained in the RBI circular dated May 4, 2005, allowed the banks to pay dividend on equity shares from the profits for the financial year ended March 31, 2021, subject to the quantum of dividend being not more than fifty percent of the amount determined as per the dividend payout ratio prescribed in the RBI circular dated May 4, 2005.

Capital and provisioning requirements for exposures to entities with unhedged foreign currency exposure

The RBI issued a circular relating to “Capital and Provisioning Requirements for Exposures to entities with Unhedged Foreign Currency Exposure” on January 15, 2014. Pursuant to these guidelines, the RBI has introduced incremental provisioning and capital requirements for bank exposures to entities with unhedged foreign currency exposures. The circular also lays down the method of calculating the incremental provisioning and capital requirements. The banks will be required to calculate the incremental provisioning and capital requirements at least on a quarterly basis. This framework became fully effective from April 1, 2014.

Master Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances dated July 1, 2015 (“Prudential Norms”)

An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank. The Prudential Norms further, specify the timeline within which specific assets are to be considered non-performing.

Once the account has been classified as a non-performing asset, the unrealized interest and other income already debited to the account is derecognized and further interest is not recognized or credited to the income account unless collected in cash. The Prudential Norms require banks to further classify NPAs into the following three categories based on the period for which the asset has remained non- performing and the realisability of the dues (i) sub-standard assets; (ii) doubtful assets; and (iii) loss assets. These norms also specify provisioning requirements specific to the classification of the assets. Further, the RBI pursuant to the circular on Prudential Norms has decided that banks should maintain provisioning coverage ratio, including floating provisions, of at least 70.00%. The RBI issued revised “Prudential Guidelines on Restructuring of Advances by Banks and Financial Institutions” on May 30, 2013. Pursuant to those guidelines, from April 1, 2015 advances that are restructured (other than change in date of commencement of commercial operation (“DCCO”) of Infrastructure and non-Infrastructure project) would be immediately classified as sub-standard on restructuring and the nonperforming assets, upon restructuring, would continue to have the same asset classification as prior to restructuring and slip into further lower asset classification categories as per the extant asset classification norms with reference to the pre-restructuring repayment schedule. The “Review of Prudential Guidelines on Restructuring of Advances by Banks and Financial Institutions” dated May 30, 2013 have been repealed under the Revised Framework, with an exception of paragraph 2 on change in DCCO. On February 7, 2020, the RBI published the Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances (“IRACP”) - Projects under Implementation to harmonise the guidelines for DCCO for projects in non-infrastructure and commercial real estate (“CRE”) sectors. It revised guidelines for deferment of DCCO for projects in non-infrastructure and CRE sectors. The revised guidelines, inter alia, permitted extension of such DCCO for CRE loans, delayed for reasons beyond the control of promoters, by another one year without downgrading the ‘standard’ asset classification, subject to conditions provided therein. Such extension however, requires banks’ board to be satisfied about the viability of the project and the restructuring plan.

Other applicable laws

In addition to the above, we are required to comply with the labour laws, various tax-related legislations, intellectual property related legislations and other applicable laws, in the ordinary course of our day-to-day operations.

ISSUE PROCEDURE

Below is a summary, intended to provide a general outline of the procedures for the Bidding, payment of Bid amount, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below and prospective Bidders are presumed to have apprised themselves of the same from our Bank or the Book Running Lead Managers.

Our Bank, the Book Running Lead Managers and their respective directors, officers, agents, affiliates, shareholders, employees, counsel and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Bidders are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the Insider Trading Regulations, and other applicable laws.

Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Bank, the Book Running Lead Managers and their respective directors, officers, agents, affiliates, shareholders, employees, counsel and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Bank, the Book Running Lead Managers and their respective directors, officers, agents, affiliates shareholders, employees, counsel and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Equity Shares. For details, see the sections titled, "Selling Restrictions" and "Transfer Restrictions" beginning on pages 258 and 268.

Qualified institutions placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document and this Placement Document have not been filed as a prospectus with the SEBI/RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations through the mechanism of a qualified institutions placement ("**QIP**"). Under Chapter VI of the SEBI ICDR Regulations, our Bank, being a listed entity in India may issue Equity Shares to Eligible QIBs, provided that:

- a special resolution approving the qualified institutions placement has been passed by its shareholders. Such special resolution must *inter alia* specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the QIP and (b) the Relevant Date;

- approval letter dated July 13, 2023 from the Ministry of Finance, GoI has been obtained on the basis of the recommendation from RBI specifying that the allotment of Equity Shares is proposed to be made pursuant to the QIP;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Bank, which are proposed to be allotted through the Issue, are listed on the recognized Stock Exchanges that has nation-wide trading terminals, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer-cum-application (i.e., the Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made;

- our Bank shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue; and

- the Directors of the Issuer are not fugitive economic offenders.

At least 10% of the equity shares issued to Eligible QIBs must be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

The above approval is subject to the following conditions as provided in the approval letter dated July 13, 2023 from the Ministry of Finance, GoI (**"GoI Approval Letter"**):

i. FDI Policy conditionalities (including, inter alia, paragraph 5.2(a) of the Policy, which provides that the FDI allowed is subject to applicable laws/ regulations) and other Sectoral Regulations/ Guidelines.

ii. Claim of any tax relief under the Income-Tax Act, 1961 or the relevant Double Taxation Avoidance Agreement (DTAA) will be examined independently by the tax authorities to determine the eligibility and extent of such relief and the approval of the Department of Financial Services by itself will not amount to any recognition of eligibility for giving such relief.

iii. Department of Financial Services approval by itself does not provide any immunity from tax investigations to determine whether specific or general anti-avoidance rules apply.

iv. The fair market value of various payments, services, assets, shares etc., determined in accordance with extent guidelines shall be examined by the tax authorities under the tax laws and rules in force and may be varied accordingly for tax purposes; and

v. The taxation of dividend, future capital gains on alienation of shares by the foreign investor, interest income and income of any other nature shall be examined by the field formation in accordance with the provision of Income-Tax Act, 1961 and DTAA applicable to the facts of the case.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued pursuant to this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of up to 5% of the Floor Price may be offered by our Bank in accordance with the provisions of the SEBI ICDR Regulations. Accordingly, pursuant to a resolution of the Shareholders passed in the AGM held on June 27, 2023, our Bank offered a discount of 4.95% on the Floor Price.

The "Relevant Date" referred to above means the date of the meeting in which the Board or the Committee decides to open the Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

The Equity Shares will be Allotted within 365 days from the date of the shareholders' resolution approving the Issue, being June 27, 2023 and within 60 days from the date of receipt of Bid Amount from the Successful Bidders. For details of refund of Bid Amount, see "*– Pricing and Allocation – Designated Date and Allotment of Equity Shares*" on page 253.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of the Preliminary Placement Document and this Placement Document that shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Bank with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document or this Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the Stock Exchanges or our Bank for making an application to subscribe to Equity Shares pursuant to the Issue.

This Issue was authorized and approved by the Board on April 18, 2023 and approved by the Shareholders in the AGM held on June 27, 2023. The minimum number of Allottees with respect to a QIP shall at least be:

a. two, where the issue size is less than or equal to ₹250 crore; and

b. five, where the issue size is greater than ₹250 crore.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "—*Bid Process—Application Form*" on page 248.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on a floor recognised stock exchange.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue. AIFs and VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules are not permitted to participate in the Issue.

We have applied for and received the in-principle approvals from both BSE and NSE on December 5, 2023, under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares on the Stock Exchanges. We have filed a copy of the Preliminary Placement Document and a copy of this Placement Document with the Stock Exchanges.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Placement Document as "U.S. QIBs", which, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Placement Document as "QIBs") in transactions exempt from the registration requirements of the U.S. Securities Act) and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For a description of certain restrictions on transfer of the Equity Shares see the sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 258 and 268, respectively.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue procedure

1. On the Bid / Issue Opening Date, our Bank in consultation with the Book Running Lead Managers shall circulate serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form was required to be specifically addressed to each such Eligible QIB. Our Bank shall maintain records of the Eligible QIBs to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched.

2. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form were delivered have been determined by our Bank in consultation with the Book Running Lead Managers, at their sole discretion. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount was deposited, were addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed

to have been made to such person and any application that does not comply with this requirement shall be treated as invalid and shall be rejected. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB could submit an unsigned copy of the Application Form, as long as the Bid Amount was paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form was submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and could not be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids were being made on behalf of the Eligible QIB and the Application Form is unsigned, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so.

3. Eligible QIBs were required to submit a duly completed Application Form, including any revisions thereof along with the Bid Amount (which is to be transferred to the Escrow Account specified in the Application Form) and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Issue Period to the Book Running Lead Managers and their Bid Amount shall be deposited into the Escrow Account.

4. Bidders were required to indicate the following in the Application Form:

- full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details, phone number and bank account details;

- number of Equity Shares Bid for;

- price at which they are agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

- details of the beneficiary account maintained with the Depository Participant to which the Equity Shares should be credited;

- that it has agreed to certain other representations set forth in the Application Form;

- a representation that it is either (i) outside the United States acquiring the Equity Shares in an offshore transaction under Regulation S, or (ii) a "qualified institutional buyer" as defined in Rule 144A, and it has agreed to certain other representations set forth under the "*Representations by Investors*" on page 6 and "*Transfer Restrictions*" on page 268 and certain other representations set forth in the Application Form; and

- an undertaking that they will deliver an offshore transaction letter to the Issuer prior to any sale of Equity Shares confirming that they will not re-offer, re-sell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S under the U.S. Securities Act.

Note: *Eligible FPIs were required to indicate the SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds were required to specifically state the names of the concerned schemes for which the Bids were made. In case of a Mutual Fund, a separate Bid could be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund were not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund was be treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them did not exceed the investment limits or maximum number of Equity Shares that could be held by them under applicable laws.*

5. Eligible QIBs were required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of **"*Bank of India QIP 2023 Escrow Account*"** with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares should have been made from the bank accounts of the relevant Bidders and our Bank shall keep a record of the bank account from where such payment has been received. Bid Amount payable on Equity Shares to be held by joint holders should have been paid from the bank account of the person whose

name appears first in the Application Form. Until Allotment, and receipt of final listing and trading approvals from the Stock Exchanges, Bid Amount received for subscription of the Equity Shares shall be kept by the Bank in a separate bank account with a scheduled bank. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Bid Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 254.

6. Once a duly completed Application Form was submitted by a Bidder and the Bid Amount was transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount was required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date was notified to the Stock Exchanges and the Eligible QIBs were deemed to have been given notice of such date after receipt of the Application Form.

7. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, on or after the Issue Closing Date, our Bank, in consultation with the Book Running Lead Managers, has determined the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation of Equity Shares to be issued pursuant to the Issue. The Book Running Lead Managers will send the serially numbered CANs, along with serially numbered Placement Document, in electronic form only, to the successful Bidders who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Bank and will be in consultation with the Book Running Lead Managers.**

8. Upon dispatch of the serially numbered Placement Document and CAN, our Bank shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Bank will inform the Stock Exchanges of the details of the Allotment.

9. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Bank shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

10. After receipt of the listing approvals of the Stock Exchanges, our Bank shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

11. Our Bank will then apply for the final trading approvals from the Stock Exchanges.

12. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

13. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Bank may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Bank and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Bank.

Eligible Qualified Institutional Buyers

Only QIBs as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations, and not otherwise restricted from participating in the Issue under the applicable laws, including the SEBI Regulations and are residents of India or are Eligible FPI participating through Schedule II of the FEMA rules are eligible to invest in the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs and are eligible to invest in this Issue, in accordance with the GoI Approval Letters. AIFs or VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules or FVCIs, multilateral or bilateral development financial institutions are not permitted to participate in this Issue.

Currently, the definition of a QIB as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations includes:

- Mutual funds, venture capital funds and alternate investment funds (except AIFs and VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules) registered with SEBI;
- Eligible FPIs other than individuals, corporate bodies and family offices;
- Public financial institutions;
- Scheduled commercial banks;
- State industrial development corporations;
- Insurance companies registered with IRDAI;
- Provident funds with minimum corpus of ₹25 crore;
- Pension funds with minimum corpus of ₹25 crore;
- National Investment Fund set up by Government of India, set up by resolution no. F. No. 2/3/2005-DDII, dated November 23, 2005 of the Government published in the Gazette of India;
- Insurance funds set up and managed by army, navy or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, India; and
- Systemically important non-banking financial companies.

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA NON-DEBT RULES IN THIS ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DOES NOT EXCEED SPECIFIED LIMIT AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Please note that participation by non-residents in the Issue is restricted to participation by Eligible FPIs through the portfolio investment scheme under Schedule II of the FEMA Rules, subject to the limits prescribed under the SEBI FPI Regulations and the FEMA Rules. Further, AIFs or VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules or FVCIs, multilateral or bilateral development financial institutions are not permitted to participate in this Issue.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or more of the post-Issue equity share capital of our Bank, and the total holding of all FPIs, collectively, shall not exceed 20% of the paid-up equity share capital of our Bank. Further, if any FPI holds 10% or more of the Equity Share capital of our Bank, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

In terms of the approval of the GoI Approval Letters, prior approval of the GoI for the issuance of equity shares up to 20% of paid-up capital to FIIs/FPIs in the Issue, subject to provisions of the Banking Companies Act and other provisions of the Consolidated FDI Policy.

Allotments made to Eligible QIBs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. In terms of FEMA Rules, for calculating the aggregate holding of

FPIs in a company, holding of all FPIs shall be included. In accordance with the Consolidated FDI Policy, the total foreign ownership in a public sector bank, subject to Banking Companies Act, cannot exceed 20% of the paid-up capital. In accordance with Section 3(2D) of the Banking Companies Act, shareholding of non-residents in a corresponding new bank cannot exceed 20.00% of its paid up capital and in accordance with Section 3(2E) of the Banking Companies Act, no shareholder, other than the Government shall be entitled to exercise voting rights in excess of 10.00% of the total voting rights of all the shareholders of the corresponding new bank;

As of September 30, 2023 the aggregate FPI shareholding in our Bank is 2.91% of our Bank's paid up Equity Share capital (on a fully diluted basis). For further details, see "*Principal Shareholders and Other Information*" beginning on page 220.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being a promoter, or any person related to, the promoter. Eligible QIBs, which have all or any of the following rights, shall be deemed to be persons related to the promoter:

- rights under a shareholders' agreement or voting agreement entered into with the promoter or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on our Board

Provided, however, that an Eligible QIB which does not hold any equity shares in our Bank and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoter.

Our Bank, the Book Running Lead Managers and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors, associates or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations, and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of under subscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: Affiliates or associates of the Book Running Lead Managers who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid process

Application Form

Eligible QIBs were only to use the serially numbered Application Forms (which were specifically addressed to them) supplied by our Bank and the Book Running Lead Managers in electronic form only for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Eligible QIB was deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 2,6, 258 and 268, respectively:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India and is eligible to participate in this Issue;

2. The Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or promoter group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoter;

3. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

4. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder and not an FVCI or a multilateral or bilateral development financial institution. Each Eligible QIB confirms that it is not an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules. Each Eligible QIB confirms that they have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets;

5. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges. Additionally, this will be subject to the Selling and Transfer Restrictions under the applicable laws;

6. The Eligible QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

7. The Eligible QIB confirms that its Bid would not result in triggering an open offer under the SEBI Takeover Regulations;

8. The Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period, our Bank reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

9. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    a. QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other Eligible QIB ; and

    b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

10. The Eligible QIBs acknowledge that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

11. The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to their beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

12. The Eligible QIB confirms that:

    a. If it is within the United States, it is a U.S. QIB who is, or are acquiring the Equity Shares for its own account or for the account of an institutional investor who also meets the definition and requirement of an U.S. QIB, for investment purposes only and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not our affiliate or a person acting on behalf of such an affiliate; or

b. It it is outside the United States it is subscribing to the Equity Shares in an offshore transaction in reliance on Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate.

It has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of this Placement Document, will be deemed to have made the representations, warranties and agreements made under the sections titled "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 2, 6, 258 and 268, respectively.

ELIGIBLE QIBs WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Bank (by itself or by the Book Running Lead Managers) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms were required to be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter. The Bid Amount were required to be deposited in the Escrow Account as is specified in the Application Form and the Application Form were required to be submitted to the Book Running Lead Managers through electronic form at either of the following addresses:

Name of BRLM	Address	Contact person	Email	Phone
IDBI Capital Markets & Securities Limited	6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005	Subodh Gandhi	project.star@idbicapital.com	+91 22 22171700
BNP Paribas	1 North Avenue, Maker Maxity, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India	Mahabir Kochar	DL.Project.OM2023@bnpparibas.com	+91 22 3370 4000

Name of BRLM	Address	Contact person	Email	Phone
DAM Capital Advisors Limited	One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India	Chandresh Sharma	projectstar2@damcapital.in	+91 22 4202 2500
IIFL Securities Limited	24th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013	Yogesh Malpani / Pawan Kumar Jain	project.star2023@iiflcap.com	+91 22 4646 4627
Nuvama Wealth Management Limited *(formerly known as Edelweiss Securities Limited)*	801 - 804, Wing A, Building No 3 Inspire BKC, G Block Bandra Kurla Complex, Bandra East Mumbai - 400 051 Maharashtra, India	Lokesh Shah	BOI@nuvama.com	+91 22 4009 4400
SBI Capital Markets Limited	1501, 15th Floor, A & B wing, Parinee Crescenzo Building, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400 051	Aditya Deshpande	bankofindia.qip@sbicaps.com	+91 22 4006 9807
BOI Merchant Bankers Limited*	"G" BLK, C/5 Bank of India Star House Bandra Kurla Complex Bandra (E) Mumbai 400051	Ripal Tandel	info@boimb.com	+91 022 61312906

**BOI Merchant Bankers Limited is one of the BRLMs, and shall be involved only in the marketing of the Issue in compliance with Regulation 21A of the SEBI Merchant Banker Regulations and Regulation 174(2) of the SEBI ICDR Regulations*

The Book Running Lead Managers were not required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue were required to pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Payment of Bid Amount

Our Bank has opened the Escrow Account in the name of "***Bank of India QIP 2023 Escrow Account***" with the Escrow Agent, in terms of the arrangement among our Bank, the Book Running Lead Managers and the Escrow

Agent. Each Bidder was required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders could make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments were to be made only through electronic fund transfer. Payments made through cash or cheques were liable to be rejected. Further, if the payment were not made favouring the Escrow Account, the Application Form was liable to be rejected.

Pending Allotment, our Bank undertakes to utilise the amount deposited in "***Bank of India QIP 2023 Escrow Account***" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Bank is not able to Allot Equity Shares in the Issue. In case of cancellations or default by the Bidders, our Bank and the Book Running Lead Managers have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, the excess Bid Amount will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in "*Issue Procedure – Refunds*" on page 254.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. For the purpose of determination of the Floor Price, 'stock exchange' shall mean any of the recognised stock exchanges in which the Equity Shares are listed and in which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. However, our Bank offered a discount of 4.95% of the Floor Price, in terms of Regulation 176(1) of the SEBI ICDR Regulations, in accordance with the approval of our Shareholders pursuant to resolution passed at AGM held on June 27, 2023.

The "Relevant Date" referred to above, for Allotment, was the date of the meeting in which the Board or the Issue Committee of the Board decided to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

Build-up of the book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price discovery and Allocation

Our Bank, in consultation with the Book Running Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Bank offered a discount of 4.95% of the Floor Price, in terms of Regulation 176(1) of the SEBI ICDR Regulations, in accordance with the approval of our Shareholders pursuant to resolution passed at AGM held on June 27, 2023.

After finalisation of the Issue Price, our Bank has updated the Preliminary Placement Document with the Issue details and filed the same with the Stock Exchanges as this Placement Document.

Method of Allocation

Our Bank has determined the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price were grouped together to determine the total demand. The Allocation to all such Eligible QIBs was made at the Issue Price. Allocation to Mutual Funds for a minimum of 10% of the Issue Size was required to be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR BANK IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR BANK, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR BANK NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON- ALLOCATION.

CONFIRMATION OF ALLOCATION NOTE OR CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Bank, in consultation with the Book Running Lead Managers, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Successful Bidder ("**Designated Date**").

The Successful Bidders would also be sent a serially numbered Placement Document either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document in the electronic form, to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board or the Committee of the Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the Book Running Lead Managers.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section titled "*Notice to Investors*" on page 2 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Successful Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Bank will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

3. Our Bank, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Bank shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Bank shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts, our Bank will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading

approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Bank.

7. After finalization of the Issue Price, our Bank has updated the Preliminary Placement Document with the Issue details and has filed it with the Stock Exchanges as this Placement Document. Pursuant to a circular SEBI/CFD/DIL/LA/1/2010/05/03 dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Bank along with the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price, or Equity Shares are not Allocated to a Bidder for any reasons, is cancelled prior to Allocation, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted (as set out in the Application Form). The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that our Bank is unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled from the date of receipt of application monies, our Bank shall repay the application monies. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Depositories Act and other applicable laws

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Release of Funds to our Bank

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Bank. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Other instructions

Permanent account number or PAN

Each Bidder should mention its PAN allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR Number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to reject applications

Our Bank, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Bank in consultation with the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Bank, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder. For details see "*Bid Process" – "Refund*".

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all Eligible QIBs in the demat segment of the respective Stock Exchanges.

Our Bank and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT

Placement Agreement

The Book Running Lead Managers have entered into a placement agreement with the Bank dated December 5, 2023 (the "**Placement Agreement**"), pursuant to which the Book Running Lead Managers have agreed to manage the Issue and act as placement agents in connection with the proposed Issue and procure subscriptions for the Equity Shares on a reasonable efforts basis pursuant to Chapter VI of SEBI ICDR Regulations.

The Placement Agreement contains customary representations, warranties and indemnities from the Bank and it is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Placement Document has not been, and will not be, filed as a prospectus with RoC and, no Equity Shares issued pursuant to the Issue will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

In connection with the Issue, the Book Running Lead Managers (or their affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may subscribe to Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. See "*Offshore Derivative Instruments*" on page 12.

The Equity Shares have not been registered under the Securities Act or any U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S), except pursuant to an effective registration statement or an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered or sold only (i) outside the United States to non-U.S. persons in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur and (ii) to certain U.S. "qualified institutional buyers" as defined in Rule 144A of the Securities Act.

The Book Running Lead Managers and their respective affiliates may engage in transactions with and perform services for the Bank and/or its Subsidiaries and/or Joint Venture and/or Associate in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with the Bank and/or Subsidiaries and/or Joint Venture and/or Associate, for which they have received compensation and may in the future receive compensation.

Lock-up

Under the Placement Agreement, the Bank will not, for a period commencing the date hereof and ending 90 days from the Closing Date, without the prior written consent of the Book Running Lead Managers, directly or indirectly:

(a) issue, offer, lend, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing;

(b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares;

(c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe to or purchase Equity Shares or which carry the right to subscribe to or purchase Equity Shares in depository receipt facilities or enter into any such transactions (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or

(d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise,

provided however that the foregoing restrictions shall not apply to: (i) the issuance of any Equity Shares; and (ii) any issue or offer of Equity Shares by the Bank, to the extent such issue or offer is: (a) required to be undertaken pursuant to Applicable Law; or (b) required to be undertaken pursuant to the instructions, orders or guidelines as may be issued by the Government of India or an undertaking of the Government of India or such other authority acting on its behalf, in each case with the requisite authority to issue such instructions, orders or guidelines, as the case may be.

The Equity Shares held by the Promoter shall not be subject to any lock-up under the Placement Agreement.

SELLING RESTRICTIONS

The distribution of this Placement Document or any Issue material and the offering, sale or delivery of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized. No action has been taken or will be taken that would permit a public offering of the Equity Shares to be issued pursuant to the Issue to occur in any jurisdiction, except India, or the possession, circulation or distribution of this Placement Document or any other material relating to the Bank or the Equity Shares offered in the Issue in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of the Preliminary Placement Document and this Placement Document or any other material relating to our Bank or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document and this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations. Each purchaser of the Equity Shares in the Issue will be deemed to have made acknowledgments and agreements as described under "*Transfer Restrictions*" on page 268.

Republic of India

The Preliminary Placement Document and this Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. The Preliminary Placement Document and this Placement Document has not been and will not be registered as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Australia

The Preliminary Placement Document and this Placement Document:

- does not constitute a product disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "**Corporations Act**");
- has not been, and will not be, lodged with the Australian Securities and Investments Commission ("**ASIC**"), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act;
- does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a "retail client" (as defined in section 761G of the Corporations Act and applicable regulations) in Australia; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors ("**Exempt Investors**"), available under section 708 of the Corporations Act.

The Equity Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Equity Shares may be issued, and no draft or definitive Placement Document, advertisement or other offering material relating to any Equity Shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Equity Shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of Equity Shares under the Preliminary Placement Document and this Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to us that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Bahrain

All applications for investment should be received, and any allotments should be made, in each case from outside Bahrain. The Preliminary Placement Document and this Placement Document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. The Issuer has not made and will not make any invitation to the public in the Kingdom of Bahrain and the Preliminary Placement Document and this Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency ("**BMA**") has not reviewed, nor has it approved, the Preliminary Placement Document and this Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

British Virgin Islands

The Equity Shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of the Issuer. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands), ("**BVI Companies**"), but only where the offer will be made to, and received by, the relevant BVI company entirely outside of the British Virgin Islands.

Canada

The Equity Shares will not be qualified for sale under the securities laws of any province or territory of Canada. The Equity Shares may only be offered, sold or distributed, directly or indirectly, in or to or for the benefit of a resident of, the Provinces of British Columbia, Alberta, Ontario or Québec, which is purchasing, or deemed to be purchasing, as a principal that is: (i) an accredited investor, as defined in National Instrument 45-106 Prospectus Exemptions ("**NI 45-106**") or subsection 73.3(1) of the Securities Act (Ontario), and (ii) a permitted client, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations and only through a dealer duly registered under the applicable securities laws of such provinces in circumstances where no exemption from the applicable registered dealer requirement is available. Any resale of the Equity Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

The Preliminary Placement Document and this Placement Document or any other offering material in connection with the offer of the Equity Shares has not been and will not be distributed or delivered in Canada other than to a resident of the Provinces of British Columbia, Alberta, Ontario or Québec in compliance with applicable securities laws. Prospective Canadian investors are advised that the information contained within the Preliminary Placement Document and this Placement Document in relation to the Equity Shares has not been prepared with regard to matters that may be of particular concern to Canadian investors. Accordingly, prospective Canadian investors should consult with their own legal, financial and tax advisers concerning the information contained within the Preliminary Placement Document and this Placement Document and any other offering material relating to the Equity Shares and as to the suitability of an investment in the Equity Shares in their particular circumstances.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the Preliminary Placement Document and this Placement Document or any other offering material constituting an "offering memorandum" under applicable Canadian securities laws (including any amendment to any such documents) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("**NI 33-105**"), the parties to this offering, including the Issuer and the BRLMs, as the case may be, are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with an offering of the Equity Shares.

Upon receipt of the Preliminary Placement Document and this Placement Document, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Equity Shares described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de la document d'offre, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Cayman Islands

The Preliminary Placement Document and this Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

People's Republic of China

The Preliminary Placement Document and this Placement Document does not constitute a public offer of the Equity Shares, whether by way of sale or subscription, in the People's Republic of China (the "PRC"). The Equity Shares are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to legal and regulatory requirements of the PRC, the Equity Shares may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

European Economic Area

In relation to each Relevant State of the European Economic Area and the United Kingdom (each a "**Relevant State**"), no Equity Shares have been offered or will be offered pursuant to the Offer to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Managers; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall require us or any Book Running Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the Book Running Lead Managers and the Bank that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary as that term is used in the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the Book Running Lead Managers have been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an "offer to the public" in relation to Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

Each BRLM has represented, warranted and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Equity Shares other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO; and

(ii) it has not issued or had in its possession for the purposes of the issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe the Equity Shares (the "QII Equity Shares") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Republic of Korea

We are not making any representation with respect to the eligibility of any recipients of this document to acquire the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Equity Shares, except (i) where relevant requirements are satisfied, the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Equity Shares.

Kuwait

The Equity Shares have not been authorised or licensed for offering, marketing or sale in the State of Kuwait. The distribution of the Preliminary Placement Document and this Placement Document and the offering and sale of the Equity Shares in the State of Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law 31 of 1990.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, the Preliminary Placement Document and this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of the Preliminary Placement Document and this Placement Document is subject to Malaysian laws. The Preliminary Placement Document and this Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered, distributed or sold, directly or indirectly, in Mauritius or to any resident of Mauritius, except as permitted by applicable Mauritius law, including but not limited to the Mauritius Securities Act. No offer or distribution of securities will be made to the public in Mauritius.

New Zealand

The Preliminary Placement Document and this Placement Document is not a prospectus. It has not been prepared or registered in accordance with the Securities Act 1978 of New Zealand (the "**New Zealand Securities Act**"). The Preliminary Placement Document and this Placement Document is being distributed in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, within the meaning of section 3(2)(a)(ii) of the New Zealand Securities Act ("**Habitual Investors**"). By accepting The Preliminary Placement Document and this Placement Document, each investor represents and warrants that if they receive the Preliminary Placement Document and this Placement Document in New Zealand they are a Habitual Investor and you will not disclose the Preliminary Placement Document and this Placement Document to any person who is not also a Habitual Investor.

Sultanate of Oman

The Preliminary Placement Document and this Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA. The offering and sale of Equity Shares described in the Preliminary Placement Document and this Placement Document will not take place inside Oman. The Preliminary Placement Document and this Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

Qatar (excluding the Qatar Financial Centre)

The Preliminary Placement Document and this Placement Document and the offering of the Equity Shares have not been, and will not be: (i) lodged or registered with, or reviewed or approved by, the Qatar Central Bank, the Qatar Financial Markets Authority the Ministry of Business and Trade or any other governmental authority in the State of Qatar or (ii) authorized, permitted or licensed for offering or distribution in Qatar, and the information contained in this document does not, and is not intended to, constitute a public or general offer or other invitation in respect to the Equity Shares in the State of Qatar. Accordingly, the Equity Shares are not being, and will not be, offered, issued or sold in the State of Qatar, and this document is not being, and will not be, distributed in the State of Qatar. The offering, marketing, issue and sale of the Equity Shares and distribution of the Preliminary Placement Document and this Placement Document is being made in, and is subject to the laws, regulations and rules of jurisdictions outside of the State of Qatar. No application has been or will be made for the Equity Shares to be listed or traded on the Qatar Exchange or the QE Venture Market.

The Preliminary Placement Document and this Placement Document is strictly private and confidential, and is being sent to a limited number of institutional and/or sophisticated investors (a) upon their request and confirmation that they understand the statements above; and (b) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Qatar Financial Centre

The Preliminary Placement Document and this Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Centre (the "**QFC**"), and accordingly should not be construed as such. This document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Bank has not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires Equity Shares pursuant to the Issue should note that the offer of Equity Shares is an offer to "Sophisticated Investors" (as defined in Article 11 of the "Offer of Securities Regulations" as issued by the Board of the

Capital Market Authority resolution number 2-11-2004 dated October 4, 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated August 18, 2008 (the "**KSA Regulations**")) for the purposes of Article 9 of the KSA Regulations. Each Book Running Lead Manager has represented, warranted and agreed that the offer of the Equity Shares will only be directed at Sophisticated Investors. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial adviser.

The offer of Equity Shares shall not therefore constitute a "public offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi Investor who has acquired Equity Shares as a Sophisticated Investor may not offer or sell those Equity Shares to any person unless the offer or sale is made through an authorised person appropriately licensed by the Saudi Arabian Capital Market Authority and (a) the Equity Shares are offered or sold to a Sophisticated Investor; (b) the price to be paid for the Equity Shares in any one transaction is equal to or exceeds Saudi Arabian Riyal 1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

Singapore

The Preliminary Placement Document and this Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Book Running Lead Manager has represented, warranted and agreed that it has not offered or sold any Equity Shares or caused the Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any Equity Shares or cause the Equity Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Preliminary Placement Document and this Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole businessof which is to hold investments and the entire share capital of which is owned by one or more individuals,each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and eachbeneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

1. to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
2. where no consideration is or will be given for the transfer;
3. where the transfer is by operation of law;
4. as specified in Section 276(7) of the SFA; or
5. as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

South Africa

The Equity Shares may not be offered or sold and will not be offered or sold to the public (as such term is used in Chapter 4 of the Companies Act 71 of 2008 ("**SA Companies Act**")) in the Republic of South Africa save in the circumstances where it is lawful to do so without a registered prospectus being made available before the offer is made. This document does not constitute a registered prospectus for the purposes of and as defined in chapter 4 of the SA Companies Act, and has not been prepared in accordance with the provisions of the SA Companies Act applicable to the content of a prospectus.

This document is not to be distributed, delivered or passed on to any person resident in the Republic of South Africa, unless it is being made only to, or directed only at any person who does not fall within the definition of the public as contemplated in chapter 4 of the South African Companies Act or any other person to whom an offer of the Equity Shares in South Africa may lawfully be made (all such persons together being referred to as "permitted South African offerees"). This document must not be acted on or relied on by persons who are not permitted South African offerees. If the recipient of this document is in any doubt about the investment to which this document relates, the recipient should obtain independent professional advice.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. The Preliminary Placement Document and this Placement Document has been prepared without regard to the disclosure standards for issuance prospectuses under Article 652a or Article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under Articles 27 ff. of the SIX Listing Manual or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Equity Shares or the Issue may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Equity Shares or the Issue or us have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Issue will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**"), and the Issue has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Equity Shares.

The Equity Shares are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This document, as well as any other offering or marketing material relating to the Equity Shares, is confidential and it is exclusively for the use of the individually addressed investors in connection with the offer of the Equity Shares in Switzerland and it does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the Issue described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

Taiwan

The Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

United Arab Emirates (excluding the Dubai International Financial Centre)

This document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "**Promotio**n") of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to non-natural person "Qualified Investors" (as such term is defined in the

Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

In relation to its use in the UAE, the Preliminary Placement Document and this Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you do not understand the contents of the Preliminary Placement Document and this Placement Document, you should consult an authorised financial adviser.

Dubai International Financial Centre

The Preliminary Placement Document and this Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved the Preliminary Placement Document and this Placement Document nor taken steps to verify the information set forth herein and has no responsibility for the Preliminary Placement Document and this Placement Document. The securities to which the Preliminary Placement Document and this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of the Preliminary Placement Document and this Placement Document, you should consult an authorized financial advisor.

In relation to its use in the DIFC, the Preliminary Placement Document and this Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

United Kingdom

In the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons") or otherwise in circumstances which have not resulted and will not result in an offer to the public of the Equity Shares in the United Kingdom within the meaning of the Financial Services and Markets Act 2000.

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this Notice to Prospective Investors in the document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons.

United States

The Equity Shares have not been and will not be registered under the U.S. Securities Act and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are U.S. QIBs pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act, and (b) outside the United States in offshore transactions in reliance upon Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see "*Transfer Restrictions*" on page 268.

Other Jurisdictions

The distribution of the Preliminary Placement Document and this Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this the Preliminary Placement Document and Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 258.

Purchaser Representations and Transfer Restrictions for Purchasers within the United States

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

If you purchase the Equity Shares offered in the United States pursuant to Section 4(a)(2) of the U.S. Securities Act, in reliance upon Rule 144A or another available exemption from the registration requirements of the Securities Act, by accepting delivery of this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed to us and the Placement Agent as follows:

- You (A) are a "qualified institutional buyer" (as defined in Rule 144A) (a "U.S. QIB", (B) are aware that the sale of the Equity Shares to you is being made pursuant to Section 4(a)(2) or another available exemption from the registration requirements of the Securities Act and (C) are acquiring such Equity Shares for its own account or for the account of a U.S. QIB.
- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States to a person who the seller reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction in reliance upon Regulation S, as applicable, (iii) pursuant to and in accordance with Rule 144 under the Securities Act (if available), (iv) pursuant to another available exemption from the registration requirements of the Securities Act, or (v) pursuant to an effective registration statement under the Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction in which such offers or sales are made.
- It agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S, with respect to the Equity Shares. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any directed selling efforts.
- The Equity Shares offered and sold in the United States as part of the Issue are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Equity Shares.
- You will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act.
- You will base your investment decision on a copy of this Placement Document. You acknowledge that neither our Bank nor any of its affiliates nor any other person (including the Placement Agent) or any of their respective affiliates has made or will make any representations, express or implied, to you with respect to our Bank, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Bank, the Issue or the Equity Shares, other than (in the case of our Bank only) the information contained in this Placement Document, as it may be supplemented.
- You are a sophisticated investor and possess such knowledge and experience in financial, business and

investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in similar jurisdictions. You and any accounts for you are subscribing to the Equity Shares for (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Bank or any of the Placement Agent or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to distribution.

- You will notify any transferee to whom you subsequently offer, sell, pledge or otherwise transfer and the executing broker and any other agent involved in any resale of the Equity Shares of the foregoing restrictions applicable to the Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.
- You acknowledge that if at any time its representations cease to be true, you agree to resell the Equity Shares at our Bank's request.
- You have been provided access to this Placement Document which you have read in its entirety.
- You acknowledge and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that we, the Placement Agent, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgements, representations or agreements are no longer accurate you will promptly notify us; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgements, representations and agreements on behalf of each such account.

Any offer, resale, pledge or other transfer of the Equity Shares made other than in compliance with the above stated restrictions will not be recognized by us.

Purchaser Representations and Transfer Restrictions for Purchasers outside the United States

By accepting delivery of this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of Equity Shares, you will be deemed to have represented and agreed as follows:

- You will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Placement Document) which may be applicable in your jurisdiction and you have obtained or will obtain any consent, approval or authorization required for you to purchase and accept delivery of Equity Shares, and you acknowledge and agree that none of us or the Placement Agent and their respective affiliates shall have any responsibility in this regard.
- You certify that you are, or at the time the Equity Shares are purchased will be, (a) the beneficial owner of the Equity Shares, you are located outside the United States (within the meaning of Regulation S), and you have not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States; or (b) you are a broker-dealer acting on behalf of a customer and you customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.
- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States to a person who the seller reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, as applicable, (iii) pursuant to and in accordance with Rule 144 under the Securities Act

(if available), (iv) pursuant to another available exemption from the registration requirements of the Securities Act, or (v) pursuant to an effective registration statement under the Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction.

- You agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer agrees) that neither you, nor any of your affiliates, nor any person acting on your behalf, will make any "directed selling efforts" as defined in Regulation S. You acknowledge and agree that you are not purchasing any Equity Shares as a result of any directed selling efforts.
- You will base your investment decision on a copy of this Placement Document. You acknowledge that neither our Bank nor any of its affiliates nor any other person (including the Placement Agent) or any of their respective affiliates has made or will make any representations, express or implied, to you with respect to our Bank, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Bank, the Issue or the Equity Shares, other than (in the case of our Bank) the information contained in this Placement Document, as may be supplemented.
- You acknowledge and agree (or if you're a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that we, the Placement Agent, your affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgments, representations or agreements are no longer accurate, you will promptly notify us; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgments, representations and agreements on behalf of each such account.

Any offer, resale, pledge or other transfer of the Equity Shares made other than in compliance with the above stated restrictions, will not be recognized by us.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Bank or the Book Running Lead Managers or any of their affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SECC Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, protect the interests of investors in securities, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buybacks of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of a company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognised stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

Pursuant to an amendment to SCRR in June 2010 and Regulation 38 of SEBI Listing Regulations, all listed companies are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of the public shareholding having fallen below the 25% threshold. However, every listed public sector company whose public shareholding falls below 25% at any time on or after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, respectively, in the manner specified by SEBI. Further, pursuant to Securities Contracts (Regulation) (Second Amendment) Rules, 2021 the Central Government may, in the public interest, exempt any listed public sector company from compliance with the minimum public shareholding requirement in accordance with Regulation 19A of the SCRR. Also, pursuant to the budget 2019-2020, SEBI has been authorised to consider increase in minimum public shareholding to 35%.

Disclosures under the SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The Stock Exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the CNX NIFTY of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of up to 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available. The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, BSE is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005, BSE was incorporated as a company under the Companies Act, 1956 in 2005. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Hours

Trading on both NSE and BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE On-line Trading (or "**BOLT**") facility in 1995. This totally automated screen-based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform BOLT Plus.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading (or "**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Insider Trading Regulations

SEBI had earlier notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 to prohibit and penalise insider trading in India. The regulations, among other things, prohibited an 'insider' from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("UPSI").

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the regulations of 1992. The Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Initial disclosures are required from promoters, key managerial personnel, directors as well as continual disclosures by every promoter, employee or director in case value of trade exceed monetary threshold of 10 lakh rupees over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. Further, SEBI framed regulations in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

Set forth below are some of the relevant regulations applicable and with respect to the Equity Shares of our Bank. Our Bank was constituted as a "corresponding new bank" in 1969 under the provisions of our Banking Companies Act. The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 was made by S.O. 3793 dated November 16, 1970 by the Central Government in consultation with the Reserve Bank of India in exercise of the powers conferred by section 9 of the Banking Companies Act. The Banking Companies Act amended section 34A, 35AA, 35AB, 36AD and section 51 of the Banking Regulation Act, 1949 and made these sections applicable to corresponding new banks constituted under the Banking Companies Act. Our Bank follows the RBI Dividend Circular in relation to declaration of dividends.

General

The authorized share capital of our Bank is ₹ 6,000 crore consisting 6,00,00,000 Equity Shares of ₹ 10 each.

As on the date of this Placement Document, the subscribed and paid-up share capital of our Bank is ₹ 4,103.57 crore divided into 4,10,35,66,070 Equity Shares. The Equity Shares are listed on NSE and BSE.

Capital

The shares of our Bank are movable property, transferable in the manner provided under the Bank of India Regulations. Our Bank is permitted to raise capital by public issue or preferential allotment or private placement of equity shares or preference shares in accordance with provisions of the Banking Companies Act. Our Bank is required to formulate a proposal to raise capital in accordance with the guidelines, rules or regulations of the SEBI, relating to raising of such capital. In accordance with the Bank of India Regulations, our Bank is required to submit the proposal to the RBI and consider the views of the RBI before finalizing the proposal. Further, the final proposal is required to be submitted to the Government for its sanction and the Government may grant sanction subject to such terms and conditions as it may deem fit.

Register of Shareholders

Our Bank is required to keep, maintain and update share register of its shareholders, the particulars required to be entered in the share register shall be maintained in the form of data stored in magnetic/optical/magneto-optical media by way of diskettes, floppies, cartridges or otherwise (hereinafter referred to as the "media") in computers to be maintained at the Head Office and the back up at such location as may be decided from time to time by the Chairman and Managing Director or any other official not below the rank of a General Manager designated in this behalf by the Chairman and Managing Director. The register of the beneficial owners is maintained by a depository under Section 11 of the Depositories Act, 1996 and will be deemed to be the register for, such shareholders. Our Bank is required to maintain the register in electronic format subject to safeguards stipulated in the Information Technology Act, 2000, as amended.

Any share which stands in the names of two or more persons, the person first named in the register will, as regards voting, receipt of dividends, service of notices and all or any other matters connected with our Bank except the transfer of shares, be deemed to be the sole holder thereof. After ensuring compliance of the applicable law, and after giving not less than seven days previous notice by advertisement in at least two newspapers circulating in India, our Bank can close the register of shareholders for any period or periods not exceeding in the aggregate 45 days in each year, but not exceeding 30 days at any one time as may in the option, be necessary.

Share Certificate

Each share certificate in respect of shares of the Bank is required to bear share certificate number, a distinctive number, the number of shares in respect of which it is issued and the name of the shareholder to whom it is issued should be in such form as may be specified by the Board. Every share certificate should be issued under the common seal of the Bank in pursuance of a resolution of the Board and it should be signed by two directors and some other officer not below the rank of scale II or the company secretary authorised by the Bank. The signature of the authorised persons may be printed, engraved, lithographed or impressed by such other mechanical process as the Board may direct. No share certificate is valid unless and until it is so signed. Share certificate so signed will be valid and binding notwithstanding that, before the issue thereof, any person whose signature appears thereon may have ceased to be a person authorised to sign share certificates on the behalf of the Bank. The shares are also held in demat form.

Issue of Share Certificates

Under the provisions of the Bank of India Regulations, a shareholder who has been registered as a shareholder shall be entitled to one certificate for each hundred shares or multiples thereof registered in his name on any one occasion and one additional share certificate for the number of shares in excess thereof but less than hundred. Further, if the number of shares to be registered is less than hundred, one certificate shall be issued for all the shares. Further, in the case of shares held jointly by several persons, delivery of such certificate to one of several joint holders shall be sufficient delivery to all such holders. Further, if any share certificate is worn out or defaced, the Board or committee designated by it on production of such certificate may order the same to be cancelled and have new certificate issued in lieu thereof. Further, if any share certificate is alleged to be lost or destroyed, the Board or the committee designated by it on such indemnity with or without surety as the Board or the committee think fit, and on publication in two newspapers and on payment to our Bank of its costs, charges expenses a duplicate in lieu thereof may be given to the person entitled to such lost or destroyed certificate.

Consolidation and sub-division of shares

Under the provisions of the Bank of India Regulations, on a written application made by the shareholder(s), the Board or the committee designated by it may consolidate or sub-divide the shares submitted to it for consolidation/sub-division as the case may be and issue a new certificate(s) in lieu thereof on payment to our Bank or its costs, charges and expenses of and incidental to the matter.

Transfer of Shares

Upon receipt by the Bank of an instrument of transfer along with a share certificate with a request to register the transfer, the Board or the Committee designated by the Board shall forward the said instrument of transfer along with share certificate to the Registrar or Share Transfer Agent for the purposes of verification that the technical requirements are complied within their entirety. The Registrar or Share Transfer Agent shall return the instrument of transfer along with the share certificate, if any, to the transferee for resubmission unless the instrument of transfer is presented to the bank, duly stamped and properly executed for registration and is accompanied by the certificate of the shares to which it relates and such other evidence as the Board may require to show the title of the transferor to make such transfer.

Transmission of shares in the event of death, insolvency, etc.

- The executors or administrators of a deceased shareholder in respect of a share, or the holder of letter of probate or letters of administration with or without the will annexed or a succession certificate issued under Part X of the Indian Succession Act, 1925, or the holder of any legal representation or a person in whose favour a valid, instrument of transfer was executed by the deceased sole holder during the latter's lifetime shall be the only person who may be recognised by our Bank as having any title to such share.

- In the case of shares registered in the name of two or more Shareholders, the survivor or survivors and on the death of the last survivor, his executors or administrators or any person who is the holder of letters of probate or letters of administration with or without will annexed or a succession certificate or any other legal representation in respect of such survivor's interest in the share or a person in whose favour a valid instrument of transfer of share was executed by such person and such last survivor during the latter's lifetime, shall be the only person who may be recognised by our Bank as having any title to such share.

- Our Bank shall not be bound to recognise such executors or administrators unless they shall have obtained probate or letters of administration or succession certificate, as the case may be, from a court of competent jurisdiction.

- Any such person becoming entitled to share/s in consequence of death of a shareholder and any person becoming entitled to share/s in consequence of the insolvency, bankruptcy or liquidation of a shareholder shall upon production of such evidence, as the Board may require, have the right: (a) to be registered as shareholder in respect of such share/s; (b) to make such transfer of share/s as the person from whom the derives title could have made.

Forfeiture of shares

The notice of forfeiture shall name a day not being less than fourteen days from the date of notice and the place or places on and at which such call or instalment or such part or other monies and such interest and expenses are to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the share in respect of which the call was made or instalment is payable will be liable to be forfeited.

Call on shares

The Board may, from time to time, make such calls as it thinks fit upon the shareholders in respect of all monies remaining unpaid on the shares held by them, which are by the conditions of allotment not made payable at fixed times, and each shareholder shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board. A call may be payable by the installments.

Further, a call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed and may be made payable by the shareholders on the register on such date or at the discretion of the Board on such subsequent date as may be fixed by the Board. A notice of not less than thirty days of every call must be given specifying the time of payment provided that before the time for payment of such call our Board may by notice in writing to the shareholders revoke the same. Further, our Board may, from time to time and at its discretion, extend the time fixed for the payment of any call to all or any of the shareholders having regard to distance of their residence or some other sufficient cause, but no shareholder shall be entitled to such extension as a matter of right.

Meeting of Shareholders

There are two types of general meetings of shareholders: annual general meetings and extra ordinary general meetings. For convening an annual general meeting, a notice signed by the chairman and the managing director or the executive director or any officer not the below scale VII or the company secretary of the Bank, should be published at least 21 (twenty-one) clear days before the meeting in not less than two daily newspapers having wide circulation in India. Every such notice is required to state the time, date and place of such meeting, and also the business that should be transacted at that meeting.

An extraordinary general meeting of shareholders can be convened by the chairman and managing director or in their absence by the Executive Director or in their absence by any one of the other Directors, if so directed by the Board, or on a requisition for such a meeting having been received either from the Government or from other shareholders holding an aggregate of shares carrying not less than 10.00% of the total voting rights of all the shareholders. The requisition should state the purpose for which such extraordinary general meeting is required to be convened. The time, date and place of an extraordinary general meeting shall be decided by the Board, provided that an extraordinary general meeting convened on requisition by other shareholders will be convened not later than forty five days of the receipt of the requisition.

No business can be transacted at any meeting of the shareholders unless a quorum of at least five shareholders entitled to vote at such meeting in person are present at the commencement of such business. If within half an hour from the time appointed for holding the meeting, a quorum is not present, in the case of a meeting called by a requisition of shareholders other than the Central Government, the meeting shall stand dissolved. In any other case, if a quorum is not present within half an hour from the time of meeting was scheduled to be conducted, the meeting shall stand adjourned to the same day in the next week, at the same time and the place or to such other day and such other time and place as the chairman may determine. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the shareholders who are present in person or by proxy or by duly authorized representative at such adjourned meeting shall be quorum and may transact the business for which the meeting was called.

Voting rights of shareholders

At any general meeting, a resolution put to the vote of the meeting shall, unless a poll is demanded be decided on a show of hands. Every matter submitted to a general meeting shall be decided by a majority of votes. Unless a poll is demanded, a declaration by the Chairman of the meeting that a resolution on show of hands has or has, not been carried, either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings, shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of, or against, such resolution. The decision of the chairmen of the meeting as to the qualification of any person to vote, and also in the case of poll, as to the number of votes any person is competent to exercise shall be final.

No person is permitted to attend or vote at any meeting of the shareholders of our Bank as the duly authorised representative of a company unless a copy of the resolution appointing him as a duly authorised representative certified to be a true copy by the Chairman of the meeting at which it was passed has been deposited at the head office of our Bank not less loan four days before the date fixed for the meeting. Also, no instrument of proxy is considered valid unless, in the case of an individual shareholder, it is signed by him or by his attorney duly authorised in writing, or in the case of joint holders, it is signed by the shareholder first named in the register or his attorney duly authorised in writing or in the case of the body corporate signed, by its officer or an attorney duly authorised in writing.

Right to elect Directors

A director, under Regulation 63 of the Bank of India Regulations, is to be elected by the shareholders on the register, other than the Government, from amongst themselves in a general meeting of our Bank. Where an election of a director is to be held at any general meeting, the notice thereof should be included in the notice convening the meeting. Every such notice should specify the number of directors to be elected and the particulars of vacancies in respect of which the election is to be held.

Declaration of Dividend

As per the RBI Dividend Circular, our Bank can declare dividends only if our Bank has a (i) CRAR of at least 9.00% for the preceding two completed years and the accounting year for which it proposes to declare a dividend; and (ii) net NPA less than 7.00%. In case our Bank does not meet the said CRAR norm, but has a CRAR of at least 9.00% for the accounting year for which it proposes to declare dividend, it would be eligible to declare dividend provided its net NPA ratio is less than 5.00%.

As per the letter dated April 13, 2010, the MoF has directed all public sector banks, including our Bank, to pay a minimum of 20.00% of their equity or 20.00% of their post-tax profits, whichever is higher for the fiscal year 2010.

Our Bank is required to comply with certain provisions of the Banking Regulation Act including Section 15; Section 10(7) of the Banking Companies Act and the prevailing regulations / guidelines issued by the RBI, including creating adequate provisions for impairment of assets and staff retirement benefits, transfer of profits to statutory reserves. See, "*Dividend Policy*" on page 85. The proposed dividend should be paid out of the current year's profit. Also, the RBI should not have placed any explicit restrictions on our Bank for declaration of dividends. The rate of dividend shall be determined by the Board.

TAXATION

To,

Board of Directors
Bank of India("Bank")
Head Office, Star House, C-5, G Block,
Bandra-KurlaComplex, Bandra (East),
Mumbai – 400 051,
Maharashtra, India.

Dear Sirs,

Sub: Statement of possible Tax Benefits available to the Bank and its shareholders under the Income-tax Act, 1961

This Statement has been issued pursuant to the engagement letter dated December 5, 2023. We refer to the proposed Qualified Institutions Placement of equity shares of Bank of India ("**Bank**") under Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**") (the proposed qualified institutions placement to be referred to as the "**Issue**"). We enclose herewith the Annexure A "*Details of Possible Tax Benefits available to the Bank and Bank's Shareholders under the Applicable laws in India*" hereinafter referred as the ("**Annexure A**") prepared by the Bank, initialled by us for identification purposes, which states the possible tax benefits available to the Bank and to Bank's shareholders as per the provisions of the Income Tax Act, 1961 ("**Act**") as amended by the Finance Act 2023, i.e. applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, including the rules, regulations, circulars and notifications issued in connection with the Act (together the "Direct Tax Regulations"), as presently in force and applicable to the Assessment Year 2024-25 relevant to the Financial Year 2023-24 for inclusion in the Preliminary Placement Document ("**PPD**") and Placement Document ("**PD**") for the Proposed Qualified Institutions Placement of equity shares of the Bank as required under the SEBI ICDR Regulations.

Several of these benefits are dependent on the Bank or its shareholders fulfilling the conditions prescribed under the Direct Tax Regulations. Hence, the ability of the Bank or its shareholders to derive these benefits is dependent upon their fulfilling such conditions as specified in the Direct Tax Regulations.

The benefits discussed in the enclosed Annexure A are neither exhaustive nor conclusive. The contents of the enclosed Annexure A are based on the information available with the Bank and the business activities and operations of the Bank. The contents of this Statement are based on the information, explanation and representations obtained from the Bank, and on the basis of our understanding of the business activities and operations of the Bank.

This Statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultants, with respect to the specific tax implications arising out of their participation in the Offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We are neither suggesting nor are we advising the investors to invest or not to invest money based on this Statement.

We do not express any opinion or provide any assurance whether:

- The Bank or its shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

This Statement is provided solely for the purpose of assisting the Bank in discharging its responsibilities under the ICDR Regulations. We hereby give our consent to include this Statement and the enclosed Annexure A regarding the tax benefits available to the Bank and its shareholders in the PPD and PD for the proposed Issue which the Bank intends to file with the Securities and Exchange Board of India and the National Stock Exchange of India Limited and BSE Limited (the "**Stock Exchanges**") and it is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Bank and on the basis of our understanding of the business activities and operations of the Bank and the existing provisions of taxation laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the Statement is on the express understanding that we do not assume responsibility towards the investors and third parties who may or may not invest in the Issue relying on the Statement. This Statement has been prepared solely in connection with the proposed Issue of the Bank under the ICDR Regulations.

For Mukund M Chitale,
Chartered Accountants
Firm Registration Number: 106655W

Nilesh RS Joshi
(Partner)
Membership Number: 114749
UDIN: 23114749BGSUYS2766
Date: December 05, 2023
Place: Mumbai

For S. Jaykishan,
Chartered Accountants
Firm Registration Number: 309005E

Ritesh Agarwal
(Partner)
Membership Number: 062410
UDIN: 23062410BGUPXF1976
Date: December 05, 2023
Place: Mumbai

For A. Bafna & Co.,
Chartered Accountants
Firm Registration Number: 003660C

Vivek Gupta
(Partner)
Membership Number: 400543
UDIN: 23400543BGSPDU2424
Date: December 05, 2023
Place: Mumbai

For SCV & Co. LLP,
Chartered Accountants
Firm Registration Number: 000235N/ N500089

Shubham Datta
(Partner)
Membership Number: 500580
UDIN: 23500580BHBOXK2906
Date: December 05, 2023
Place: Mumbai

ANNEXURE A

DETAILS OF TAX BENEFITS AVAILABLE TO BANK OF INDIA ("BANK") AND BANK'S SHAREHOLDERS ("SHAREHOLDERS") UNDER THE APPLICABLE LAWS IN INDIA

The information provided below summarizes the possible direct tax benefits available to the Bank and its Shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Bank under the Income-tax Act, 1961 (hereinafter referred to as the "Act") presently in force in India. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Several of these benefits are dependent on the equity shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the equity shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a shareholder faces, may or may not choose to fulfil. We do not express any opinion or provide any assurance as to whether the Bank or its shareholders will continue to obtain these benefits in future. Shareholders are advised to consult their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Reliance on this Annexure is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the Offer relying on the statement. The below possible tax benefits are as per the current direct tax laws relevant for AY 2024-25.

I. . SPECIAL TAX BENEFITS AVAILABLE TO THE BANK UNDER THE ACT

There are limited Special Tax benefits which are available to the Bank and no special tax benefits are available to the shareholders. Therefore, below are the special and certain general provisions which as per the management are the possible tax benefits are available under the Act to the persons as specified.

II. CERTAIN GENERAL PROVISIONS WHICH AS PER MANAGEMENT ARE TAX BENEFITS AVAILABLE UNDER THE ACT:

A. TAX BENEFIT TO THE BANK:

1. Benefit of lower rate of tax under Section 115BAA of the Act and corresponding exemption from applicability of Minimum Alternate tax ('MAT') provisions under section 115JB of the Act

As per the Taxation Law (Amendment) Act, 2019 No.46 of 2019, a new section 115BAA has been introduced in the Act which provides for an option to domestic companies to opt for reduced rate of corporate taxes subject to certain conditions specified therein. The said section provides that, with effect from AY 2020-21, all domestic companies shall have an option to pay income tax at the rate of 22% (plus 10% surcharge and 4% cess), subject to the condition that they will not avail specified tax exemptions or incentives as specified therein.

The Bank is eligible for opting this concessional tax regime since it is a domestic company in India and has opted for the beneficial tax rate of 22% (plus applicable surcharge and cess) as provided under section 115BAA of the Act, subject to the condition that going forward it does not claim the deductions as specified in sub-clause 2(i) of section 115BAA of the Act. The deductions specified in sub-clause 2(i) of section 115BAA are generally not applicable to banking companies and hence the Bank has not claimed any such deduction as specified in the said section. Proviso to section 115BAA (4) provides that once the Company opts for paying tax as per section 115BAA of the Act, such option cannot be subsequently withdrawn for the same or any other year.

Correspondingly, the Taxation Law (Amendment) Act, 2019 also introduced clause (ii) to sub-section 5A of section 115JB of the Act w.e.f. assessment year (A Y) 20-21, which provides that MAT provisions under the said section shall not be applicable to the company which exercises the option of paying corporate tax as per section l 15BAAof the Act.

2. Section 36(1)(vii) of the Act– Allowance of bad debts written off: Under Section 36(1)(vii)of the Act, any bad debt or part thereof written off as irrecoverable in the accounts of the Bank is allowable as a deduction, subject to the provisions of section 36(2)of the Act. The deduction of bad debts is limited to the amount, by which such bad debts or part thereof, exceeds the credit balance in the provision for bad and doubtful debts

account made under Section 36(1)(viia)of the Act. If the amount subsequently recovered on such debt or part thereof, written off is greater than the difference between the debt or the part of debt, so written off and the amount so allowed, the excess shall be deemed to be profit and gain of business or profession and accordingly chargeable to tax in accordance with Section 41(4) of the Act in the year in which it is recovered.

3. Section 36(1)(viia) of the Act – Allowance of Provision for bad & doubtful: Under Section 36(1)(viia)of the Act, a deduction is allowable in respect of any provision made for bad and doubtful debts, by an amount not exceeding 8.5% of total income (computed before making any deduction under this Clause and Chapter VIA) and an amount not exceeding 10% of the aggregate average advances made by rural branches of the Bank computed in the manner prescribed under Rule 6ABA.

4. Section 36(1)(viii) of the Act – Deduction in respect of Special Reserve: In terms of Section 36(1) (viii) of the Act, the bank is allowed deduction in respect of any special reserve created and maintained by the Bank for an amount not exceeding 20% of the profits (before making any deduction under this clause) derived from the business of long term finance for industrial or agricultural development or development of infrastructure facility in India or development of housing in India. Further, if the aggregate amount carried to the Special Reserve account from time to time exceeds twice the paid-up capital and general reserves, no deduction shall be allowed on the excess amount under the Section. The amount withdrawn from such a Special Reserve Account would be chargeable to income tax in the year of withdrawal, in accordance with the provisions for Section 41(4A) of the Act.

5. Section 43D of the Act – Interest on bad & doubtful debts: Interest income on certain categories of bad and doubtful debts, as specified in Rule 6EA of the Income tax Rules, 1962, is chargeable to tax only in the year of receipt or credit to the Profit & Loss Account of the Bank whichever is earlier, in accordance with the provisions of Section 43D of the Act.

6. As per provisions of Section 72 of the Act, the Bank is entitled to carry forward business losses that cannot be set off against permitted sources of income in the relevant assessment year, for a period of 8 consecutive assessment years immediately succeeding the assessment year when the losses were first computed, and set off such losses against income chargeable under the head "Profits and gains from business or profession" in such assessment year. The set off is permissible even if the business in which the loss was sustained is not carried on in the year of set off.

7. Under Section 74 of the Act, short-term capital loss suffered during the year is allowed to be setoff against short term capital gains as well as long term capital gains. Balance loss if any shall be permitted to be carried forward for up to eight years immediately succeeding the year in which such loss arises, for claiming set-off against subsequent years' short-term as well as long term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for up to eight consecutive assessment years immediately succeeding the assessment year when the losses were first computed for claiming set-off against subsequent years' long-term capital gains.

8. Section 80JJAA - Deduction of additional employee cost

As per the provisions of Section 80JJAA of the Act, any assessee subject to tax audit under section 44AB of the Act and whose gross total income includes any profit and gains derived from business shall be entitled to claim a deduction of an amount equal to thirty percent of additional employee cost incurred in the course of such business in the financial year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

B. TAX BENEFITS AVAILABLE TO THE RESIDENT SHAREHOLDERS:

1. The gains/losses, arising from sale of shares will assume the character of Capital Gains or Business Income depending on the nature of holding in the hands of the shareholder and various other factors. Taxability of income on regular trading of securities will depend on facts and circumstances of each case.

2. Dividend:

a. Upto and including FY 2019-20, dividend income earned on shares of a domestic company (which includes the Bank) was exempt in the hands of shareholders under section 10(34) of the Act. Such dividend income was also to be excluded while computing the MAT liability u/s 115JB of the Act where the recipient is a company.

From the FY 2020-21 onwards, the provisions relating to taxability of dividend are as under:

a) Dividend income from equity shares has been made taxable in the hands of shareholders at the applicable tax rates and the domestic company declaring/ distributing / paying such dividends is no longer required to pay any DDT u/s 115-O of the Act

b) A deduction of expenses u/s 57 of the Act shall be allowed against such dividend income only in respect of interest expense up to a maximum of 20% of such dividend

c) Section 115BBDA of the Act, providing for taxation of dividend income of more than Rs 10 lakh for specified assessee, has been omitted w.e.f. FY 2020-21 (AY 2021-22).

d) The domestic company declaring/ distributing/ paying dividends shall be liable to withhold taxes at 10% on dividend income paid to resident shareholders in terms of section 194 of the Act. The aggregate threshold of Rs 5,000/- in a financial year applies in case of dividend income payable to a resident individual shareholder.

b. If the resident shareholder is a domestic company and its gross total income in any tax year includes any income by way of dividends from any other domestic company (which includes the Bank) or foreign company or a business trust, it shall be allowed a deduction under section 80M of the Act in computation of its total income, of an amount equal to so much of the amount of income by way of dividends received from domestic/foreign companies or business trust as does not exceed the amount of dividend distributed by it up to a date not exceeding one month prior to the due date of filing its return of income. This benefit would be available even if such resident shareholder being a domestic company opts for the benefit of lower rate of income-tax under section 115BAA of the Act.

2. Capital Gain:

a. Income arising from transfer of listed shares held for more than 12 months and subject to Securities Transaction Tax (STT) shall be considered as long-term capital assets. The shares which are not considered as long term capital assets shall be considered as short-term capital assets. The characterization of gains/ losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. The Central Board of Direct Taxes (CBDT) has clarified in a circular that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as “Capital Gains” unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income.

b. Taxability u/s 112A: Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains exceeding Rs 1,00,000 arising on transfer of equity shares, if STT has been paid on both acquisition and transfer in case of equity shares. The requirement of chargeability to STT is not applicable to transaction undertaken on a recognized stock exchange located in International Financial Service Centre where the consideration for such transaction is payable in foreign currency.

As per section 112A(4) of the Act read with Notification No 60/2018 dated October 1, 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of STT:

a) Share acquisitions under taken prior to October 1, 2004

b) Share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

The benefit of indexation under the second proviso to the Section 48 of the Act shall not be applicable for computing long term capital gains taxable u/s 112A of the Act. As per section 55(2)(ac) of the Act cost of acquisition of equity shares (referred in aforesaid Section 112A of the Act) acquired prior to February 1, 2018, shall be higher of :-

a) Cost of acquisition; and
b) Lower of:-

i. The fair market value of asset (As defined in Explanation to Section 55(2)(ac)of the Act; and
ii. The full value of consideration received or accruing as a result of transfer of the capital assets

For the purpose of this section, in case of listed equity shares, the FMV shall be the highest price quoted on a recognized stock exchange on January 31, 2018.

c. As per Section 112 of the Act the long-term capital gains arising to the shareholders from the transfer of shares listed shares not transferred through recognized stock exchange held as investments, not covered under point b above, shall be chargeable to tax at the rate of 20% (plus applicable surcharge and cess) of the capital gains computed after indexing the cost of acquisition or at the rate of 10% (plus applicable surcharge and cess) of the capital gains, arising from long term capital asset (being listed securities) computed without indexing the cost of acquisition, whichever is lower. In case of unlisted shares transferred by a non-resident, long-term capital gains shall be taxable at the rate of 10% without giving effect to the first and second proviso to section 48.

d. In case of an individual or Hindu Undivided Family (HUF), being a resident, where the total taxable income as reduced by long-term capital gains is below the basic exemption limit, such long-term capital gains will be reduced to the extent of the shortfall and only the balance long term capital gains will be subjected to such tax in accordance with the provision to Section 112A (1) of the Act or provision to Section 112(1) of the Act as the case may be

e. Short-term capital gains arising on transfer of shares will be chargeable to tax at the rate of 15% (plus applicable surcharge and cess) as per the provisions of Section 111A of the Act if such transaction is chargeable to STT. The requirement of chargeability of STT is not applicable to transaction undertaken on a recognized stock exchange located in International Financial Service Centre and where the consideration for such transactions is payable in foreign currency.

In case of an individual or HUF, being a resident, where the total taxable income as reduced by short term capital gains is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to such tax in accordance with the provision to Section 111A (1) of the Act.

f. The rate of surcharge on capital gains u/s 111A and u/s 112A of the Act arising on sale of equity shares for all taxpayers will not exceed 15% on the income-tax.

g. For Individual / HUF Shareholders, in accordance with, and subject to the conditions including ownership of not more than one residential house on the date of transfer (other than the new residential house referred hereinafter) and to the extent specified in Section 54F of the Act, long term capital gains arising on transfer of the shares shall be exempt from capital gains u/s 54F, if the net sale consideration is utilized within a period of one year before or two years after the date of transfer, for the purchase of a new residential house, or is utilized for construction of a residential house within three years. If the whole of the net sale consideration is not so utilized, the exemption shall be allowed on a pro rata basis.

h. As per Section 70 read with Section 74 of the Act short term capital loss arising during a year is allowed to be se-off against short term capital gains as well as long term capital gains. Balance loss, if any shall be carried forward and set-off against any capital gains (short term capital gains or long term capital gains) arising during subsequent eight assessment years. As per Section 70 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years. As per Section 71 of the Act short term capital loss or long term capital loss for the year cannot be set-off against income under any other head for the same year.

i. Where the gains arising on the transfer of shares are included in the business income of an assessee assessable under the head "Profit and Gains from Business or Profession" and on which STT has been charged, such

STT shall be a deductible expense from the business income as per the provisions of Section 36(1)(xv) of the Act.

4. Income from other sources:
a. Section 56(2)(x)(c) of the Act provides that, subject to exception provided therein, if any person receives from any person, any property, including, inter alia, shares of a company, without consideration or for inadequate consideration, the following shall be treated as 'Income from other sources' in the hands of recipient :

i) Where the shares are received without consideration, aggregate Fair Market Value (FMV) exceeds Rs 50,000/- the whole FMV

ii) Where the shares are received for a consideration less than FMV but exceeding Rs 50,000/- the aggregate FMV in excess of the consideration paid Rule 11UA of the Income tax Rules, 1962 ("the Rules") provides for the method for determination of FMV of various properties

3. In case of income arising to a shareholder on account of buyback of shares (listed or unlisted) by a Company will be exempt u/s 10(34A) of the Act if the company buying back the shares has paid additional income tax at the rate of 20% (plus applicable surcharge and cess) on distributed income u/s 115QA of the Act.

B. TAX BENEFITS AVAILABLE TO THE NON RESIDENT SHAREHOLDERS INCLUDING FOREIGN PORTFOLIO INVESTORS ("FPI") / FOREIGN INSTITUTIONAL INVESTORS ("FII"):

1. Under the provisions of Section 90(2) of the Act a non-resident will be governed by the provisions of the Double Taxation Avoidance Agreement ("DTAA") between India and the country of tax residence of the non-resident [as modified by the Multilateral convention to implement Tax treaty related measures to prevent Base Erosion and Profit Shifting (MLI) or the provisions of the Act to the extent they are more beneficial to the non-resident. The benefit of DTAA is available if Tax Residency Certificate ('TRC') and Form 10 F provided under the Act are furnished.

2. Up to and including FY 2019-20, dividend income earned on shares of a domestic company (which includes the Bank) was exempt in the hands of shareholders u/s. 10(34) of the Act. From the FY 2020-21, the provisions relating to taxability of dividend are as under:

a) Dividend income from equity shares has been made taxable in the hands of shareholders at the applicable tax rates and the domestic company declaring/distributing/paying such dividends is no longer required to pay any DDT u/s. 115-O of the Act.

b) A deduction of expenses u/s. 57 of the Act shall be allowed against such dividend income only in respect of interest expense up to a maximum of 20% of such dividend.

c) The domestic company declaring/distributing/paying dividends shall be liable to withhold taxes at the rates in force on dividend income paid to non-resident shareholders. Thus, the non-resident shareholders are liable to tax on dividend income received from domestic company u/s. 115A of the Act at 20% of gross dividend income (plus applicable surcharge and cess) subject to the provisions of the relevant DTAA read with the MLI (wherever applicable).

3. Income arising from transfer of shares held for more than 12 months and subject to STT, shall be considered as long-term capital assets. Assets not considered as long-term capital assets shall be considered as short-term capital assets. The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. The Central Board of Direct Taxes (CBDT) in a circular has clarified that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as "Capital Gains" unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income.

4. Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs.1,00,000) arising on transfer of equity shares, if STT has been paid on both

acquisition and transfer in case of equity shares. The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

As per section 112A(4) of the Act read with Notification No 60/2018 dated October 1, 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of payment of STT:

a) Share acquisitions undertaken prior to October 1, 2004

b) Share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

The benefit of indexation under the second proviso to Section 48 of the Act shall not be applicable for computing long term capital gains taxable u/s. 112A of the Act. As per section 55(2)(ac) of the Act cost of acquisition of equity shares (referred in aforesaid Section 112A of the Act) acquired prior to February 1, 2018, shall be higher of –

a) Cost of acquisition of asset; and

b) Lower of –

(I) The fair market value of the asset [as defined in Explanation to Section 55(2)(ac)of the Act; and

(II) The full value of consideration received or accruing as a result of transfer of the capital asset.

For the purpose of this section, in case of listed equity shares, the FMV shall be the highest price quoted on a recognised stock exchange on January 31, 2018.

5. The long-term capital gains arising to the shareholders from the transfer of equity shares held as investments, not covered under point 4 above shall be taxable as follows:

Where the equity shares are acquired in convertible foreign exchange, the same shall be taxable at the rate of 10% on the amount of capital gains computed as per point 6 below;

Where the equity shares are acquired in INR, the same shall be taxable at the rate of 20% (plus applicable surcharge and cess) on the amount of capital gains computed after considering the indexation benefit provided under second proviso to Section 48 of the Act or at the rate of 10% on the amount of capital gains computed without indexing the cost of acquisition, whichever is lower.

6. In accordance with, and subject to Section 48 of the Act read with Rule 115A of the Rules, capital gains arising on transfer of shares which are acquired in convertible foreign exchange and not covered under point 4 above shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/ arising from every reinvestment thereafter.

7. Short-term capital gains arising on transfer of the shares will be chargeable to tax at the rate of 15% (plus applicable surcharge and cess) as per the provisions of Section 111A of the Act if such transaction is chargeable to STT. The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

8. The rate of surcharge on capital gains u/s. 111A and u/s. 112Aof the Act arising on sale of equity shares for all taxpayers and capital gains on securities u/s. 115AD(1)(b) of the Act for FIIs will not gexceed 15% on the income tax.

9. As per Section 70 read with Section 74 of the Act short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains (short term capital gains or long-term capital gains) arising during

subsequent eight assessment years. As per Section 70 read with Section 74 of the Act of the Act long term capital loss arising during a year is allowed to be set- off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years. As per Section 71 of the Act short term capital loss or long term capital loss for the year cannot be set-off against income under any other heads for the same year

10. Where the gains arising on the transfer of shares are included in the business income of an assessee assessable under the head "Profits and Gains from Business or Profession" and on which STT has been charged, such STT shall be a deductible expense from business income as per the provisions of Section 36(1)(xv) of the Act.

11. Section 56(2)(x)(c) of the Act provides that, subject to exception provided therein, if any person receives from any person, any property, including, inter alia, shares of a company, without consideration or for inadequate consideration, the following shall be treated as 'Income from other sources' in the hands of the recipient:

(i) Where the shares are received without consideration, aggregate Fair Market Value ("FMV") exceeds Rs.50, 000/-, the whole FMV;

(ii) Where the shares are received for a consideration less than FMV but exceeding Rs. 50,000/-, the aggregate FMV in excess of the consideration paid.

Rule 11UA of the Rules provides for the method for determination of the FMV of various properties.

13. As per Explanation 4 to Section 115JB(2), the provisions of Section 115JB shall not be applicable to a foreign company if the foreign company is a resident of a country having DTAA with India and such foreign company does not have a Permanent Establishment within the definition of the term in the relevant DTAA, or the foreign company is a resident of a country which does not have a DTAA with India and such foreign company is not required to seek registration u/s. 592 of the Companies Act 1956 or u/s. 380 of the Companies Act 2013.

14. In respect of foreign companies which are not exempt from MAT provisions as per point 12 above, capital gains (whether long term or short term) arising on transactions in securities will need to be adjusted / reduced (if such income is credited to Profit and Loss account and tax payable on such capital gains income under normal provisions is less than the MAT rate of 15%) from the book profits while computing MAT u/s. 115JB of the Act. Consequently, corresponding expenses shall also be excluded while computing MAT.

14. SPECIFIC PROVISIONS APPLICABLE TO FPIs AND FIIs:

a. As per Section 2(14) of the Act transfer of any shares/securities by FPIs/FIIs being invested in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 shall be treated as Capital Assets.

b. As per the amended provisions of Section 115AD of the Act:

(i) Income by way of short term capital gains arising to a FPI/FII on transfer of shares shall be chargeable at a rate of 30% (plus applicable surcharge and cess) where such transactions are not subjected to STT and at the rate of 15% (plus applicable surcharge and cess) if such transaction of sale is entered on a recognized stock exchange in India and is chargeable to STT;

(iii) Income by way of long-term capital gains arising to a FPI/FII from transfer of long term capital asset referred to in Section 112A of the Act shall be liable to tax at the rate of 10% (plus applicable surcharge and cess) on such income exceeding Rs.1,00,000;

(iv) Income by way of long term capital gains arising to a FPI/FII from the transfer of shares held in the Company (other than that taxable u/s.112A of the Act) shall be taxable at the rate of 10% (plus applicable surcharge and cess).

The benefits of foreign currency fluctuations and of indexation of cost as per first and second proviso to Section 48 of the Act are not available to FPIs/FIIs.

c. As per Section 196D (2) of the Act, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares, payable to FIIs. Further, TDS on dividend shall be withheld at the rate of 20% u/s. 196D of the Act. There is provision under section 196D to apply the rates as per DTAA at the time of withholding tax on dividend income payable to FIIs.

14. SPECIFIC PROVISIONS APPLICABLE TO NON RESIDENT SHAREHOLDER BEING NON RESIDENT INDIANS (NRIs):

a. Besides the above benefits available to non-residents, NRIs have the option of being governed by the provisions of Chapter XII-A of the Act which, inter alia, entitles them to the following benefits in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreign exchange:

i. Section 115E of the Act interallia provides that NRIs will be taxed at 10% (plus applicable surcharge and cess) on long-term capital gains arising on sale of shares of the Company which are acquired in convertible foreign exchange.

ii. Section 115F of the Act provides that, subject to the conditions and to the extent specified therein, long term capital gains arising to NRIs from transfer of shares of the Company acquired out of convertible foreign exchange shall be exempt from capital gains tax if the net consideration is invested within 6 months of the date of transfer of the asset in any specified asset or in any saving certificates referred to in Section 10(4B) of the Act. In case the whole of the net consideration is not so invested, the exemption shall be allowed on a pro rata basis.

iii. In accordance with the provisions of Section 115H of the Act when NRIs become assessable as resident in India, they may furnish a declaration in writing to the Assessing Officer along with their return of income for that year u/s. 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to them in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are transferred or converted into money.

iv. As per the provisions of Section 115-I of the Act, NRIs may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing their return of income for that year u/s. 139 of the Act declaring therein that the provisions of Chapter XII-A shall not apply to them for that assessment year and accordingly, their total income for that assessment year will be computed in accordance with the other provisions of the Act.

D. SPECIFIC PROVISIONS APPLICABLE TO MUTUAL FUNDS:

Section 10(23D) of the Act provides that any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.
As per Section 196 of the Act, no tax is to be deducted from any income payable to a Mutual Fund specified u/s. 10(23D) of the Act.

E. SPECIFIC PROVISIONS APPLICABLE TO VENTURE CAPITAL COMPANIES/ FUNDS:

Section 10(23FB) of the Act provides that any income of Venture Capital Company or Venture Capital Fund, to whom the certificate of registration is granted under SEBI (Venture Capital Funds) Regulations, 1996 before May 21, 2012 or has been granted a certificate of registration as Venture Capital Fund as a sub-category I Alternative Investment Fund and is regulated under SEBI (Alternative Investment Funds Regulations) 2012, under the SEBI Act, 1992, from a Venture Capital Undertaking (VCU) would be exempt from income tax, subject to conditions specified therein. As per Section 115U of the Act, any income derived by a person from his investment in Venture Capital Company/Venture Capital Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing or arising to or received by such person had the investments been made directly in the Venture Capital Undertaking.

F. SPECIFIC PROVISIONS APPLICABLE TO INVESTMENT FUNDS:

1. Income of an Investment Fund, being a Trust, Company, Limited Liability Partnership or a body corporate which has been granted a certificate of registration and is regulated under SEBI (Alternative Investment Funds) Regulations, 2012 as Category I or Category II Alternate Investment Fund, other than the income chargeable under the head ‘profits and gains of business and profession’, shall be exempt from tax u/s. 10(23FBA) of the Act.

2. Section 115UB of the Act provides that the income chargeable under the head 'profits and gains of business and profession' shall be taxed in the hands of the Investment Fund depending on the legal status (i.e. a company, a limited liability partnership, body corporate or a Trust) of the Fund and at the rate or rates as specified in the Finance Act of the relevant year. However income (other than income chargeable under the head "Profits and gains of business or profession) of the unit holder out of the investment made in such investment fund is chargeable to income-tax in the same manner as if it were income accruing or arising to, or received by, such unit holder had the investments, made by the Investment Fund, been made directly by him. Further, the income accruing or arising to or received by the Investment Fund if not paid or credited to a person (who has made investments in an Investment Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

3. As regards income of an Investment Fund, being a Trust, Company, Limited Liability Partnership or a body corporate which has been granted a certificate of registration as Category III Alternate Investment Fund, and is regulated under SEBI (Alternative Investment Funds) Regulations, 2012 will be taxed in India depending on the legal status of the Fund. In case the Fund is set-up as a 'Trust', the principles of trust taxation should apply.

For and on behalf of the Board of Directors of Bank of India

(Rajneesh Karnatak) **Managing Director & CEO**	**(B Kumar)** **General Manager & CFO**

Dated: December 5, 2023

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Equity Shares by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Equity Shares that are U.S. Holders and that will hold the Equity Shares as capital assets. This discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Equity Shares by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-U.S. or other tax laws (such as estate or gift tax laws). This summary also does not address tax considerations applicable to investors that own (directly, indirectly or by attribution) 10 per cent. or more of the shares of the Bank by vote or value, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Equity Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Equity Shares in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad or investors whose functional currency is not the U.S. dollar).

As used herein, the term "**U.S. Holder**" means a beneficial owner of Equity Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Equity Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Equity Shares by the partnership.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed Treasury regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and India (the "**Treaty**"), all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING, AND DISPOSING OF THE EQUITY SHARES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Dividends

Subject to the PFIC rules discussed below, distributions paid by the Bank out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), before reduction for any Indian withholding tax paid by the Bank with respect thereto, generally will be taxable to a U.S. Holder as dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Equity Shares and thereafter as capital gain. However, the Bank does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Bank with respect to Equity Shares will be reported as ordinary dividend income. Dividends paid by the Bank generally will be taxable to a non-corporate U.S. Holder at the special reduced rate normally applicable to long-term capital gains, provided the Bank qualifies for the benefits of the Treaty, and certain other requirements are met. A U.S. Holder will not be able to claim the reduced rate on dividends received from the Bank if the Bank is treated as a PFIC in the taxable year in which the dividends are received or in the preceding taxable year. See "*Passive Foreign Investment Company Considerations*" below.

U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Bank.

Dividends paid in Indian rupee will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received by the U.S. Holder, regardless of whether the Indian rupees are converted into U.S. dollars at that time. If dividends received in Indian rupee are converted into U.S. dollars on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

A U.S. Holder generally will be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for Indian income taxes withheld by the Bank. Dividends generally will constitute "passive category income" for purposes of the foreign tax credit. The rules governing foreign tax credits are complex. Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of Indian withholding taxes.

Sale or Other Taxable Disposition

Subject to the PFIC rules discussed below, upon a sale or other taxable disposition of Equity Shares, a U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other taxable disposition and the U.S. Holder's adjusted tax basis in the Equity Shares, in each case as determined in U.S. dollars. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Equity Shares exceeds one year. Non-corporate U.S. Holders are subject to tax on long-term capital gain at reduced rates. The deductibility of capital losses is subject to limitations. U.S. Holders should consult their own tax advisers about how to account for proceeds received on the sale or other taxable disposition of Equity Shares that are not paid in U.S. dollars.

Any gain or loss generally will be U.S. source. Therefore, a U.S. Holder may have insufficient foreign source income to utilise foreign tax credits attributable to any Indian withholding tax imposed on a sale or other taxable disposition of Equity Shares. Prospective purchasers should consult their tax advisers as to the availability of and limitations on any foreign tax credit attributable to this Indian withholding tax.

Disposition of Foreign Currency

Foreign currency received on the sale or other disposition of a Share will have a tax basis equal to the U.S. dollar value on the settlement date. Foreign currency that is purchased generally will have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Equity Shares or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Passive Foreign Investment Company Considerations

A foreign corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules," either (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. For these purposes, "passive income" generally includes interest, dividends and gains from non-dealer securities and transactions. However, under certain proposed U.S. Treasury regulations, gross income derived from the active conduct of certain banking activities is treated as non-passive income. In determining the value and composition of the Bank's assets, cash is generally considered to be held for the production of passive income and thus is considered a passive asset.

There is a significant risk that the Bank was a PFIC in its most recent taxable year even under the proposed U.S. Treasury regulations described above, and based on estimates of the Bank's income and assets and expectations of active banking activity, there is a significant risk that the Bank may be a PFIC for the current taxable year. Because the Bank's possible status as a PFIC must be determined annually and, as the composition of the Bank's income and assets will vary over time, there can be no assurance that the Bank will not be a PFIC for any year in which a U.S. Holder holds Equity Shares.

If the Bank is a PFIC in any year during which a U.S. Holder owns Equity Shares, the U.S. Holder will generally be subject to special rules (regardless of whether the Bank continues to be a PFIC) with respect to (i) any "excess distribution" (generally, any distribution during a taxable year in which distributions received by the U.S. Holder on the Equity Shares are greater than 125% of the average annual distributions received by the U.S. Holder in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the Equity Shares) and (ii) any gain realised on the sale or other taxable disposition of Equity Shares. Under these rules (a) the excess distribution or gain will be allocated ratably over the U.S. Holder's holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which the Bank is a PFIC will be taxed as ordinary income, and (c) the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year and an interest charge for the deemed deferral benefit will be imposed with respect to the resulting tax attributable to each such other taxable year. Additionally, dividends paid by the Bank will not be eligible for the special reduced rate of tax described above under "*Dividends*".

U.S. Holders can avoid the interest charge by making a mark to market election with respect to the Equity Shares, provided that the Equity Shares are "marketable". Equity Shares will be marketable if they are regularly traded on certain U.S. stock exchanges, or on a foreign stock exchange if: (i) the foreign exchange is regulated or supervised by a governmental authority of the country in which the exchange is located; (ii) the foreign exchange has trading volume, listing, financial disclosure, surveillance and other requirements designed to prevent fraudulent and manipulative acts and practices, remove impediments to, and perfect the mechanism of, a free and open, fair and orderly, market, and to protect investors; (iii) the laws of the country in which the exchange is located and the rules of the exchange ensure that these requirements are actually enforced; and (iv) the rules of the exchange ensure active trading of listed stocks. For these purposes, the Equity Shares will be considered regularly traded during any calendar year during which they are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Any trades that have as one of their principal purposes the meeting of this requirement will be disregarded. A U.S. Holder that makes a mark to market election must include in ordinary income for each year an amount equal to the excess, if any, of the fair market value of the Equity Shares at the close of the taxable year over the U.S. Holder's adjusted basis in the Equity Shares. An electing holder may also claim an ordinary loss deduction for the excess, if any, of the U.S. Holder's adjusted basis in the Equity Shares over the fair market value of the Equity Shares at the close of the taxable year, but this deduction is allowable only to the extent of any net mark to market gains for prior years. Gains from an actual sale or other taxable disposition of the Equity Shares will be treated as ordinary income, and any losses incurred on a sale or other taxable disposition of the Equity Shares will be treated as an ordinary loss to the extent of any net mark to market gains for prior years. Once made, the election cannot be revoked without the consent of the U.S. Internal Revenue Service ("**IRS**") unless the Equity Shares cease to be marketable.

To mitigate the application of the PFIC rules discussed above, in some cases a U.S. Holder may make a qualified electing fund ("**QEF**") election to be taxed currently on its share of the PFIC's undistributed income. To make a QEF election, the Bank must provide U.S. Holders with certain information compiled according to U.S. federal income tax principles. The Bank currently does not intend to provide such information for U.S. Holders, and therefore it is expected that this election will be unavailable.

A U.S. Holder who owns, or who is treated as owning, PFIC stock during any taxable year in which the Bank is classified as a PFIC may be required to file IRS Form 8621. Prospective purchasers should consult their tax advisers regarding the requirement to file IRS Form 8621 and the potential application of the PFIC regime.

Backup Withholding and Information Reporting

Payments of dividends on Equity Shares and proceeds from the sale or other taxable disposition of Equity Shares by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the acquisition, ownership or disposition of Equity Shares, including requirements related to the holding of certain "specified foreign financial assets".

STATUTORY AUDITORS

Our Bank's financial statements are prepared in accordance with Indian GAAP under the guidelines issued by the ICAI, guidelines issued by the RBI from time to time and practices generally prevailing in the banking industry in India. The Bank's financial statements included in this Placement Document were audited, as the case may be, by a rotation of auditors appointed by RBI.

As on the date of this Placement Document, M/s Mukund M Chitale & Co., Chartered Accountants, M/s S Jaykishan, Chartered Accountants, M/s A. Bafna & Co. Chartered Accountants, and M/s S C V & Co LLP, Chartered Accountants are the statutory central auditors of our Bank (the "**Statutory Auditors**").

Our Unaudited Consolidated Financial Results and Unaudited Standalone Financial Results for three months period ended September 30, 2023 included in this Placement Document were jointly reviewed by M/s Mukund M Chitale & Co., Chartered Accountants, M/s S Jaykishan, Chartered Accountants, M/s A. Bafna & Co.. Chartered Accountants, and M/s S C V & Co LLP, Chartered Accountants.Our Fiscal 2023 Audited Financial Statements, included in this Placement Document were jointly audited by M/s. V Sankar Aiyar & Co, Chartered Accountants, M/s. Laxmi Tripti & Associates, Chartered Accountants and M/s Mukund M Chitale & Co., Chartered Accountants.

Our Fiscal 2022 Audited Financial Statements, included in this Placement Document were jointly audited by M/s. V Sankar Aiyar & Co, Chartered Accountants, M/s. Laxmi Tripti & Associates, Chartered Accountants and M/s Mukund M Chitale & Co., Chartered Accountants.

Our Fiscal 2021 Audited Financial Statements, included in this Placement Document were jointly audited by M/s. Chaturvedi & Co, Chartered Accounts M/s. V Sankar Aiyar & Co, Chartered Accountants, M/s. Laxmi Tripti & Associates, Chartered Accountants.

LEGAL PROCEEDINGS

Our Bank and its Subsidiaries are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. Our Bank believes that the number of proceedings and disputes in which the Bank or its Subsidiaries are involved is not unusual for a bank of our size doing business in India and in international markets. These legal proceedings are primarily in the nature of tax proceedings, recovery proceedings, consumer disputes, regulatory and statutory proceedings, criminal complaints and other civil proceedings, pending before various adjudicating forums. Further, certain regulatory and statutory authorities such as the Reserve Bank of India, the banking ombudsman, various tax authorities and other authorities have, in the past, taken action and/or imposed penalties against our Bank and its Subsidiaries, including those during routine inspections undertaken in the ordinary course of business.

*Except as disclosed in this section, there are no outstanding legal proceedings which have been considered material in accordance with our Bank's periodically published disclosure policies framed in accordance with Regulation 30 of the SEBI Listing Regulations ("**Policy of Materiality**").*

*Additionally, solely for the purpose of the Issue, our Bank has also disclosed in this section, to the extent applicable, (i) all outstanding criminal proceedings involving our Bank, its Directors and its Subsidiaries; (ii) all outstanding actions by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) against our Bank, its Directors and its Subsidiaries; (iii) any other outstanding civil litigation involving our Bank, its Directors and its Subsidiaries, where the amount involved in such proceeding is exceeding ₹ 1,102 crore (being 2% of the consolidated total income of the Bank aggregating to ₹ 55,142.86 crore for the financial year ended March 31, 2023) ("**Materiality Threshold**"); and (iv) any other outstanding litigation involving our Bank, its Directors and its Subsidiaries wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of the Bank, as on the date of this Placement Document. Additionally, the outstanding direct and indirect taxes proceeding involving our Bank, its Subsidiaries and its Directors above the Materiality Threshold is disclosed. There are no penalties imposed by the banking ombudsman on our Bank, during the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the six months period ended September 30, 2023.*

It is clarified that for the purposes of the above, pre-litigation notices received by our Bank, its Directors and its Subsidiaries from third parties (excluding those notices issued by statutory/regulatory authorities) have not been disclosed in this Placement Document unless the above-mentioned entities have been impleaded as a defendant or respondent in a litigation proceeding before any judicial forum or arbitral tribunal. In the ordinary course of business, especially in relation to recovery of loans, the Bank initiates criminal proceedings under applicable laws, which have not been disclosed in this Placement Document separately unless the amount involved therein is more than the Materiality Threshold. A consolidated disclosure for dishonour of cheques (under Section 138 of the Negotiable Instruments Act, 1881), cases under the Banking Ombudsman Scheme and fraud reporting has been made in this Placement Document. In the ordinary course of business, our Bank is also involved in litigation instituted by its employees, including in relation to retrenchment, gratuity etc. and cases instituted by its customers before the designated banking ombudsman.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

1. Litigation against our Bank

A. Criminal case against the Bank

1. Ulhas Joshi, a mortgager and guarantor in the accounts of M/s Gomati Milks of Amravati Branch filed case number RCC no. 323/2022 ("**Complaint**") dated October 17, 2016 against our Bank's officers. Ulhas Joshi's property was sold by our Bank by way of an e-auction under the SARFAESI Act. In his Complaint, he alleged that our Bank's officials, in collusion with the promoters of M/s Gomati Milks forged the original loan sanction letter dated September 18, 2012 ("**Loan**"). The Court of Chief Judicial Magistrate has passed the order dated March 17, 2022 against the accused persons punishable under Section 420 read with Section 34 of the Indian Penal Code.

2. Maa Gayatri Ice & Cold Storage Private Limited passed two cheques of amounts ₹4,225,500 and ₹3,550,000 each in favour of Deepak Kumar. These cheques were found to be cloned and a case of fraud was reported after the transaction. Satish Kumar, one of the directors of Maa Gayatri Ice & Cold Storage Private Limited

filed a first investigation report against several employees of our Bank including Dina Bandhu Mohapatra, Vivek Dubery, Ashish Jha and Joginder Singh. A writ petition was filed by our Bank to stay the arrest of the accused employees in criminal case number 527/2020 at Allahabad High Court ("**Court**"). The stay order has been made available for the accused employees. However, a copy of the challan of is yet to be presented in the Court.

3. Piyush Bhardhan, the Branch Manager of our Panchkula Sector 16 Branch, being the authorised officer of the Sector 16 Panchkula Branch initiated the proceedings under the SARFAESI Act against defaulters by issuing a notice and taking possession of mortgage property of M/s Kalsi Builders on September 24, 2019. Raj Kumar Setia filed a first investigation report numbered 0055 dated June 28, 2023 under sections 120-B, 380,419,447 of the Indian Penal Code against Piyush Bhardhan. An interim bail has been received from the court and the matter is pending presently.

4. Omavati w/o Vinod Kumar lodged a first investigation report 220/2022 ("**FIR**") against certain employees of our Bank alleging therein that she had dropped a cheque of an amount of ₹295,000 in the drop box kept in one of the branches of our Bank, for transferring the amount in her daughter's account. However, the amount was not credited in her daughter's account. The FIR alleged that that the cheque was encashed by Somvat Verma who had fraudulently withdrawn the amount in conspiracy with our Bank's employees. An application for discharge under Section 239 of the Code of Criminal Procedure, 1973 has been filed before the trial court and the matter is pending presently.

5. Under Section 138 of the Negotiable Instruments Act, 1881, case no.6338/22 issued a bailable warrant in favour of Shailendra Kumar Shukla, one of our employees, who was previously posted at Varanasi Zone and thereafter transferred to Dahichauki Branch, Unnao. He was subsequently suspended from the Varanasi Zone. As per the warrant, Mr. Shailendra Kumar Shukla has to present in court.

6. Manoj Bajpai filed a first investigation report at Kotwali Thana Pheelkhana,Kanpur against our Bank claiming that he had deposited a cheque of ₹40,000 in Bank Of India, Main Branch Kanpur in the cheque drop box and the deposited cheque has been paid in cash to an unknown person. As on date of the Placement Document, the matter is currently under investigation with the Investigating Authority, Thana Pheelkhana, Kanpur.

7. The Chief Metropolitan Magistrate Court, Kanpur issued summons against our staff officials on August 25, 2023 in criminal case number 87948 under Section 482 of the Code of Criminal Procedure, 1973. Our Bank approached the Allahabad High Court ("**Court**"). The Court has stayed the operation and effect of summon vide order dated August 11, 2023. As on date of this Placement Document, the matter is currently pending.

8. Maneck Dastoor, ("**Complainant**") filed a first investigation report number 13 of 2023 with the Cyber Police Station, South Zone, Bandra, Mumbai on May 15, 2023 against Onkar Nath Thakur, Branch Head under Sections 409, 419, 420, 465, 467, 468, 469, 470, 471 and 120B of the Indian Penal Code, alleging that a fraudulent transaction had taken place through their ATM card and therefore, the Complainant's account was debited through various fraudulent UPI transactions amounting up to ₹2,50,000 and upon the request of the Complainant, the account was frozen. As on date of this Placement Document, Onkar Nath Thakur has been granted anticipatory bail by the court and the investigation is under process.

9. Yaswant Ramchandra Patil ("**Complainant**") lodged a first investigation report against our Bank's Karad branch and the then governing body of Yashwantrao Mohite Krushna Sahakari Sakhar Karkhana Limited. The Complainant alleged that there was a denial of harvest and transport loan availed from our Bank. It was submitted that the Complainant's documents were misused by our Bank and he refused to repay the loan. Further, it was also mentioned that documents of other harvest and transport borrowers was also misused to avail the loan from our Bank. As on date of this Placement Document, the matter is currently pending before the court.

10. Nitin Tuakaram Mane and Yogesh Tukaram Mane ("**Complainants**") running shops at Kotoli in the name and styled of Arya the Fashion World and Arya Sadi Center, committed default in repayment of loans. Our Bank issued a seizer notice to cease their hypothecated goods and accordingly take the possession of hypothecated goods, documents and seal the shop/premises. The Complainants challenged the said action of our Bank before the Hon'ble Bombay High Court ("**Court**"). Accordingly, the Court directed our Bank to release the goods and documents and deseal the premises by preparing the panchnama in presence of two

independent witnesses. In compliance thereof, our Bank has released the goods and documents and desealed the premises by preparing the panchnama in presence of two independent witnesses. The Complainants filed a criminal case no. 28/2018 before the Civil and Criminal Court, Panhala against our Bank's officials, alleging that some of the goods and documents were missing and had been stolen by our Bank. The Court has issued the order of summons against all the persons for offenses punishable under section 379 and 451 read with section 34 of the Indian Penal Code.

11. Gupta Coal (India) Private Limited ("**Company**") was involved in the business of trading of imported & indigenous coal. Our Bank, forming part of a consortium, had granted fund based and non-fund based credit facilities of ₹906.00 to the Company. The loan accounts the Company were classified as non-performing assets on March 31, 2014. The consortium of banks have filed a suit before the DRT, Nagpur having OA No. 243/2017 for total claims of ₹2,270.21 crore of which our Bank has claimed ₹1,134.18 crore. As on date of this Placement Document, the case is presently under liquidation before NCLT.

B. Outstanding action against the Bank by statutory or regulatory authorities

As on the date of this Placement Document, there are no outstanding proceedings against the Bank by statutory or regulatory authorities.

C. *Civil cases above the materiality threshold against the Bank*

As on the date of this Placement Document, there are no civil cases exceeding the Materiality Threshold that have been filed against the Bank.

D. Cases filed against the Bank under SARFAESI action taken by our Bank

As on September 30, 2023, certain borrowers whose accounts have been declared NPA have challenged our Bank's actions, under the SARFAESI Act for recovery of dues in 13,514 cases.

E. Banking Ombudsman Complaints

The Banking Ombudsman has imposed fines and penalties on our Bank based on complaints received from our customers alleging, *inter alia*, failure by our Bank to dispense amount from ATMs, fraudulent debit of accounts, failure to provide interest subsidy loan facilities availed of by persons belonging to economically weaker sections and discrepancies in remittances. Details of penalties imposed by Banking Ombudsman for the Fiscal 2021, 2022 and 2023 and six month period ended September 30, 2023 are as follows:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six month period ended September 30, 2023
Number of complaint received	3	11	36	16
Penalty imposed (₹ in crores)	0.01	0.01	0.19	0.02

F. Taxation cases above the materiality threshold involving the Bank

Direct Tax Cases

1. Our Bank has filed appeal number NFAC/2016-17/10057378 ("**Appeal**") before CIT(A) on October 26, 2021 before the Commissioner of Income Tax (Appeals), NFAC under Section 246A of the Income-Tax Act, 1961 against the assessment order of the Assistant Commissioner of Income Tax, NFAC, Delhi dated September 28, 2021 under Section 143(3) of the Income Tax Act, 1961 ("**Act**") for the assessment year 2017-18. Our Bank has filed the Appeal on the ground that the Assistant Commissioner of Income Tax, NFAC had erred in disallowing various deductions claimed by our Bank. The impugned order inter-alia (i) disallowed expenditure incurred to earn exempt income u/s 14A of the Act (ii) disallowed amortization of lease premium (iii) addition on account of exclusion of profits of foreign branches under Section 90 of the Act (iv) amortization of premium paid on securities in HTM categories (v) disallowance of interest on innovative perpetual bond (vi) disallowance of unrealized interest on bad and doubtful debt accounts (vii) disallowance on account of loss on sale of NPA accounts to asset reconstruction company (viii) disallowance of bad debt written off (ix) addition on account of claim of valuation loss on securities held as stock in trade (x) disallowance of penalty imposed

by RBI and (xi) disallowance of interest accured but not due. The Bank then filed an appeal on October 26, 2019 against the assessment order before Commissioner of Income Tax (Appeals), NFAC. The above issues involve aggregate amount of ₹2,477.60 crore. The Appeal is currently pending before the Commissioner of Income Tax (Appeals), NFAC.

Indirect Tax Cases

As on the date of this Placement Document, there are no indirect tax cases that have been filed involving the Bank which exceed the Materiality Threshold.

2. Litigation by our Bank

A. Criminal cases filed by our Bank

i. Cases filed under Section 138 of Negotiable Instruments Act, 1881

A total of 44 legal proceedings filed by our Bank are pending as on date of this Placement Document, against accused persons under section 138 of the Negotiable Instruments Act, 1881 and the amount involved in such cases aggregate to a sum of ₹ 150,014.98.

ii. *Fraud Complaints*

Our Bank has a Fraud Risk Management Cell ("**FRMC**") created under Inspection & Audit departments ("**IAD**") in each circle / zonal office of the Bank. The FRMC head at the circle / zonal offices submits the Fraud Monitoring Returns ("**FMR**") to the Fraud Risk Management Division, Head Office bank to when requisitioned. The FRMC head ensures compliance with regulatory guidelines on fraud classification and reporting. Thereafter, in terms of the guidelines issued by the RBI, our Bank files the complaint in fraud cases, with the respective authority assigned as per the following criteria set up:

AMOUNT INVOLVED IN THE FRAUD	AGENCY TO WHOM COMPLAINT SHOULD BE LODGED
Below ₹ 1.00 lac	Local Police Station
₹ 1 lac and above but below ₹ 3.00 crore	State CID / Economic Offences Wing of the State concerned
₹ 3.00 crore and above but below ₹ 50.00 crore	Central Bureau of Investigation
₹ 50.00 crore and above	Central Bureau of Investigation

Details of aggregate complaints made by our Bank on account of fraud in the Financial Years ended March 31, 2021, March 31, 2022, March 31, 2023 and six months period ended September 30, 2023 are tabulated below:

Period	Number of complaints	Amount involved *(₹ in crore)*	Number of complaints above materiality threshold	Amount involved in complaints above the Materiality Threshold *(₹ in crore)*
Financial year ended March 31, 2021	177	12,184.32	592.49	Nil
Financial year ended March 31, 2022	216	5,793.22	250.79	205.49
Financial year ended March 31, 2023	208	582.59	68.93	Nil
Six months period ended September 30, 2023	95	58.79	28.96	Nil

There are a total of 1 cases filed by our Bank in relation to fraud matters before various police stations and the CBI, in accordance with the RBI circulars and guidelines on fraud classification and reporting in the financial years ended March 31, 2021, March 31, 2022, March 31, 2023 and six months period ended September 30, 2023. These cases are pending at various stages of adjudication.

iii. *Other criminal Matters*

As on the date of this Placement Document, there are no criminal cases by our Bank.

A. Debt Recovery Proceedings

Our Bank is involved in 15,625 debt recovery proceedings with the aggregate amount involved being ₹ 55,457 crore, of which there is 1 case which meets the Materiality Threshold with the aggregate amount involved being to ₹ 1,134.18 crore which are currently pending before the national company law tribunal.

B. Insolvency Proceedings

Our Bank is involved in 299 insolvency proceedings with the aggregate amount involved being ₹ 31,435.33 crore, of which there is 1 case which meet the Materiality Threshold with the aggregate amount involved being to ₹ 1581.72 crore which is currently pending before various benches of the National Company Law Tribunal / National Company Appellate Law Tribunal.

3. Litigation involving the Subsidiaries and Joint Venture

A. Criminal case involving the Subsidiaries and Joint Venture

As on the date of this Placement Document, there are no criminal cases involving the Subsidiaries and Joint Venture.

B. Civil cases above the materiality threshold involving the Subsidiaries and Joint Venture

As on the date of this Placement Document, there are no civil cases exceeding the Materiality Threshold involving the Subsidiaries and Joint Venture.

C. Taxation cases above the materiality threshold involving the Subsidiaries and Joint Venture

As on the date of this Placement Document, there are no tax matters exceeding the Materiality Threshold involving the Subsidiaries and Joint Venture.

D. *Outstanding actions by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) against the Subsidiaries and Joint Venture*

As on the date of this Placement Document, there are no regulatory actions involving the Subsidiaries and Joint Venture.

4. Litigation Involving our Directors

A. Criminal cases involving our Directors

As on the date of this Placement Document, there are no criminal cases involving any our Directors.

B. Civil cases involving our Directors

As on the date of this Placement Document, there are no civil cases above the Materiality Threshold, involving any our Directors.

C. Material Tax Proceedings involving our Directors

As on the date of this Placement Document, there are no tax proceedings above the Materiality Threshold, involving any of our Directors.

D. Outstanding actions by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) against our Directors

As on the date of this Placement Document, there are no regulatory actions against our Directors.

GENERAL INFORMATION

1. Our Bank was incorporated on September 7, 1906 under the Act No. VI of 1882 of the Legislative Council of India as *"Bank of India Limited"*. Subsequently, in 1969, our Bank was nationalized under The Banking Companies (Acquisition and Transfer of Undertakings) Ordinance dated July 19, 1969 and was renamed as "Bank of India".

2. The head office of our Bank is located at Star House C - 5, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.

3. The Equity Shares are listed on the BSE and NSE.

4. The Issue has been authorised and approved by the Board, through its resolution dated April 18, 2023 and our Shareholders through a special resolution passed at the AGM held on June 27, 2023.

5. Our Bank has received in-principle approvals under Regulation 28(1)(a) of the SEBI Listing Regulations from both BSE and NSE on December 5, 2023. We will apply for final listing and trading approvals of the Equity Shares on the Stock Exchanges.

6. Our Bank has also obtained the necessary consents, approvals and authorisations required in connection with the Issue, including the recommendation from RBI *vide* letter dated April 10, 2023 and approval from the Ministry of Finance, GoI *vide* letter dated July 13, 2023.

7. As on the date of this Placement Document, M/s Mukund M Chitale & Co., Chartered Accountants, M/s S Jaykishan, Chartered Accountants, M/s A. Bafna & Co., Chartered Accountants, and M/s S C V & Co LLP, Chartered Accountants are the statutory auditors of our Bank.

8. Except as disclosed in this Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue.

9. The Floor Price for the Equity Shares under the Issue is ₹105.42 per Equity Share which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Bank offered a discount of 4.95% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations.

10. Our Bank and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

FINANCIAL STATEMENTS

Financial Statement
Reviewed Financial Results for the six months period ended September 30, 2023
Audited Standalone and Consolidated Financial Statements of Bank of India for the year ended March 31, 2023
Audited Standalone and Consolidated Financial Statements of Bank of India for the year ended March 31, 2022
Audited Standalone and Consolidated Financial Statements of Bank of India for the year ended March 31, 2021

BANK OF INDIA

CONSOLIDATED BALANCE SHEET

AS AT 30TH SEPTEMBER, 2023

&

PROFIT AND LOSS ACCOUNT

FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2023

BANK OF INDIA
CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER, 2023

(000's Omitted)

	Schedule No.	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
CAPITAL AND LIABILITIES				
Capital	1	4,10,43,052	4,10,43,052	4,10,43,052
Reserves & Surplus	2	58,34,13,107	53,73,52,269	56,32,86,363
Share Application Money, pending allotment		0	0	0
Minorities Interest	2A	16,36,922	15,16,950	15,65,135
Deposits	3	7,06,43,81,426	6,49,96,00,324	6,72,19,41,223
Borrowings	4	65,39,63,197	45,94,42,965	65,01,52,251
Other liabilities and provisions	5	29,22,57,029	24,59,21,563	28,23,69,474
TOTAL		8,63,66,94,733	7,78,48,77,123	8,26,03,57,498
ASSETS				
Cash and balances with Reserve Bank of India	6	40,81,85,718	40,17,36,325	44,38,15,490
Balances with Banks and money at call and short notice	7	42,12,51,064	44,68,22,133	40,30,17,298
Investments	8	2,18,32,66,296	1,90,09,73,627	2,11,32,35,522
Advances	9	5,22,48,36,783	4,62,59,05,099	4,88,68,76,989
Fixed Assets	10	10,22,10,872	9,95,17,916	10,06,05,567
Other Assets	11	29,69,44,000	30,99,22,023	31,28,06,632
TOTAL		8,63,66,94,733	7,78,48,77,123	8,26,03,57,498
		0		
Contingent Liabilities	12	3,91,68,24,472	3,93,27,10,278	3,79,11,78,859
Bills for collection		29,19,16,295	29,20,98,589	29,18,95,113

The schedules referred to above form an integral part of the Balance Sheet.

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

B Kumar
General Manager & Chief Financial Officer

Sudhiranjan Padhi
Chief General Manager

Subrat Kumar
Executive Director

M. Karthikeyan
Executive Director

Swarup Dasgupta
Executive Director

P. R. Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

Place: Mumbai
Date: November 04, 2023

बैंक ऑफ इंडिया BANK OF INDIA H. O. प्र. का. वित विभाग FINANCE DEPT.

बैंक ऑफ इंडिया / BANK OF INDIA बोर्ड बैठक Board Meeting 04 NOV 2023 HEAD OFFICE

BANK OF INDIA

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2023

(000's Omitted)

	Schedule No.	Half Year ended 30-09-2023 ₹	Half Year ended 30-09-2022 ₹	Year ended 31-03-2023 ₹
I. INCOME				
Interest earned	13	29,50,41,428	21,58,82,426	47,93,16,901
Other Income	14	3,20,13,064	2,62,06,562	7,21,11,671
TOTAL		32,70,54,492	24,20,88,988	55,14,28,572
II. EXPENDITURE				
Interest expended	15	17,72,26,656	12,34,86,209	27,44,06,383
Operating expenses	16	7,44,14,743	6,46,84,366	14,37,35,386
Provisions & Contingencies		4,55,12,621	4,05,67,693	9,44,65,924
TOTAL		29,71,54,020	22,87,38,268	51,26,07,693
Share of earnings/(loss) in Associates	16A	7,12,709	17,68,770	(4,27,474)
Consolidated Net Profit/(Loss) for the year before deducting Minorities' interest		3,06,13,181	1,51,19,490	3,83,93,405
Less: Minorities' interest		12,163	2,254	13,793
Consolidated Net Profit/(Loss) for the year attributable to the group		3,06,01,018	1,51,17,236	3,83,79,612
Add: Brought forward consolidated profit/(loss) attributable to the group		2,65,60,640	1,99,77,393	1,99,77,393
TOTAL		5,71,61,658	3,50,94,629	5,83,57,005
Significant Accounting Policies	17			
Notes to Accounts	18			
Earnings Per Share (`) (Basic)		7.46	3.68	9.35
Earnings Per Share (`) (Diluted)		7.46	3.68	9.35

The schedules referred to above form an integral part of the Profit and Loss Account
The Profit and Loss Account has been prepared in conformity with Form `B' of the Third Schedule to the Banking Regulation Act, 1949.

B Kumar
General Manager &
Chief Financial Officer

Sudhiranjan Padhi
Chief General Manager

Subrat Kumar
Executive Director

M. Karthikeyan
Executive Director

Swarup Dasgupta
Executive Director

P. R. Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

Place: Mumbai
Date: November 04, 2023

बैंक ऑफ इंडिया
BANK OF INDIA
H. O.
प्र. का.
वित विभाग
FINANCE DEPT.

बैंक ऑफ इंडिया / BANK OF INDIA
बोर्ड बैठक
Board Meeting
04 NOV 2023
मुंबई / HEAD OFFICE

BANK OF INDIA

Statement of Consolidated Cash Flow for the half year ended 30th September, 2023

(₹ in '000)

Particulars	Half-year ended 30.09.2023	Half-year ended 30.09.2022	Year ended 31.03.2023
A. Cash Flow from Operating Activities:			
Net Profit before taxes	**5,92,73,173**	**2,31,50,025**	**6,05,45,762**
Adjustments for:			
Amortisation/Depreciation on Investments	(2,17,223)	16,89,721	1,35,67,140
Depreciation on Fixed Assets	24,21,656	20,35,355	42,65,105
Profit on sale of Fixed Assets	(5,22,309)	963	(13,40,510)
(Profit) / Loss on Revaluation of Investments (Incl depn performing inv)	12,05,850	17,26,351	(1,57,45,053)
Provision for NPA	1,46,20,625	1,97,81,299	3,66,79,013
Provision for Standard Assets	11,90,686	96,92,295	1,65,51,755
Provision for Other items	17,90,659	21,46,080	69,91,403
Interest on AT I & Tier II bonds	39,70,738	32,63,501	69,71,690
Dividend received from Associates	(1,36,605)	-	(2,12,456)
Adjustments for:			
Increase / (Decrease) in Deposits	34,24,40,203	19,97,92,813	42,21,33,712
Increase/ (Decrease) in Borrowings	(11,89,054)	19,12,31,805	36,69,41,091
Increase / (Decrease) in Other Liabilities & Provisions	(5,82,016)	(6,47,66,124)	(3,52,87,189)
(Increase) / Decrease in Investments	(7,03,06,693)	(9,98,81,402)	(30,87,45,558)
(Increase) / Decrease in Advances	(35,28,15,956)	(41,56,75,042)	(69,35,37,560)
(Increase) / Decrease in Other Assets	(3,23,52,654)	6,09,73,799	4,62,10,848
Taxes (Paid) / Refund	1,98,94,587	82,63,767	35,60,381
Net Cash Flow from Operating Activities (A)	**(1,11,14,332)**	**(5,66,74,794)**	**(7,04,50,426)**
B. Cash Flow from Investing Activities:			
Purchase of Fixed Assets	(41,16,964)	(31,90,103)	(62,32,927)
Sale of Fixed Assets	1,32,244	1,35,350	9,96,158
Dividend received from Associates	1,36,605	-	2,12,456
Impact of Consolidation	(7,12,712)	(26,55,504)	(4,59,260)
Minority Interest	71,787	2,22,000	2,70,185
Net Cash Flow from Investing Activities (B)	**(44,89,040)**	**(54,88,257)**	**(52,13,388)**
C. Cash Flow from Financing Activities:			
Equity Share Capital	-	-	-
Share Premium	53,85,236	50,23,240	56,86,523
Share Application Money	-	-	-
Issue / (Redemption) of Tier I and Tier II Capital Bonds (Net)	50,00,000	-	1,50,00,000
Dividend Paid	(82,07,132)	(82,07,132)	(82,07,132)
Interest on AT I & Tier II bonds	(39,70,738)	(32,63,501)	(69,71,690)
Net Cash Flow from Financing Activities (C)	**-17,92,634**	**-64,67,393**	**54,07,701**
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**(1,73,96,006)**	**(6,85,30,444)**	**(7,02,56,113)**
Cash and Cash Equivalents as at the beginning of the year	**84,68,32,788**	**91,70,88,901**	**91,70,88,901**
Cash and Cash Equivalents as at the end of the year	**82,94,36,782**	**84,85,58,457**	**84,68,32,788**

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र. का. वित्त विभाग FINANCE DEPT.

बैंक ऑफ इंडिया / BANK OF INDIA बोर्ड बैठक Board Meeting 0 4 NOV 2023 बोर्ड सचिवालय BOARD SECRETARIAT मुंबई / HEAD OFFICE

Particulars	Half-year ended	Half-year ended	Year ended
	30.09.2023	30.09.2022	31.03.2023
Reconciliation of Cash and Cash Equivalents as at the end of the year			
Cash and balances with Reserve Bank of India (Schedule 6)	40,81,85,718	40,17,36,325	44,38,15,490
Balances with Banks and money at call and short notice (Schedule 7)	42,12,51,064	44,68,22,133	40,30,17,298
Cash and Cash Equivalents as at the end of the year	**82,94,36,782**	**84,85,58,458**	**84,68,32,788**

Cash and cash equivalent as per cash flow statement comprises of cash in hand, in ATM, balances in current account with RBI and other Banks (including deposits) and money at call and short notice which can be readily convertible into cash.

B Kumar
General Manager
&Chief Financial Officer

Sudhiranjan Padhi
Chief General Manager

Subrat Kumar
Executive Director

M. Karthikeyan
Executive Director

Swarup Dasgupta
Executive Director

P. R. Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

बैंक ऑफ इंडिया BANK OF INDIA H. O. प्र. का. वित्त विभाग FINANCE DEPT.

Place: Mumbai
Date: November 04, 2023

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

(000's Omitted)

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
SCHEDULE - 1 : CAPITAL			
AUTHORISED CAPITAL			
600,00,00,000 (Previous year 600,00,00,000) Equity Shares of ₹ 10 each	6,00,00,000	6,00,00,000	6,00,00,000
ISSUED CAPITAL			
Equity Shares 410,47,43,170 (Previous year ended 410,47,43,170) of ₹ 10 each	4,10,47,432	4,10,47,432	4,10,47,432
TOTAL	4,10,47,432	4,10,47,432	4,10,47,432
SUBSCRIBED AND PAID-UP CAPITAL			
410,35,66,070 Equity Shares (Previous year 410,35,66,070) of ₹ 10 each fully paid-up.	4,10,35,661	4,10,35,661	4,10,35,661
Add: Amount of shares forfeited	7,391	7,391	7,391
TOTAL*	4,10,43,052	4,10,43,052	4,10,43,052

* Of the above, 334,08,61,720 Equity Shares (Previous year ended 334,08,61,720) of ₹ 10 each fully paid up amounting to ₹ 3340.86 crore (Previous year ended ₹ 3340.86 crore) is held by Central Government;

BANK OF INDIA H.O. FINANCE DEPT.

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
SCHEDULE - 2 : RESERVES & SURPLUS			
I. Statutory Reserve :			
Opening Balance	9,50,25,156	8,49,68,244	8,49,68,244
Add: Additions/adjustments during the year	33,538	(8,453)	1,00,56,912
TOTAL (I)	9,50,58,694	8,49,59,791	9,50,25,156
II. Capital Reserves :			
A) Revaluation Reserve :			
Opening Balance	6,95,49,554	6,98,17,290	6,98,17,289
Add Addition during the year on Revaluation of Premises	-	3,12,643	2,22,192
Less: Adjustments during the year	54,123	(1,33,708)	(3,98,276)
Less: Depreciation / adjustments on account of revaluation	4,25,945	5,07,997	8,88,203
Total of (A)	6,90,69,486	6,97,55,644	6,95,49,554
B) Others			
i) Capital Redemption Reserve			
Opening Balance	5,000	5,000	5,000
Add /Less: Additions/deductions	-	-	-
Sub-total of (i)	5,000	5,000	5,000
ii) Profit on sale of Investments - "Held to Maturity"			
Opening Balance	3,35,20,679	3,35,20,679	3,35,20,679
Add: Additions during the year	-	-	0
Sub-total of (ii)	3,35,20,679	3,35,20,679	3,35,20,679
iii) Capital Reserve on Consolidation			
Opening Balance	-	8,86,734	8,86,734
Add: Adjustment during the year	-	(8,86,734)	(8,86,734)
Sub-total of (iii)	-	-	-
iv) Foreign Currency Translation Reserve			
Opening Balance	2,40,93,619	1,97,04,850	1,97,04,850
Add/ (Less) : Adjustments during the year (Net)	(27,02,599)	25,39,365	43,88,769
Sub-total of (iv)	2,13,91,020	2,22,44,215	2,40,93,619
Total of (B)	5,49,16,699	5,57,69,894	5,76,19,298
TOTAL (II)	12,39,86,185	12,55,25,538	12,71,68,852
III. Share Premium :			
Opening Balance	17,38,47,002	16,82,60,479	16,82,60,479
Additions during the year	53,85,236	50,23,240	55,86,523
Less : Deductions / Utilization during the year	-	-	-
TOTAL (III)	17,92,32,238	17,32,83,719	17,38,47,002

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
SCHEDULE - 2 : RESERVES & SURPLUS (contd.)			
IV. Revenue and Other Reserves :			
i) Revenue Reserve :			
Opening Balance	9,16,79,548	9,15,58,855	9,15,58,855
Add: Additions during the year	4,25,679	17,88,550	29,26,398
Add: Transfer from Capital Reserve-Surplus on Merger			
Add / (Less): Adjustments	(48,74,306)	(21,34,231)	(24,67,466)
Less: Deductions during the year	54,621	(6,610)	3,38,238
Sub-total of (i)	8,71,76,300	9,12,19,784	9,16,79,549
ii) Investment Reserve :			
Opening Balance	38,07,815	-	-
Add: Addition during the year	-	-	38,07,815
Less:Deduction during the year	-	-	-
Sub-total of (ii)	38,07,815	-	38,07,815
iii) Investment Fluctuation Reserve :			
Opening Balance	1,07,90,217	92,75,931	92,75,931
Add: Additions during the year	-	-	15,14,286
Less: Deductions during the year	-	-	-
Sub-total of (iii)	1,07,90,217	92,75,931	1,07,90,217
iv) Special Reserve u/s Sec 36(1)(viii) of Income Tax Act, 1961			
Opening Balance	2,62,00,000	2,62,00,000	2,62,00,000
Add: Additions during the year	-	-	-
Sub-total of (iv)	2,62,00,000	2,62,00,000	2,62,00,000
TOTAL (IV)	12,79,74,332	12,66,95,715	13,24,77,581
V. Balance in Consolidated Profit and Loss Account	5,71,61,658	2,68,87,506	3,47,67,772
TOTAL (I TO V)	**58,34,13,107**	**53,73,52,269**	**56,32,86,363**
SCHEDULE - 2A : MINORITIES INTEREST			
Minority interest at the date on which the parent-subsidiary relationship came into existence	15,65,135	12,94,950	12,94,950
Subsequent increase / (decrease)	71,787	2,22,000	2,70,185
Minority interest on the date of Balance sheet	**16,36,922**	**15,16,950**	**15,65,135**
SCHEDULE - 3 : DEPOSITS			
A. I. Demand Deposits :			
i) From Banks	72,24,465	61,90,607	1,31,73,184
ii) From Others	34,16,84,364	32,41,03,258	33,84,01,842
TOTAL (I)	34,89,08,829	33,02,93,865	35,15,75,026
II. Savings Bank Deposits	2,27,30,24,941	2,15,18,99,466	2,22,46,86,437
III. Term Deposits :			
i) From Banks	43,98,24,073	42,27,75,608	50,48,85,192
ii) From Others	4,00,26,23,582	3,59,46,31,385	3,64,07,94,568
TOTAL (III)	4,44,24,47,655	4,01,74,06,993	4,14,56,79,760
TOTAL A (I to III)	**7,06,43,81,425**	**6,49,96,00,324**	**6,72,19,41,223**
B. i) Deposits of branches in India	5,98,77,11,032	5,51,34,97,811	5,66,99,24,502
ii) Deposits of branches outside India	1,07,66,70,394	98,61,02,513	1,05,20,16,721
TOTAL (B)	**7,06,43,81,426**	**6,49,96,00,324**	**6,72,19,41,223**

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
SCHEDULE - 4 : BORROWINGS			
I. Borrowings in India :			
i) Reserve Bank of India	3,00,00,000	3,51,90,000	2,69,20,000
ii) Other Banks			
a. Tier I Capital	77,90,000	26,10,000	75,40,000
b. Tier II Capital	67,70,000	33,70,000	33,70,000
c. Others	33,62,019	3,62,019	4,51,584
Total (ii)	1,79,22,019	63,42,019	1,13,61,584
iii) Other Institutions and Agencies			
a. Tier I Capital	2,07,30,000	1,09,10,000	2,09,80,000
b. Tier II Capital	6,12,30,000	5,96,30,000	5,96,30,000
c. Others	48,26,01,560	32,12,01,255	50,37,73,826
Total (iii)	56,45,61,560	39,17,41,255	58,43,83,826
Total (I)	61,24,83,579	43,32,73,274	62,26,65,410
II. Borrowings outside India			
a. Tier I Capital	-	-	-
b. Tier II Capital	-	-	-
c. Others	4,14,79,618	2,61,69,691	2,74,86,841
Total (II)	4,14,79,618	2,61,69,691	2,74,86,841
Total (I & II)	**65,39,63,197**	**45,94,42,965**	**65,01,52,251**
Secured borrowings included in above	17,61,92,860	18,89,61,440	22,08,25,176
SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS			
I. Bills Payable	1,68,65,567	1,55,17,078	1,62,28,810
II. Inter-office adjustments (net)	1,63,472	-	-
III. Interest Accrued	3,02,52,725	2,46,84,319	2,57,95,820
VI. Deferred Tax liability	-	-	0
VII. Others	24,49,75,265	20,57,20,166	24,03,44,844
TOTAL	**29,22,57,029**	**24,59,21,563**	**28,23,69,474**

* Includes provision for Standard Assets ₹ 5,40,58,312 (Previous Year ₹ 4,55,19,512)

बैंक ऑफ इंडिया BANK OF INDIA H. O. प्र. का. वित्त विभाग FINANCE DEPT.

बैंक ऑफ इंडिया / BANK OF INDIA बोर्ड बैठक Board Meeting 04 NOV 2023 बोर्ड सचिवालय BOARD SECRETARIAT मुंबई / HEAD OFFICE

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	(000's Omitted) As at 31-03-2023 ₹
SCHEDULE - 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA			
I. Cash in hand (including foreign currency notes & Gold)	2,58,51,609	2,31,42,055	2,16,72,603
II. Balances with Reserve Bank of India : *			
i) In Current Account	38,21,59,309	36,85,59,382	36,80,53,653
ii) In Other Accounts	1,74,800	1,00,34,888	5,40,89,234
TOTAL (II)	38,23,34,109	37,85,94,270	42,21,42,887
TOTAL (I & II)	**40,81,85,718**	**40,17,36,325**	**44,38,15,490**

* Including balances with Central Banks outside India

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
SCHEDULE - 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE			
I. In India :			
i) Balances with Banks			
a) in Current Accounts	7,05,630	8,76,760	4,08,195
b) in Other Deposit Accounts	(3,02,860)	(49,106)	59,29,699
ii) Money at call and short notice			
a) With Banks	46,100	5,00,000	-
b) With Other Institutions	-	26,19,079	3,01,669
TOTAL (I)	4,48,870	39,46,753	66,39,563
II. Outside India :			
i) In Current Accounts	64,10,615	51,67,418	60,60,725
ii) In Other Deposit Accounts	26,34,62,460	31,49,83,749	25,95,85,340
iii) Money at call and short notice	15,09,29,119	12,27,24,213	13,07,31,670
TOTAL (II)	42,08,02,194	44,28,75,380	39,63,77,735
TOTAL (I & II)	**42,12,51,064**	**44,68,22,133**	**40,30,17,298**

बैंक ऑफ इंडिया BANK OF INDIA H. O. प्र. का. वित विभाग FINANCE DEPT.

Classification: Internal

बैंक ऑफ इंडिया / BANK OF INDIA बोर्ड बैठक Board Meeting 04 NOV 2023 प्रधान कार्यालय / HEAD OFFICE

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
SCHEDULE - 8 : INVESTMENTS			
I. Investments in India :			
i) Government Securities	1,90,38,00,188	1,63,67,13,904	1,82,04,01,632
ii) Other approved Securities	1,20,11,654	82,66,024	1,05,13,115
iii) Shares	1,38,89,104	1,28,69,122	1,37,32,852
iv) Debentures and Bonds	9,95,62,869	9,08,96,736	10,50,48,140
v) Investment in Associates	2,00,21,365	1,91,59,835	1,96,54,520
vi) Others	2,61,37,322	2,68,31,474	3,21,91,853
TOTAL (I)	2,07,54,22,502	1,79,47,37,095	2,00,15,42,112
II. Investments outside India :			
i) Government Securities (including local authorities)	9,07,72,994	8,10,93,136	9,38,44,592
ii) Debentures & Bonds	-	-	-
iii) Investment in Associates	25,15,669	21,58,315	21,69,806
iv) Others	1,45,55,131	2,29,85,081	1,56,79,012
TOTAL (II)	10,78,43,794	10,62,36,532	11,16,93,410
TOTAL (I & II)	**2,18,32,66,296**	**1,90,09,73,627**	**2,11,32,35,522**
III. Investments in India :			
i) Gross value of Investments	2,11,39,09,722	1,84,28,07,564	2,04,31,34,034
ii) Aggregate provisions for depreciation	3,84,87,220	4,80,70,469	4,15,91,922
iii) Net Investments	2,07,54,22,502	1,79,47,37,095	2,00,15,42,112
IV Investments outside India :			
i) Gross value of Investments	11,17,18,377	10,88,94,704	11,44,32,752
ii) Aggregate provisions for depreciation	38,74,583	26,58,172	27,39,342
iii) Net Investments	10,78,43,794	10,62,36,532	11,16,93,410
TOTAL (III & IV)	**2,18,32,66,296**	**1,90,09,73,627**	**2,11,32,35,522**

BANK OF INDIA H. O. FINANCE DEPT.

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
SCHEDULE - 9 : ADVANCES			
A. i) Bills Purchased and Discounted	36,46,20,561	29,36,35,794	36,19,83,161
ii) Cash Credits, Overdrafts and Loans repayable on demand	1,98,67,78,669	1,78,52,07,740	1,87,61,78,744
iii) Term Loans	2,87,34,37,553	2,54,70,61,565	2,64,87,15,084
TOTAL (A)	5,22,48,36,783	4,62,59,05,099	4,88,68,76,989
B. Particulars of Advances :			
i) Secured by tangible assets (includes advances against Book Debts)	3,60,50,38,860	2,84,10,06,911	3,37,43,59,639
ii) Covered by Bank/Government Guarantees	50,97,86,865	41,11,03,012	47,87,98,579
iii) Unsecured	1,11,00,11,058	1,37,37,95,176	1,03,37,18,771
TOTAL (B)	5,22,48,36,783	4,62,59,05,099	4,88,68,76,989
C. Sectoral Classification of Advances :			
I. Advances in India			
i) Priority Sector	1,57,69,45,734	1,41,04,40,002	1,49,46,83,925
ii) Public Sector	1,14,13,35,257	1,20,02,54,860	1,20,47,04,107
iii) Banks	3,56,70,494	89,378	1,78,024
iv) Others	1,53,46,32,292	1,24,06,68,592	1,35,10,90,890
TOTAL (I)	4,28,85,83,777	3,85,14,52,832	4,05,06,56,946
II. Advances outside India :			
i) Due from Banks	37,37,82,054	33,96,24,045	36,90,97,116
ii) Due from others			
a) Bills Purchased and Discounted	9,57,49,617	8,28,40,764	11,35,36,084
b) Syndicated Loans	21,85,04,980	12,01,93,119	13,47,25,824
c) Others	24,82,16,355	23,17,94,339	21,88,61,019
TOTAL (II)	93,62,53,006	77,44,52,267	83,62,20,043
TOTAL (I & II)	5,22,48,36,783	4,62,59,05,099	4,88,68,76,989
SCHEDULE - 10 : FIXED ASSETS			
I. PREMISES :			
Opening Balance at cost	2,19,05,892	1,94,85,487	1,94,85,487
Add: Additions /Adjustments during the year	1,16,275	4,32,121	24,49,134
Less: Deductions/ Adjustments during the year	35,011	27,308	28,729
Sub-total	2,19,87,155	1,98,90,300	2,19,05,892
Addition to date on account of revaluation credited to revaluation reserve	7,01,03,310	6,98,90,125	7,01,56,030
Less : Depreciation to date (including on account of revaluation)	64,35,683	51,98,887	58,69,165
TOTAL (I)	8,56,54,782	8,45,81,538	8,61,92,757
II. OTHER FIXED ASSETS : (Including Furniture and Fixtures)			
Opening Balance at cost	4,88,03,747	4,37,90,599	4,37,90,599
Add: Additions /Adjustments during the year	38,33,522	20,97,490	59,80,576
Less: Deductions/ Adjustments during the year	97,233	1,08,042	9,67,429
Sub-total	5,25,40,036	4,57,80,047	4,88,03,746
Less: Depreciation to date	3,72,50,999	3,38,77,376	3,54,95,227
TOTAL (II)	1,52,89,037	1,19,02,671	1,33,08,519
III. CAPITAL WORK IN PROGRESS	12,67,053	30,33,707	11,04,291
TOTAL (I to III)	10,22,10,872	9,95,17,916	10,06,05,567

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
SCHEDULE - 11 : OTHER ASSETS			
I. Inter Office Adjustment (Net)	-	1,14,96,782	2,07,15,175
II Interest Accrued	6,00,78,802	3,16,13,208	3,78,33,578
III Tax paid in advance/tax deducted at source (Net)	4,97,40,119	6,21,41,469	6,86,20,019
IV Stationery and Stamps	1,24,942	1,14,611	1,13,183
V Deferred Tax Assets	3,62,27,539	8,24,95,633	6,65,87,109
VI Others	15,07,72,598	12,20,60,320	11,89,37,568
TOTAL	29,69,44,000	30,99,22,023	31,28,06,632

* Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹ 52,190,972 (Previous Year ₹ 57,904,474)

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
SCHEDULE - 12 : CONTINGENT LIABILITIES			
I. Claims against the Bank not acknowledged as debts	1,72,06,165	1,84,46,241	1,70,39,174
II. Liability for partly paid Investments	9,85,106	10,57,243	9,47,055
III. Liability on account of outstanding forward exchange contracts	3,39,29,94,366	3,38,93,97,973	3,26,36,26,681
IV. Guarantees given on behalf of Constituents :			
a) In India	21,72,58,234	20,95,79,877	21,68,62,100
b) Outside India	2,31,66,746	4,58,95,382	2,79,18,368
V. Acceptances, endorsements and other obligations	22,63,30,857	22,94,48,664	22,48,23,917
VI. Interest Rate Swaps	78,16,599	1,26,57,894	84,11,272
VII. Other items for which the Bank is contingently liable	3,10,66,409	2,62,28,004	3,15,50,292
TOTAL	3,91,68,24,472	3,93,27,10,278	3,79,11,78,859

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र. का. वित विभाग FINANCE DEPT.

Classification: Internal

SCHEDULES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Half Year ended 30-06-2023 ₹	Half Year ended 30-09-2022 ₹	Year ended 31-03-2023 ₹
SCHEDULE - 13 : INTEREST AND DIVIDENDS EARNED			
I. Interest/Discount on advances/bills	20,38,24,193	15,17,06,664	33,54,88,878
II. Income on Investments	7,01,94,238	5,69,39,233	12,03,41,146
III. Interest on balances with Reserve Bank of India and other inter-bank funds	1,46,91,812	50,56,256	1,67,45,628
IV. Others	63,31,185	21,80,273	67,41,249
TOTAL	**29,50,41,428**	**21,58,82,426**	**47,93,16,901**
SCHEDULE - 14 : OTHER INCOME			
I. Commission, exchange and brokerage	84,44,750	62,50,253	1,38,23,154
II. Profit/(Loss) on sale of Investments	50,01,006	17,83,037	26,52,069
III. Profit /(Loss) on Revaluation of Investments - net	(12,05,850)	(17,26,351)	1,57,45,052
IV. Profit / (Loss) on sale of land, buildings and other assets	5,22,309	10,99,332	13,40,510
V. Profit / (Loss) on exchange transactions	29,31,660	61,00,839	1,00,82,052
VI. Income Earned by way of dividend etc. on subsidiaries/ companies and /or/ joint ventures	1,36,605	-	2,12,456
VII. Miscellaneous Income	1,61,82,584	1,26,99,452	2,82,56,378
TOTAL	**3,20,13,064**	**2,62,06,562**	**7,21,11,671**

* Includes Recoveries made in write-off accounts amounting to ₹ 74,32,885 (Previous Year ₹ 59,77,778)

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र. का. वित विभाग FINANCE DEPT.

Classification: Internal

बैंक ऑफ इंडिया / BANK OF INDIA बोर्ड बैठक Board Meeting 04 NOV 2023 बोर्ड सचिवालय BOARD SECRETARIAT प्रधान कार्यालय / HEAD OFFICE

	Half Year ended 30-06-2023 ₹	Half Year ended 30-06-2022 ₹	(000's Omitted) Year ended 31-03-2023 ₹
SCHEDULE - 15 : INTEREST EXPENDED			
I. Interest on Deposits	14,82,32,195	11,18,72,843	23,70,00,625
II. Interest on Reserve Bank of India / inter-bank borrowings	2,50,88,578	80,41,776	3,01,98,595
III. Interest on Subordinated Debts, IRS etc.	39,05,883	35,71,590	72,07,163
TOTAL	**17,72,26,656**	**12,34,86,209**	**27,44,06,383**
SCHEDULE - 16 : OPERATING EXPENSES			
I. Payments to and provisions for employees	4,47,20,258	3,77,14,215	8,45,29,032
II. Rent, Taxes and Lighting	45,24,789	42,91,585	86,64,225
III. Printing and Stationery	4,59,542	4,45,903	9,66,437
IV. Advertisement and Publicity	1,78,795	75,196	2,96,977
V. Depreciation on Bank's property	24,21,656	20,35,355	42,65,105
VI. Directors' fees, allowances and expenses	33,361	30,301	58,179
VII. Auditors' fees and expenses (Including Branch Auditors' Fees & Expenses)	4,16,846	4,18,323	12,14,078
VIII. Law Charges	1,60,552	1,98,536	4,19,920
IX. Postage, Telegrams, Telephones, etc.	15,08,359	13,58,291	29,29,726
X. Repairs and Maintenance	4,23,004	3,89,253	7,96,057
XI. Insurance	41,45,849	40,32,826	79,76,535
XII. Other Expenditure	1,54,21,732	1,36,94,582	3,16,19,115
TOTAL	**7,44,14,743**	**6,46,84,366**	**14,37,35,386**
SCHEDULE - 16 A : SHARE OF EARNINGS / LOSSES IN ASSOCIATES			
I. Regional Rural Banks (RRBs)	77,729	11,74,646	(12,41,298)
II. Others	6,34,980	5,94,124	8,13,824
TOTAL	**7,12,709**	**17,68,770**	**(4,27,474)**

बैंक ऑफ इंडिया BANK OF INDIA H. O. प्र. का. वित्त विभाग FINANCE DEPT.

Classification: Internal

बैंक ऑफ इंडिया / BANK OF INDIA बोर्ड बैठक Board Meeting 04 NOV 2023

Mukund M Chitale & Co. Chartered Accountants Second Floor, Kapur House, Paranjape B Scheme Road No 1, Vile Parle East, Mumbai-400057	S. Jaykishan Chartered Accountants 12, Ho Chi Minh Sarani, Suite 2D, Kolkata 700071
A. Bafna & Co. Chartered Accountants K-2, Keshav Path, Near Ahinsa Circle, C – Scheme, Jaipur – 302 001	SCV & Co. LLP Chartered Accountants B-41, Panchsheel Enclave, New Delhi-110017

Independent Auditors' Review Report
on Unaudited Consolidated Financial Results for the Quarter and Half Year ended September 30, 2023, of Bank of India pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (as amended)

To

The Board of Directors of Bank of India
Star House, Bandra Kurla Complex,
Bandra (E), Mumbai

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Bank of India ("the Parent")** and its subsidiaries (the Parent and its subsidiaries together referred to as **"the Group"**), its joint venture and its share of the net profit / (loss) after tax of its associates for the quarter and half year ended September 30, 2023 **("the Statement")**, being submitted by the Bank pursuant to the requirement of regulation 33 and 52 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended ("Listing Regulations"). The disclosures relating to Pillar 3 disclosure as at September 30, 2023, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations has been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement and have not been reviewed by us.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), prescribed by The Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review in accordance with the Standards on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by The Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to making inquiries of Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS | S. JAYKISHAN KOLKATA Chartered Accountants | A. BAFNA & CO. FRN 003660C Chartered Accountants | SCV & Co. LLP NEW DELHI Chartered Accountants

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Consolidated Statement includes the results of the following entities:

I. Subsidiaries:	(i) BOI Shareholding Ltd. (ii) Bank Of India Investment Managers Private Limited (iii) Bank Of India Trustee Services Private Limited (iv) BOI Merchant Bankers Ltd. (v) PT Bank of India Indonesia TBK (vi) Bank of India (Tanzania) Ltd. (vii) Bank of India (New Zealand) Ltd. (viii) Bank of India (Uganda) Ltd.
II. Joint Venture:	(i) Star Union Dai-Ichi Life Insurance Company Limited
III. Associates:	(i) Madhya Pradesh Gramin Bank (ii) Vidharbha Konkan Gramin Bank (iii) Aryavart Bank (iv) Indo – Zambia Bank Ltd. (v) STCI Finance Ltd. (vi) ASREC (India) Ltd.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the branch auditors and other auditors referred to in paragraph 7 and 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, except for the disclosures relating to consolidated Pillar 3 disclosure as at September 30, 2023, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Emphasis of Matter

6. We draw attention to

(i) Note No. 8 to the accompanying Statement of Unaudited Consolidated Financial Results, regarding amortization of additional liability on account of revision in family pension amounting to Rs. 612.09 Crores. The Bank has charged an amount of Rs. 30.60 Crores and 81.20 Crores to the Profit and Loss Account for the quarter and half year ended September 30, 2023 respectively and balance unamortized expense of Rs. 102.42 Crores has been carried forward.

(ii) Note No. 24 to the accompanying Statement of Unaudited Consolidated Financial Results, regarding Bank's exercising the irreversible option to shift to the new tax regime under section 115BAA of the Income-tax Act, 1961, effective for the financial year ended March 31, 2023 and onwards and resultant additional one-time charge of Rs. 1,459.89 Crores in the Profit and Loss Account for the quarter and half year ended September 30, 2023 on account of remeasurement of deferred tax assets (net).

Our conclusion is not modified in respect of these matters.

Other Matters

7. In respect of foreign branches – Reviewed by other auditors:

- We did not review the interim financial results of 23 foreign branches included in the unaudited standalone interim financial results of the Parent included in the Group, whose results reflect total assets of Rs. 1,57,870.87 Crores as at September 30, 2023, and total revenues of Rs. 3,927.82 Crores and total net profit after tax of Rs. 156.32 Crores and 439.17 Crores for the quarter and half year ended September 30, 2023 respectively, as considered in the respective unaudited standalone interim financial results of the entities included in the Group.

- The interim financial results of these foreign branches have been reviewed by the branch auditors whose reports have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors and the procedures performed by us as stated in paragraph 3 above.

8. In respect of Subsidiaries, Associates & Joint-ventures – Reviewed by other auditors:

- We did not review the interim financial results of 7 subsidiaries and 1 joint-venture included in the unaudited consolidated financial results, whose interim financial results reflect total assets of Rs. 12,432.55 Crores as at September 30, 2023 and total revenues of Rs.135.06 Crores and 244.96 Crores for the quarter and half year ended September 30, 2023 and total net profit after tax of Rs. 15.26 Crores and -34.38 Crores for the quarter and half year ended September 30, 2023, as considered in the consolidated unaudited financial results.

- The unaudited consolidated financial results also include the Group's share of net profit after tax of Rs. 3.08 Crores and 34.88 Crores for the quarter and half year ended September 30, 2023, as considered in the unaudited consolidated financial results, in respect of 6 associates, whose interim financial results have not been reviewed by us.

- The above interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management of the Parent and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

9. In respect of other branches including foreign branches, Subsidiaries, & Associates – Not reviewed by other auditors:

- The unaudited consolidated financial results include the interim financial results which have not been reviewed of 5114 branches including 2 foreign branches, included in the unaudited standalone financial results of the Parent included in the Group, whose results reflect total advances of Rs. 299987.28 Crores as at September 30, 2023 and total revenues of Rs. 6,272.98 Crores and Rs. 11,260.12 Crores for the quarter and half year ended September 30, 2023, as considered in the respective unaudited standalone financial results of the Parent included in the Group. In the conduct of our review at Head Office / Controlling Offices we have relied upon various information and returns received from these un-reviewed branches / other offices of the Bank and generated through centralized database at Bank's Head Office.

- The unaudited consolidated financial results also include the interim financial results of 1 subsidiary which have not been reviewed by their auditors, whose interim financial results reflect total assets of Rs. 0.20 Crores (Group's Share- 100%) as at September 30, 2023 and total revenue of Rs. 0.11 Crores and Rs. 0.20 Crores (Group's Share- 100%) for the quarter and half year ended, September 30, 2023, respectively and total net profit/ loss after tax of Rs. 0.011 Crores and Rs. 0.003 Crores for the quarter and half year ended September 30, 2023, respectively, as considered in the unaudited consolidated financial results.

- The unaudited consolidated financial results also include the Group's share of net profit after tax of Rs. 7.28 Crores and Rs. 36.39 Crores for the quarter and half year ended June 30, 2023 respectively, as considered in the unaudited consolidated financial results, in respect of 2 associates, based on their interim financial results which have not been reviewed by their auditors.

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

S. JAYKISHAN KOLKATA FRN 309005E Chartered Accountants

A. BAFNA & CO. FRN 003660C Chartered Accountants

SCV & Co. LLP NEW Delhi Chartered Accountants

Mukund M Chitale & Co.	S. Jaykishan
Chartered Accountants Second Floor, Kapur House, Paranjape B Scheme Road No 1, Vile Parle East, Mumbai-400057	Chartered Accountants 12, Ho Chi Minh Sarani, Suite 2D, Kolkata 700071
A. Bafna & Co. Chartered Accountants K-2, Keshav Path, Near Ahinsa Circle, C – Scheme, Jaipur – 302 001	**SCV & Co. LLP** Chartered Accountants B-41, Panchsheel Enclave, New Delhi-110017

- According to the information and explanations given to us by the Management, the above interim financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matters.

10. The Statement includes comparative figures for the year ended March 31, 2023, quarter ended June 30, 2023, and quarter & half year ended September 30, 2022, which have been reviewed /audited by an earlier set of three audit firms as joint auditors, who have expressed unmodified opinion / conclusion vide their report dated May 6, 2023, July 28, 2023 & November 3, 2022 respectively; and one of those three audit firms is a continuing audit firm.

For Mukund M Chitale & Co.	For S. Jaykishan
Chartered Accountants **(FRN: 106655W)** **Nilesh RS Joshi** **Partner // ICAI M. No. 114749** **UDIN: 23114749BGSUXV7308**	**Chartered Accountants** **(FRN: 309005E)** Ritesh Agarwal **Ritesh Agarwal** **Partner // ICAI M. No. 062410** **UDIN: 23062410BGUPVE4780**
For A. Bafna & Co. **Chartered Accountants** **(FRN: 003660C)** **Mukesh Kumar Gupta** **Partner // ICAI M. No. 073515** **UDIN: 23073515BGYKZZ9107**	**For SCV & Co. LLP** **Chartered Accountants** **(FRN:000235N / N500089)** **Anuj Dhingra** **Partner // ICAI M. No. 512535** **UDIN: 23512535BGYSSH9428**

Place: Mumbai
Date: November 4, 2023

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

S. JAYKISHAN KOLKATA FRN 309005E Chartered Accountants

A. BAFNA & CO. FRN 003660C Chartered Accountants

SCV & Co. LLP NEW Delhi Chartered Accountants

BANK OF INDIA

BALANCE SHEET

AS AT 30th SEPTEMBER, 2023

&

PROFIT AND LOSS ACCOUNT

FOR THE HALF YEAR ENDED 30th SEPTEMBER, 2023

Bank of India

BALANCE SHEET AS AT 30th SEPTEMBER 2023

(000's Omitted)

	Schedule No	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
CAPITAL AND LIABILITIES				
Capital	1	41,043,052	41,043,052	41,043,052
Reserves & Surplus	2	567,920,990	521,924,326	548,663,088
Deposits	3	7,037,506,003	6,475,412,872	6,695,857,713
Borrowings	4	653,601,002	458,722,246	649,790,232
Other Liabilities and Provisions	5	230,206,149	197,158,193	220,202,058
TOTAL		8,530,277,196	7,694,260,689	8,155,556,143
ASSETS				
Cash and balances with Reserve Bank of India	6	404,968,424	398,582,043	440,345,054
Balances with Banks and money at call and short notice	7	421,899,407	447,965,298	403,608,131
Investments	8	2,118,481,441	1,840,381,592	2,043,978,771
Advances	9	5,190,885,386	4,602,315,866	4,858,996,352
Fixed Assets	10	101,203,133	98,651,276	99,610,019
Other Assets	11	292,839,405	306,364,614	309,017,816
TOTAL		8,530,277,196	7,694,260,689	8,155,556,143
Contingent Liabilities	12	3,915,657,307	3,931,071,115	3,789,703,359
Bills for Collection		293,357,699	299,349,311	291,747,325
		0.00		

The Schedules referred to above form an integral part of the Balance Sheet.

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

B Kumar
General Manager &
Chief Financial Officer

Sudhiranjan Padhi
Chief General Manager

Subrat Kumar
Executive Director

M. Karthikeyan
Executive Director

Swarup Dasgupta
Executive Director

P. R. Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

Place: Mumbai
Date : November 4, 2023

बैंक ऑफ इंडिया BANK OF INDIA H. O. प्र. का. वित विभाग FINANCE DEPT.

बैंक ऑफ इंडिया / BANK OF INDIA बोर्ड बैठक Board Meeting 04 NOV 2023 मुंबई / HEAD OFFICE

Classification: O

Bank of India

PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED 30th SEPTEMBER, 2023

(000's Omitted)

	Schedule No.	For the half year ended 30-09-2023 ₹	For the half year ended 30-09-2022 ₹	For the year ended 31-03-2023 ₹
INCOME				
Interest earned	13	293,298,100	214,700,444	476,477,223
Other income	14	31,504,014	25,690,382	70,998,904
TOTAL		324,802,114	240,390,826	547,476,127
EXPENDITURE				
Interest expended	15	176,762,726	123,140,065	273,728,195
Operating expenses	16	72,964,322	61,680,782	139,821,724
Provisions and Contingencies		44,980,072	40,355,040	93,696,808
TOTAL		294,707,120	225,175,887	507,246,727
PROFIT/(LOSS)				
Net Profit/(Loss) for the year		30,094,994	15,214,939	40,229,400
Add: Profit/(Loss) brought forward		28,419,538	-	19,986,503
TOTAL		58,514,532	15,214,939	60,215,903
Earnings Per Share (Basic and Diluted)		7.33	3.71	9.80

B Kumar
General Manager &
Chief Financial Officer

Sudhiranjan Padhi
Chief General Manager

Subrat Kumar
Executive Director

M. Karthikeyan
Executive Director

Swarup Dasgupta
Executive Director

P. R. Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

Place: Mumbai
Date : November 4, 2023

बैंक ऑफ इंडिया BANK OF INDIA H. O. प्र. का. वित्त विभाग FINANCE DEPT.

Classification: [illegible]

04 NOV 2023

BANK OF INDIA

Statement of Standalone Cash Flow for the half year ended 30th September, 2023

(₹ in '000)

Particulars	Half Year ended 30.09.2023	Half Year ended 30.09.2022	Year ended 31.03.2023
A. Cash Flow from Operating Activities:			
Net Profit before taxes	**58,650,367**	**23,231,978**	**62,293,107**
Adjustments for:			
Amortisation/Depreciation on Investments	(217,222)	1,689,722	13,567,140
(Profit)/Loss on Revaluation of investments (including depreciation on performing investments)	1,205,850	1,726,351	(15,745,053)
Depreciation on Fixed Assets	2,370,603	2,008,736	4,209,160
(Profit)/Loss on sale of Fixed Asset	(522,309)	963	(1,340,510)
Provision for NPAs	14,547,305	19,688,848	36,018,530
Provision for Standard Assets	1,048,238	9,587,843	16,645,565
Provision for Other items	1,790,659	2,146,079	6,991,403
Interest on AT 1 & Tier II Bonds (treated separately)	3,970,738	3,283,501	6,971,690
Dividend received from Subsidaries/Joint Ventures/Associates	(154,276)	-	(212,456)
Adjustments for:			
Increase /(Decrease) in Deposits	341,648,290	196,453,281	416,898,122
Increase /(Decrease) in Borrowings	(1,189,230)	191,118,580	367,186,566
Increase / (Decrease) in Other Liabilities and Provisions	4,653,085	(62,380,471)	(47,181,331)
(Increase) / Decrease in Investments	(67,247,769)	(94,007,085)	(288,689,127)
(Increase)/ Decrease in Advances	(346,436,340)	(413,586,807)	(686,596,975)
(Increase) / Decrease in Other Assets	(32,074,976)	61,520,551	46,941,198
Direct Taxes (Paid)/Refund	20,049,469	8,291,129	4,148,792
Net Cash Flow from Operating Activities (A)	**2,092,482**	**(49,226,799)**	**(57,994,179)**
B. Cash Flow from Investing Activities:			
Purchase of Fixed Assets	(4,038,949)	(3,453,614)	(6,419,407)
Sale of Fixed Assets	128,234	448,513	1,384,412
Sale / Redemption / (Additional) investment in Subsidiaries/Jt Ventures/Associates (Net)	(8,243,529)	(5,306,514)	(8,627,665)
Dividend received from Subsidiaries, Joint Venture & Associates	154,276	-	212,457
Net Cash Flow from Investing Activities (B)	**(11,999,966)**	**(8,311,615)**	**(13,450,203)**
C. Cash Flow from Financing Activities:			
Share Capital	-	-	-
Share Premium	0	-	-
Issue/(redemption) of Tier II Capital bonds (Net)	5,000,000	-	15,000,000
Dividend (Interim & Final) paid	(8,207,132)	(8,207,132)	(8,207,132)
Interest on AT 1 & Tier II Bonds	(3,970,738)	(3,283,501)	(6,971,690)
Net Cash Flow from Financing Activities (C)	**(7,177,870)**	**(11,490,633)**	**(178,822)**
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**(17,085,354)**	**(69,029,048)**	**(71,623,204)**
Cash and Cash Equivalents as at the beginning of the year	**843,953,185**	**915,576,389**	**915,576,389**
Cash and Cash Equivalents as at the end of the year	**826,867,831**	**846,547,341**	**843,953,185**

Contd...

बैंक ऑफ इंडिया BANK OF INDIA H. O. प्र. का. वित्त विभाग FINANCE DEPT.

Classification: Internal

बैंक ऑफ इंडिया / BANK OF INDIA बोर्ड बैठक Board Meeting 04 NOV 2023

(₹ in '000)

Particulars	Year ended	Year ended	Year ended
	30.09.2023	30.09.2022	31.03.2023
Reconciliation of Cash and Cash Equivalents as at the end of the year			
Cash and balances with Reserve Bank of India (Schedule 6)	404,968,424	398,582,043	440,345,054
Balances with Banks and money at call and short notice (Schedule 7)	421,899,407	447,965,298	403,608,131
Cash and Cash Equivalents as at the end of the period	**826,867,831**	**846,547,341**	**843,953,185**

Cash and cash equivalent as per cash flow statement comprises of cash in hand, in ATM, balances in current account with RBI and other Banks (including deposits) and money at call and short notice which can be readily convertible into cash.

B Kumar
General Manager &
Chief Financial Officer

Sudhiranjan Padhi
Chief General Manager

Subrat Kumar
Executive Director

M. Karthikeyan
Executive Director

Swarup Dasgupta
Executive Director

P R Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

Classification: Internal

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	(000's Omitted) As at 31-03-2023 ₹
SCHEDULE - 1 : CAPITAL			
AUTHORISED CAPITAL			
600,00,00,000 (Previous year ended 600,00,00,000) Equity Shares of ₹10 each	60,000,000	60,000,000	60,000,000
ISSUED CAPITAL			
Equity Shares 410,47,43,170 (Previous year ended 410,47,43,170) of ₹10 each	41,047,432	41,047,432	41,047,432
TOTAL	41,047,432	41,047,432	41,047,432
SUBSCRIBED & PAID-UP CAPITAL			
410,35,66,070 Equity Shares (Previous year ended 410,35,66,070) of ₹10 each	41,035,661	41,035,661	41,035,661
Add: Amount of shares forfeited	7,391	7,391	7,391
TOTAL *	41,043,052	41,043,052	41,043,052

* Of the above, 334,08,61,720 Equity Shares (Previous year ended 334,08,61,720) of ₹10 each fully paid up amounting to ₹3340.86 crore (Previous year ended ₹3340.86 crore) is held by Central Government;

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
SCHEDULE - 2 : RESERVES & SURPLUS			
I. Statutory Reserve :			
Opening Balance	94,858,842	84,798,842	84,798,842
Additions during the year	-	-	10,060,000
TOTAL (I)	94,858,842	84,798,842	94,858,842
II. Capital Reserves :			
A) Revaluation Reserve :			
Opening Balance	68,960,298	69,266,159	69,266,159
Add: Addition during the period on Revaluation of Premises	0	312,643	222,192
Less: Adjustments during the year	43,360	(101,694)	(360,150)
Less: Depreciation on revalued Fixed Assets transferred to Revenue reserve	425,945	507,997	888,203
Total of (A)	68,490,993	69,172,499	68,960,298
B) Others.			
i) Profit on sale of Investments - "Held to Maturity"			
Opening Balance	33,520,679	33,520,679	33,520,679
Additions during the period	-	-	-
Sub-total of (i)	33,520,679	33,520,679	33,520,679
ii) Foreign Currency Translation Reserve			
Opening Balance	23,608,337	19,857,393	19,857,393
Add/ (Less) : Additions / adjustments during the year (Net)	(2,586,334)	2,952,634	3,750,944
Sub-total of (ii)	21,022,003	22,810,027	23,608,337
Total of (B)	54,542,682	56,330,706	57,129,016
TOTAL (II)	123,033,675	125,503,205	126,089,314
III. Share Premium :			
Opening Balance	162,545,324	162,545,324	162,545,324
Add : Additions during the year	0	-	-
Less : Deductions/Utilization during the year	-	-	-
TOTAL (III)	162,545,324	162,545,324	162,545,324

बैंक ऑफ इंडिया BANK OF INDIA H. O. प्र. का. वित्त विभाग FINANCE DEPT.

Classification:

बैंक ऑफ इंडिया / BANK OF INDIA बोर्ड बैठक Board Meeting 04 NOV 2023 बोर्ड सचिवालय BOARD SECRETARIAT मुंबई / HEAD OFFICE

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
SCHEDULE - 2 : RESERVES & SURPLUS (contd.)			
IV. Revenue and Other Reserves :			
i) Revenue Reserve :			
Opening Balance	87,744,906	84,818,508	84,818,508
Add: Additions during the year	425,679	1,788,550	2,926,398
Less: Deductions during the year	-	343	-
Sub-total of IV(i)	88,170,585	86,606,715	87,744,906
ii) Investment Reserve Account :			
Opening Balance	3,807,815	-	-
Add: Additions during the year		-	3,807,814.96
Less: Deductions during the year	-	-	-
Sub-total of IV(ii)	3,807,815	-	3,807,814.96
iii) Investment Fluctuation Reserve :			
Opening Balance	10,790,217	9,275,931	9,275,931
Add: Additions during the year		-	1,514,286
Less: Deductions during the year	-	-	-
Sub-total of IV(iii)	10,790,217	9,275,931	10,790,217
iv) Special Reserve u/s Sec 36(1)(viii) of Income Tax Act, 1961			
Opening Balance	26,200,000	26,200,000	26,200,000
Additions during the year	-	-	-
Sub-total of IV(iv)	26,200,000	26,200,000	26,200,000
TOTAL (IV)	128,968,617	122,082,646	128,542,938
V. Balance in Profit and Loss Account :	58,514,532	26,994,309	36,626,670
TOTAL (I TO V)	567,920,990	521,924,326	548,663,088
SCHEDULE - 3 : DEPOSITS			
A. I. Demand Deposits :			
i) From Banks	7,224,230	6,190,243	13,155,027
ii) From Others	338,140,249	321,736,126	336,260,434
TOTAL (I)	345,364,479	327,926,369	349,415,461
II. Savings Bank Deposits	2,271,271,504	2,150,210,277	2,222,777,608
III. Term Deposits :			
i) From Banks	437,194,391	419,938,670	501,172,088
ii) From Others	3,983,675,629	3,577,337,556	3,622,492,556
TOTAL (III)	4,420,870,020	3,997,276,226	4,123,664,644
TOTAL A(I, II, III)	7,037,506,003	6,475,412,872	6,695,857,713
B. i) Deposits of branches in India	5,988,495,200	5,514,008,018	5,670,627,884
ii) Deposits of branches outside India	1,049,010,803	961,404,854	1,025,229,829
TOTAL (B)	7,037,506,003	6,475,412,872	6,695,857,713

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र. का. वित्त विभाग FINANCE DEPT.

Classification:

SCHEDULE - 4 : BORROWINGS

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
I. Borrowings in India :			
i) Reserve Bank of India	30,000,000	35,190,000	26,920,000
ii) Other Banks			
a. Tier I Capital	7,790,000	2,610,000	7,540,000
b. Tier II Capital	6,770,000	3,370,000	3,370,000
c. Others	3,000,000	0	89,565
Total (ii)	17,560,000	5,980,000	10,999,565
iii) Other Institutions and Agencies			
a. Tier I Capital	20,730,000	10,910,000	20,980,000
b. Tier II Capital	61,230,000	59,630,000	59,630,000
c. Others	482,601,560	321,201,255	503,773,826
Total (iii)	564,561,560	391,741,255	584,383,826
Total (I)	612,121,560	432,911,255	622,303,391
II. Borrowings outside India			
a. Tier I Capital	-	-	-
b. Upper Tier II Capital	-	-	-
c. Others	41,479,442	25,810,991	27,486,841
Total (II)	41,479,442	25,810,991	27,486,841
Total (I, II)	653,601,002	458,722,246	649,790,232
Secured borrowings included in I & II above	176,192,860	188,961,440	220,825,176

SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
I. Bills Payable	16,862,733	15,514,092	16,225,591
II. Inter-office adjustments (net)	163,472	-	-
III. Interest accrued	30,075,021	24,591,370	25,651,647
IV. Deferred Tax Liabilities	-	-	-
V. Others (Including Provisions)*	183,104,923	157,052,731	178,324,820
TOTAL	230,206,149	197,158,193	220,202,058

* Includes provision for Standard Assets ₹ 53,518,958 (Previous Year ₹ 45,518,512)

बैंक ऑफ इंडिया BANK OF INDIA H. O. प्र. का. वित्त विभाग FINANCE DEPT.

Classification: ...

बैंक ऑफ इंडिया / BANK OF INDIA बोर्ड बैठक Board Meeting 04 NOV 2023 प्रधान कार्यालय मुंबई / HEAD OFFICE

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
SCHEDULE - 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA			
I. Cash in hand (including foreign currency notes)	25,632,207	22,886,017	21,343,258
II. Balances with Reserve Bank of India : *			
i) In Current Account	379,276,709	365,696,026	365,182,605
ii) In Other Accounts	59,508	10,000,000	53,819,191
TOTAL (II)	379,336,217	375,696,026	419,001,796
TOTAL (I, II)	404,968,424	398,582,043	440,345,054

* Including balances with Central Banks outside India

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
SCHEDULE - 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE			
I. In India :			
i) Balances with Banks			
a) In Current Accounts	704,768	874,966	406,830
b) In Other Deposit Accounts	-	-	6,162,750
ii) Money at call and short notice			
a) With Banks	46,100	500,000	-
b) With Other Institutions	-	2,619,079	301,669
TOTAL (i and ii)	750,868	3,994,045	6,871,249
II. Outside India :			
i) In Current Accounts	5,757,890	4,969,698	4,756,530
ii) In Other Deposit Accounts	263,293,178	314,960,624	259,688,429
iii) Money at call and short notice	152,097,471	124,040,931	132,291,923
TOTAL (i, ii and iii)	421,148,539	443,971,253	396,736,882
TOTAL (I, II)	421,899,407	447,965,298	403,608,131

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
SCHEDULE - 8 : INVESTMENTS			
I. Investments in India :			
i) Government Securities	1,875,820,502	1,615,804,771	1,797,257,779
ii) Other approved Securities	-	-	-
iii) Shares	9,829,574	9,902,551	10,334,035
iv) Debentures and Bonds	94,173,922	86,834,670	99,787,051
v) Subsidiaries and/or Joint ventures (including Associates)	12,002,735	8,765,672	12,058,644
vi) Others (Commercial Papers, Units of Mutual Funds, Pass Through Certificates, Security Receipts, Venture Fund, Gold etc.)	14,437,489	14,765,515	19,935,443
TOTAL (I)	2,006,264,222	1,736,073,179	1,939,372,952
Gross	2,044,751,442	1,784,143,648	1,980,964,874
Less: Depreciation and Amortisation	38,487,220	48,070,469	41,591,922
Net	2,006,264,222	1,736,073,179	1,939,372,952
II. Investments outside India :			
i) Government Securities (including local authorities)	74,895,058	72,142,135	74,407,006
ii) In Subsidiaries and/or joint ventures abroad	22,965,905	14,729,147	14,722,376
iii) Other Investments (Debentures, Bonds etc.)	14,356,256	17,437,131	15,476,437
TOTAL (II)	112,217,219	104,308,413	104,605,819
Gross	116,091,802	106,966,585	107,345,161
Less: Depreciation and Amortisation	3,874,583	2,658,172	2,739,342
Net	112,217,219	104,308,413	104,605,819
TOTAL (I, II)	2,118,481,441	1,840,381,592	2,043,978,771

बैंक ऑफ इंडिया BANK OF INDIA H. O. प्र. का. वित्त विभाग FINANCE DEPT.

Classification: :

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
SCHEDULE - 9 : ADVANCES			
A. i) Bills Purchased and Discounted	364,620,561	293,635,794	361,983,161
ii) Cash Credits, Overdrafts and Loans repayable on demand	1,964,285,902	1,771,769,086	1,859,855,164
iii) Term Loans	2,861,978,923	2,536,910,986	2,637,158,027
TOTAL (A)	5,190,885,386	4,602,315,866	4,858,996,352
B. Particulars of Advances :			
i) Secured by tangible assets (includes advances against Book Debts)	3,571,150,276	2,818,081,148	3,346,735,660
ii) Covered by Bank/Government Guarantees	509,780,330	410,980,901	478,631,983
iii) Unsecured	1,109,954,780	1,373,253,817	1,033,628,709
TOTAL (B)	5,190,885,386	4,602,315,866	4,858,996,352
C. Sectoral Classification of Advances :			
I. Advances in India			
i) Priority Sector	1,576,945,734	1,410,440,002	1,494,683,925
ii) Public Sector	1,141,335,257	1,200,254,860	1,204,704,107
iii) Banks	35,670,494	89,378	178,024
iv) Others	1,534,542,143	1,240,607,824	1,351,019,236
TOTAL (C-I)	4,288,493,628	3,851,392,064	4,050,585,292
II. Advances outside India :			
i) Due from Banks	373,782,054	339,624,045	369,097,116
ii) Due from others			
a) Bills Purchased and Discounted	95,749,617	82,840,764	113,536,084
b) Syndicated Loans	218,504,980	120,193,119	134,725,824
c) Others	214,355,107	208,265,874	191,052,037
TOTAL (C-II)	902,391,758	750,923,802	808,411,061
TOTAL (C - I, C - II)	5,190,885,386	4,602,315,866	4,858,996,353
SCHEDULE - 10 : FIXED ASSETS			
I. PREMISES :			
Opening Balance, at cost	21,115,362	18,699,604	18,699,604
Additions / Adjustments during the year	128,307	428,400	2,419,268
Less:Deductions / Adjustments during the year	35,011	3,510	3,510
Sub-total	21,208,658	19,124,494	21,115,362
Addition to date on account of revaluation	70,103,310	69,890,125	70,156,030
Less : Depreciation to date (including on account of revaluation)	6,331,183	5,117,909	5,774,217
TOTAL - (I)	84,980,786	83,896,710	85,497,175
II. OTHER FIXED ASSETS : (Including Furniture and Fixtures)			
Opening Balance at cost	47,786,619	42,944,931	42,944,931
Additions / Adjustments during the year	3,765,626	2,065,246	5,768,384
Less:Deductions / Adjustments during the year	93,223	99,366	926,696
Sub-total	51,479,022	44,910,811	47,786,619
Less: Depreciation to date	36,475,201	33,180,909	34,759,500
TOTAL (II)	15,003,821	11,729,902	13,027,119
III. CAPITAL WORK IN PROGRESS	1,218,527	3,024,664	1,085,725
TOTAL (I, II, III)	101,203,133	98,651,276	99,610,019

बैंक ऑफ इंडिया BANK OF INDIA H. O. प्र. का. वित्त विभाग FINANCE DEPT.

Classification: C

बोर्ड बैठक Board Meeting 04 NOV 2023

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
SCHEDULE - 11 : OTHER ASSETS			
I. Inter-office adjustments (net)	-	11,496,782	20,715,175
II. Interest accrued	58,401,987	30,308,877	36,452,715
III. Tax paid in advance/tax deducted at source	49,702,009	62,118,550	68,610,640
IV. Stationery and Stamps	123,707	113,833	112,378
V. Deferred Tax Assets (Net)	36,009,898	82,348,712	66,378,837
VI. Others *	148,601,804	119,977,860	116,748,071
TOTAL	292,839,405	306,364,614	309,017,816

* Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹ 52,190,972 (Previous Year ₹ 57,904,474)

	As at 30-09-2023 ₹	As at 30-09-2022 ₹	As at 31-03-2023 ₹
SCHEDULE - 12 : CONTINGENT LIABILITIES			
I. Claims against the Bank not acknowledged as debts	17,206,155	18,445,241	17,039,174
II. Liability for partly paid investments	985,106	1,057,243	947,055
III. Liability on account of outstanding forward exchange contracts	3,392,780,874	3,389,259,479	3,263,331,139
IV. Guarantees given on behalf of Constituents :			
a) In India	217,228,462	209,476,245	216,842,851
b) Outside India	22,802,142	45,156,126	27,485,360
V. Acceptances, endorsements and other obligations	226,141,751	229,164,343	224,434,843
VI. Derivative contracts other than listed at III above	7,816,599	12,657,894	8,411,272
VII. Other items for which the Bank is contingently liable	30,696,218	25,854,544	31,211,665
TOTAL	3,915,657,307	3,931,071,115	3,789,703,359

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र. का. वित्त विभाग FINANCE DEPT.

Classification: *

बैंक ऑफ इंडिया / BANK OF INDIA बोर्ड बैठक Board Meeting 04 NOV 2023 बोर्ड सचिवालय BOARD SECRETARIAT मुंबई / HEAD OFFICE

SCHEDULES TO PROFIT AND LOSS ACCOUNT

		For the Half Year ended 30-09-2023 ₹		For the Half Year ended 30-09-2022 ₹		For the Year ended 31-03-2023 ₹
SCHEDULE - 13 : INTEREST EARNED						
I. Interest/Discount on advances/bills		202,691,936		150,994,798		333,676,070
II. Income on Investments		69,588,622		56,616,190		119,431,951
III. Interest on balances with Reserve Bank of India and other inter-bank funds		14,697,414		4,921,727		16,663,845
IV. Others		6,320,128		2,167,729		6,705,357
TOTAL		293,298,100		214,700,444		476,477,223
SCHEDULE - 14 : OTHER INCOME						
I. Commission, exchange and brokerage		8,380,689		6,180,413		13,681,969
II. Profit on sale of Investments	4,980,277		1,771,732		2,622,807	
Less : Loss on sale of Investments	-		7,695		9,273	
		4,980,277		1,764,037		2,613,534
III. Profit on revaluation of Investments	36,834		1,469		179,982	
Less : Loss on revaluation of Investments	1,242,684		1,727,820		(15,565,070)	
		(1,205,850)		(1,726,351)		15,745,052
IV. Profit on sale of land, buildings and other assets	524,529		1,108,087		1,355,613	
Less : Loss on sale of land, buildings and other assets	2,220		8,755		15,103	
		522,309		1,099,332		1,340,510
V Profit on exchange transactions	2,905,998		6,077,363		10,045,229	
Less : Loss on Exchange Transactions	651		15		7,626	
		2,905,347		6,077,348		10,037,603
VI Income earned by way of dividends etc., from subsidiaries/ companies and/or joint ventures abroad/in India		154,276		-		212,456
VII Miscellaneous Income *		15,766,966		12,295,603		27,367,780
TOTAL		31,504,014		25,690,382		70,998,904

* Includes Recoveries made in write-off accounts amounting to ₹ 74,32,885 (Previous Year ₹ 59,77,778)

बैंक ऑफ इंडिया
BANK OF INDIA
H. O.
प्र. का.
वित्त विभाग
FINANCE DEPT.

Classification:

04 NOV 2023

	For the Half Year ended 30-09-2023 ₹	For the Half Year ended 30-09-2022 ₹	For the Year ended 31-03-2023 ₹
SCHEDULE - 15 : INTEREST EXPENDED			
I. Interest on Deposits	147,781,804	111,539,871	236,270,317
II. Interest on Reserve Bank of India / Inter-bank borrowings	25,075,048	8,028,604	30,166,921
III. Others:	3,905,874	3,571,590	7,290,957
TOTAL	176,762,726	123,140,065	273,728,195
SCHEDULE - 16 : OPERATING EXPENSES			
I. Payments to and provisions for employees	44,355,177	37,417,249	83,918,350
II. Rent, Taxes and Lighting	4,492,736	4,201,322	8,535,770
III. Printing and Stationery	453,106	441,266	957,455
IV. Advertisement and Publicity	172,827	69,058	260,529
V. Depreciation on Bank's property	2,370,603	2,008,736	4,209,160
VI. Directors' fees, allowances and expenses	6,632	5,633	9,110
VII. Auditors' fees and expenses (Including branch Auditors' fees & expenses)	408,547	402,478	1,195,005
VIII. Law Charges	149,802	169,250	381,406
IX. Postage, Telegrams, Telephones, etc.	1,479,631	1,275,360	2,817,696
X. Repairs and Maintenance	409,922	383,275	782,403
XI. Insurance	4,126,053	4,013,362	7,938,260
XII. Other Expenditure	14,539,286	11,293,793	28,796,578
TOTAL	72,964,322	61,680,782	139,821,724

बैंक ऑफ इंडिया BANK OF INDIA H. O. प्र. का. वित्त विभाग FINANCE DEPT.

Classification:

बैंक ऑफ इंडिया / BANK OF INDIA बोर्ड बैठक Board Meeting 04 NOV 2023 बोर्ड सचिवालय BOARD SECRETARIAT मुंबई / HEAD OFFICE

Mukund M Chitale & Co. Chartered Accountants Second Floor, Kapur House, Paranjape B Scheme Road No 1, Vile Parle East, Mumbai-400057	S. Jaykishan Chartered Accountants 12, Ho Chi Minh Sarani, Suite 2D, Kolkata 700071
A. Bafna & Co. Chartered Accountants K-2, Keshav Path, Near Ahinsa Circle, C – Scheme, Jaipur – 302 001	SCV & Co. LLP Chartered Accountants B-41, Panchsheel Enclave, New Delhi-110017

Independent Auditors' Review Report
on Unaudited Standalone Financial Results for the Quarter and Half Year ended September 30, 2023, of Bank of India pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (as amended)

To

The Board of Directors of Bank of India
Star House, Bandra Kurla Complex,
Bandra (E), Mumbai

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Bank of India ("the Bank")** for the quarter and half year ended September 30, 2023 **('the Statement')** attached herewith, being submitted by the Bank pursuant to the requirement of regulation 33 and 52 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended ("Listing Regulations"). The Statement is the responsibility of the Bank's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review. The disclosures relating to Pillar 3 disclosure as at September 30, 2023, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations has been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement and have not been reviewed by us.

2. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), prescribed by The Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review in accordance with the Standards on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by The Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to making inquiries of Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Mukund M Chitale & Co. Chartered Accountants Second Floor, Kapur House, Paranjape B Scheme Road No 1, Vile Parle East, Mumbai-400057	S. Jaykishan Chartered Accountants 12, Ho Chi Minh Sarani, Suite 2D, Kolkata 700071
A. Bafna & Co. Chartered Accountants K-2, Keshav Path, Near Ahinsa Circle, C – Scheme, Jaipur – 302 001	SCV & Co. LLP Chartered Accountants B-41, Panchsheel Enclave, New Delhi-110017

4. These Statement of Unaudited Standalone Financial Results incorporate the relevant returns of 20 domestic branches and Treasury branch reviewed by us, 21 foreign branches reviewed by other auditors specially appointed for this purpose and un-reviewed returns in respect of 5112 domestic branches and 2 foreign branches. These review reports cover 52.32% of the advances portfolio (excluding outstanding of Asset Recovery Branches and Food Credit Advance) of the Bank, 15.61 % of non-performing asset of the Bank and the investment portfolio of the Treasury Branch of the Bank. Apart from these review reports, in the conduct of our review at Head Office / Controlling Offices, we have also relied upon various information and returns received from these un-reviewed branches / other offices of the Bank and generated through centralised database at Bank's Head Office.

5. Based on our review conducted as above and subject to limitation in scope as mentioned in Paragraph 3 & 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Standalone Financial Results together with the notes thereon has not been prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 as amended including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matter.

Emphasis of Matter

6. We draw attention to

(i) Note No. 8 to the accompanying Statement of Unaudited Standalone Financial Results, regarding amortization of additional liability on account of revision in family pension amounting to Rs. 612.09 Crores. The Bank has charged an amount of Rs. 30.60 Crores & Rs. 81.20 Crores to the Profit and Loss Account for the quarter and half year ended September 30, 2023 respectively, and balance unamortized expense of Rs. 102.42 Crores has been carried forward.

(ii) Note No. 24 to the accompanying Statement of Unaudited Standalone Financial Results, regarding Bank's exercising the irreversible option to shift to the new tax regime under section 115BAA of the Income-tax Act, 1961, effective for the financial year ended March 31, 2023 and onwards and resultant additional one-time charge of Rs. 1,459.89 Crores in the Profit and Loss Account for the quarter and half year ended September 30, 2023 on account of remeasurement of deferred tax assets (net).

Our conclusion is not modified in respect of these matters.

Mukund M Chitale & Co. Chartered Accountants Second Floor, Kapur House, Paranjape B Scheme Road No 1, Vile Parle East, Mumbai-400057	**S. Jaykishan** Chartered Accountants 12, Ho Chi Minh Sarani, Suite 2D, Kolkata 700071
A. Bafna & Co. Chartered Accountants K-2, Keshav Path, Near Ahinsa Circle, C – Scheme, Jaipur – 302 001	**SCV & Co. LLP** Chartered Accountants B-41, Panchsheel Enclave, New Delhi-110017

Other Matters

7. The Statement includes comparative figures for the year ended March 31, 2023, quarter ended June 30, 2023, and quarter & half year ended September 30, 2022, which have been reviewed /audited by an earlier set of three audit firms as joint auditors, who have expressed unmodified opinion / conclusion vide their report dated May 6, 2023, July 28, 2023 & November 3, 2022 respectively; and one of those three audit firms is a continuing audit firm.

For Mukund M Chitale & Co. **Chartered Accountants** **(FRN: 106655W)** **Nilesh RS Joshi** **Partner // ICAI M. No. 114749** **UDIN: 23114749BGSUXU3221**	**For S. Jaykishan** **Chartered Accountants** **(FRN: 309005E)** Ritesh Agarwal **Ritesh Agarwal** **Partner // ICAI M. No. 062410** **UDIN: 23062410BGUPVD2828**
For A. Bafna & Co. **Chartered Accountants** **(FRN: 003660C)** **Mukesh Kumar Gupta** **Partner // ICAI M. No. 073515** **UDIN: 23073515BGYKZY6517**	**For SCV & Co. LLP** **Chartered Accountants** **(FRN:000235N / N500089)** **Anuj Dhingra** **Partner // ICAI M. No. 512535** **UDIN: 23512535BGYSSG2625**

Place: Mumbai
Date: November 4, 2023

BANK OF INDIA

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2023

&

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2023

BANK OF INDIA

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023

(000's Omitted)

	Schedule No.	As at 31-03-2023 ₹	As at 31-03-2022 ₹
CAPITAL AND LIABILITIES			
Capital	1	4,10,43,052	4,10,43,052
Reserves & Surplus	2	56,32,86,363	52,41,75,455
Share Application Money, pending allotment		0	0
Minorities Interest	2A	15,65,135	12,94,950
Deposits	3	6,72,19,41,223	6,29,98,07,511
Borrowings	4	65,01,52,251	26,82,11,160
Other liabilities and provisions	5	28,23,69,474	29,67,81,186
TOTAL		8,26,03,57,498	7,43,13,13,314
ASSETS			
Cash and balances with Reserve Bank of India	6	44,38,15,490	40,53,03,244
Balances with Banks and money at call and short notice	7	40,30,17,298	51,17,85,657
Investments	8	2,11,32,35,522	1,80,27,39,526
Advances	9	4,88,68,76,989	4,23,00,11,355
Fixed Assets	10	10,06,05,567	9,85,61,127
Other Assets	11	31,28,06,632	38,29,12,405
TOTAL		8,26,03,57,498	7,43,13,13,314
Contingent Liabilities	12	3,79,11,78,859	4,23,31,89,026
Bills for collection		29,18,95,113	27,61,13,735

The schedules referred to above form an integral part of the Balance Sheet.

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

Sankar Sen
General Manager & Chief Financial Officer

Shiv Bajrang Singh
Chief General Manager

Subrat Kumar
Executive Director

M. Karthikeyan
Executive Director

Swarup Dasgupta
Executive Director

P. R. Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

DIRECTORS

Dr.Bhushan Kumar Sinha | **Subrata Das** | **Veni Thapar** | **Munish Kumar Ralhan** | **V V Shenoy**

In terms of our report of even date attached

For V Sankar Aiyar & Co.
Chartered Accountants
(FRN:109208W)

Asha Patel
Partner
M. No.166048

For Laxmi Tripti & Associates
Chartered Accountants
(FRN:009189C)

Sunil Agarwal
Partner
M. No.103066

For Mukund M Chitale & Co.
Chartered Accountants
(FRN: 106655W)

Nilesh RS Joshi
Partner
M. No. 114749

Place: Mumbai
Date: May 6, 2023

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

बैंक ऑफ़ इंडिया BANK OF INDIA H.O. प्र. का. वित्त विभाग FINANCE DEPT

BANK OF INDIA

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2023

(000's Omitted)

	Schedule No.	Year ended 31-03-2023 ₹	Year ended 31-03-2022 ₹
I. INCOME			
Interest earned	13	47,93,16,901	38,28,09,149
Other income	14	7,21,11,671	8,01,05,431
TOTAL		55,14,28,572	46,29,14,580
II. EXPENDITURE			
Interest expended	15	27,44,06,383	24,08,34,340
Operating expenses	16	14,37,35,386	12,17,00,991
Provisions & Contingencies		9,44,65,924	6,63,18,041
TOTAL		51,26,07,693	42,88,53,372
Share of earnings/(loss) in Associates	16A	(4,27,474)	8,11,857
Consolidated Net Profit/(Loss) for the year before deducting Minorities' interest		3,83,93,405	3,48,73,065
Less: Minorities' Interest		13,793	(52,659)
Consolidated Net Profit/(Loss) for the year attributable to the group		3,83,79,612	3,49,25,724
Add: Brought forward consolidated profit/(loss) attributable to the group		1,99,77,393	(8,87,876)
TOTAL		5,83,57,005	3,40,37,848
III APPROPRIATIONS			
Transfer to Statutory Reserve		1,00,60,000	85,20,000
Transfer to Investment Fluctuation Reserve		15,14,286	25,37,920
Transfer to/ (from) Revenue Reserve		-	0
Transfer to Capital Reserve		-	30,02,535
Transfer to Investment Reserve Account		38,07,815	-
Final Dividend (including dividend tax)		82,07,132	0
Special Reserve u/s Sec 36(1) (viii) of Income Tax Act, 1961		-	0
Balance carried over to consolidated Balance sheet		3,47,67,772	1,99,77,393
TOTAL		5,83,57,005	3,40,37,848
Significant Accounting Policies	17		
Notes to Accounts	18		
Earnings Per Share (₹) (Basic)		9.35	9.07
Earnings Per Share (₹) (Diluted)		9.35	9.07

The schedules referred to above form an integral part of the Profit and Loss Account
The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act, 1949.

Sankar Sen
General Manager & Chief Financial Officer

Shiv Bajrang Singh
Chief General Manager

Subrat Kumar
Executive Director

M. Karthikeyan
Executive Director

Swarup Dasgupta
Executive Director

P. R. Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

DIRECTORS

Dr.Bhushan Kumar Sinha **Subrata Das** **Veni Thaper** **Munish Kumar Ralhan** **V V Shenoy**

In terms of our report of even date attached

For V Sankar Aiyar & Co.
Chartered Accountants
(FRN:109208W)

Asha Patel
Partner
M. No.166048

Place: Mumbai
Date: May 5, 2023

For Laxmi Tripti & Associates
Chartered Accountants
(FRN:009189C)

Sunil Agarwal
Partner
M. No.103066

For Mukund M Chitale & Co.
Chartered Accountants
(FRN: 106655W)

Nilesh RS Joshi
Partner
M. No. 114749

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

बैंक ऑफ इंडिया BANK OF INDIA H. O. प्र. का. वित्त विभाग FINANCE DEPT.

LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

Classification: Internal

BANK OF INDIA

Statement of Consolidated Cash Flow for the year ended 31st March, 2023

(₹ in '000)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
A. Cash Flow from Operating Activities:		
Net Profit before taxes	**60,545,762**	**56,600,977**
Adjustments for:		
Amortisation/Depreciation on Investments	13,567,140	6,166,144
Depreciation on Fixed Assets	4,265,105	3,716,786
Profit on sale of Fixed Assets	(1,340,510)	(7,938)
(Profit) / Loss on Revaluation of Investments (Incl depn performing inv)	(15,745,053)	3,522,575
Provision for NPA	36,679,013	29,927,109
Provision for Standard Assets	16,551,755	8,938,841
Provision for Other Items	6,991,403	1,803,226
Interest on AT I & Tier II bonds	6,971,690	7,038,868
Dividend received from Associates	(212,456)	(155,962)
Adjustments for:		
Increase / (Decrease) in Deposits	422,133,712	8,823,947
Increase/ (Decrease) in Borrowings	366,941,091	(49,429,895)
Increase / (Decrease) in Other Liabilities & Provisions	(35,287,189)	68,515,095
(Increase) / Decrease in Investments	(308,745,559)	105,313,714
(Increase) / Decrease in Advances	(693,537,559)	(583,265,001)
(Increase) / Decrease in Other Assets	46,210,848	(16,819,052)
Taxes (Paid) / Refund	3,560,381	(5,558,522)
Net Cash Flow from Operating Activities (A)	**(70,450,426)**	**(354,869,088)**
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(6,232,927)	(5,719,770)
Sale of Fixed Assets	996,158	234,912
Dividend received from Associates	212,456	155,962
Impact of Consolidation	(459,260)	(812,433)
Minority Interest	270,185	(298,191)
Net Cash Flow from Investing Activities (B)	**(5,213,388)**	**(6,439,520)**
C. Cash Flow from Financing Activities:		
Equity Share Capital	-	4,054,719
Share Premium	5,586,523	21,445,408
Share Application Money	-	-
Issue / (Redemption) of Tier I and Tier II Capital Bonds (Net)	15,000,000	(7,000,000)
Dividend Paid	(8,207,132)	-
Interest on AT I & Tier II bonds	(6,971,690)	(7,038,868)
Net Cash Flow from Financing Activities (C)	**5,407,701**	**11,461,259**
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**(70,256,113)**	**(349,847,349)**
Cash and Cash Equivalents as at the beginning of the year	**917,088,901**	**1,266,936,250**
Cash and Cash Equivalents as at the end of the year	**846,832,788**	**917,088,901**

Particulars	Year ended	Year ended
	31.03.2023	31.03.2022
Reconciliation of Cash and Cash Equivalents as at the end of the year		
Cash and balances with Reserve Bank of India (Schedule 6)	443,815,490	405,303,244
Balances with Banks and money at call and short notice (Schedule 7)	403,017,298	511,785,657
Cash and Cash Equivalents as at the end of the year	**846,832,788**	**917,088,901**

Cash and cash equivalent as per cash flow statement comprises of cash in hand, in ATM, balances in current account with RBI and other Banks (including deposits) and money at call and short notice which can be readily convertible into cash.

Sankar Sen
General Manager & Chief Financial Officer

Shiv Bajrang Singh
Chief General Manager

Subrat Kumar
Executive Director

M. Karthikeyan
Executive Director

Swarup Dasgupta
Executive Director

P. R. Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

DIRECTORS

Dr.Bhushan Kumar Sinha | **Subrata Das** | **Veni Thapar** | **Munish Kumar Ralhan** | **V V Shenoy**

In terms of our report of even date attached

For V Sankar Aiyar & Co.
Chartered Accountants
(FRN:109208W)

Asha Patel
Partner
M. No.166048

For Laxmi Tripti & Associates
Chartered Accountants
(FRN:009189C)

Sunil Agarwal
Partner
M. No.103066

For Mukund M Chitale & Co.
Chartered Accountants
(FRN: 106655W)

Nilesh RS Joshi
Partner
M. No. 114749

Place: Mumbai

Date: May 06, 2023

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

बैंक ऑफ इंडिया BANK OF INDIA H. O. प्र. का. वित्त विभाग FINANCE DEPT

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

(000's Omitted)

	As at 31-03-2023 ₹	As at 31-03-2022 ₹
SCHEDULE - 1 : CAPITAL		
AUTHORISED CAPITAL		
600,00,00,000 (Previous year 600,00,00,000) Equity Shares of ₹ 10 each	6,00,00,000	6,00,00,000
ISSUED CAPITAL		
Equity Shares 410,47,43,170 (Previous year ended 410,47,43,170) of ₹ 10 each	4,10,47,432	4,10,47,432
TOTAL	4,10,47,432	4,10,47,432
SUBSCRIBED AND PAID-UP CAPITAL		
410,35,66,070 Equity Shares (Previous year 410,35,66,070) of ₹ 10 each fully paid-up.	4,10,35,661	4,10,35,661
Add: Amount of shares forfeited	7,391	7,391
TOTAL*	**4,10,43,052**	**4,10,43,052**

* Of the above, 334,08,61,720 Equity Shares (Previous year ended 334,08,61,720) of ₹ 10 each fully paid up amounting to ₹ 3340.86 crore (Previous year ended ₹ 3340.86 crore) is held by Central Government;

बैंक ऑफ इंडिया BANK OF INDIA H. O. प्र. का. वित्त विभाग FINANCE DEPT.

V SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO MUMBAI CHARTERED ACCOUNTANTS

Classification: Internal

	As at 31-03-2023 ₹	(000's Omitted) As at 31-03-2022 ₹
SCHEDULE - 2 : RESERVES & SURPLUS		
I. Statutory Reserve :		
Opening Balance	8,49,68,244	7,64,56,452
Add: Additions/adjustments during the year	1,00,56,912	85,11,792
TOTAL (I)	9,50,25,156	8,49,68,244
II. Capital Reserves :		
A) Revaluation Reserve :		
Opening Balance	6,98,17,289	6,30,46,153
Add Addition during the year on Revaluation of Premises	2,22,192	73,38,808
Less: Adjustments during the year	(3,98,276)	(1,07,664)
Less: Depreciation / adjustments on account of revaluation	8,88,203	6,75,335
Total of (A)	6,95,49,554	6,98,17,290
B) Others		
i) Capital Redemption Reserve		
Opening Balance	5,000	5,000
Add /Less: Additions/deductions	-	-
Sub-total of (i)	5,000	5,000
ii) Profit on sale of Investments - "Held to Maturity"		
Opening Balance	3,35,20,679	3,05,18,144
Add: Additions during the year	-	30,02,535
Sub-total of (ii)	3,35,20,679	3,35,20,679
iii) Capital Reserve on Consolidation		
Opening Balance	8,86,734	6,90,111
Add: Adjustment during the year	(8,86,734)	1,96,623
Sub-total of (iii)	-	8,86,734
iv) Foreign Currency Translation Reserve		
Opening Balance	1,97,04,850	2,04,23,918
Add/ (Less) : Adjustments during the year (Net)	43,88,769	-7,19,068
Sub-total of (iv)	2,40,93,619	1,97,04,850
Total of (B)	5,76,19,298	5,41,17,263
TOTAL (II)	**12,71,68,852**	**12,39,34,553**
III. Share Premium :		
Opening Balance	16,82,60,479	12,12,09,003
Additions during the year	55,86,523	4,72,33,699
Less : Deductions / Utilization during the year	-	1,82,223
TOTAL (III)	**17,38,47,002**	**16,82,60,479**

Classification: Internal

	As at 31-03-2023 ₹	(000's Omitted) As at 31-03-2022 ₹
SCHEDULE - 2 : RESERVES & SURPLUS (contd.)		
IV. Revenue and Other Reserves :		
i) Revenue Reserve :		
Opening Balance	9,15,58,855	9,26,26,741
Add: Additions during the year	29,26,398	10,26,852
Add: Transfer from Capital Reserve-Surplus on Merger		
Add / (Less): Adjustments	(24,67,466)	(56,079)
Less: Deductions during the year	3,38,238	20,38,659
Sub-total of (i)	9,16,79,549	9,15,58,855
ii) Investment Reserve :		
Opening Balance	-	-
Add: Addition during the year	38,07,815	-
Less:Deduction during the year	-	-
Sub-total of (ii)	38,07,815	-
iii) Investment Fluctuation Reserve :		
Opening Balance	92,75,931	67,38,011
Add: Additions during the year	15,14,286	25,37,920
Less: Deductions during the year	-	-
Sub-total of (iii)	1,07,90,217	92,75,931
iv) Special Reserve u/s Sec 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	2,62,00,000	2,62,00,000
Add: Additions during the year	-	-
Sub-total of (iv)	2,62,00,000	2,62,00,000
TOTAL (IV)	13,24,77,581	12,70,34,786
V. Balance in Consolidated Profit and Loss Account	3,47,67,772	1,99,77,393
TOTAL (I TO V)	**56,32,86,363**	**52,41,75,455**
SCHEDULE - 2A : MINORITIES INTEREST		
Minority interest at the date on which the parent-subsidiary relationship came into existence	12,94,950	4,71,356
Subsequent increase / (decrease)	2,70,185	8,23,594
Minority interest on the date of Balance sheet	**15,65,135**	**12,94,950**
SCHEDULE - 3 : DEPOSITS		
A. I. Demand Deposits :		
i) From Banks	1,31,73,184	84,64,941
ii) From Others	33,84,01,842	34,25,10,753
TOTAL (I)	35,15,75,026	35,09,75,694
II. Savings Bank Deposits	2,22,46,86,437	2,16,84,94,565
III. Term Deposits :		
i) From Banks	50,48,85,192	36,55,53,753
ii) From Others	3,64,07,94,568	3,41,47,83,498
TOTAL (III)	4,14,56,79,760	3,78,03,37,251
TOTAL A (I to III)	**6,72,19,41,223**	**6,29,98,07,510**
B. i) Deposits of branches in India	5,66,99,24,502	5,50,76,88,125
ii) Deposits of branches outside India	1,05,20,16,721	79,21,19,386
TOTAL (B)	**6,72,19,41,223**	**6,29,98,07,511**

बैंक ऑफ इंडिया BANK OF INDIA H.O. Classification वित्त विभाग FINANCE DEPT. V SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

	As at 31-03-2023	(000's Omitted) As at 31-03-2022
	₹	₹
SCHEDULE - 4 : BORROWINGS		
I. Borrowings in India :		
i) Reserve Bank of India	2,69,20,000	3,51,90,000
ii) Other Banks		
a. Tier I Capital	75,40,000	40,20,000
b. Tier II Capital	33,70,000	31,40,000
c. Others	4,51,584	5,21,400
Total (ii)	1,13,61,584	76,81,400
iii) Other Institutions and Agencies		
a. Tier I Capital	2,09,80,000	95,00,000
b. Tier II Capital	5,96,30,000	5,98,60,000
c. Others	50,37,73,826	15,28,12,119
Total (iii)	58,43,83,826	22,21,72,119
Total (I)	62,26,65,410	26,50,43,519
II. Borrowings outside India		
a. Tier I Capital	-	-
b. Tier II Capital	-	-
c. Others	2,74,86,841	31,67,641
Total (II)	2,74,86,841	31,67,641
Total (I & II)	**65,01,52,251**	**26,82,11,160**
Secured borrowings included in above	**22,08,25,176**	**13,64,72,904**
SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	1,62,28,810	1,71,44,822
II. Inter-office adjustments (net)	-	-
III. Interest Accrued	2,57,95,820	1,75,13,246
VI. Deferred Tax liability	-	4,669
VII. Others	24,03,44,844	26,21,18,449
TOTAL	**28,23,69,474**	**29,67,81,186**

* Includes provision for Standard Assets ₹ 52,923,368 (Previous Year ₹ 36,754,096)

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र. का. वित्त विभाग FINANCE DEPT.

V SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO MUMBAI CHARTERED ACCOUNTANTS

Classification: Internal

(000's Omitted)

	As at 31-03-2023 ₹	As at 31-03-2022 ₹
SCHEDULE - 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. **Cash In hand** (including foreign currency notes & Gold)	2,16,72,603	2,44,68,919
II. **Balances with Reserve Bank of India :***		
i) In Current Account	36,80,53,653	33,57,83,757
ii) In Other Accounts	5,40,89,234	4,50,50,568
TOTAL (II)	42,21,42,887	38,08,34,325
TOTAL (I & II)	**44,38,15,490**	**40,53,03,244**

* Including balances with Central Banks outside India

	As at 31-03-2023 ₹	As at 31-03-2022 ₹
SCHEDULE - 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE		
I. **In India :**		
i) Balances with Banks		
a) in Current Accounts	4,08,195	9,87,956
b) in Other Deposit Accounts	59,29,699	17,46,061
ii) Money at call and short notice		
a) With Banks	-	10,00,000
b) With Other Institutions	3,01,669	50,33,499
TOTAL (I)	66,39,563	87,67,516
II. **Outside India :**		
i) In Current Accounts	60,60,725	2,16,02,341
ii) In Other Deposit Accounts	25,95,85,340	39,99,04,367
iii) Money at call and short notice	13,07,31,670	8,15,11,433
TOTAL (II)	39,63,77,735	50,30,18,141
TOTAL (I & II)	**40,30,17,298**	**51,17,85,657**

Classification: Internal

	As at 31-03-2023 ₹	(000's Omitted) As at 31-03-2022 ₹
SCHEDULE - 8 : INVESTMENTS		
I. Investments in India :		
i) Government Securities	1,82,04,01,632	1,54,65,40,540
ii) Other approved Securities	1,05,13,115	67,67,222
iii) Shares	1,37,32,852	1,17,62,589
iv) Debentures and Bonds	10,50,48,140	10,51,85,951
v) Investment in Associates	1,96,54,520	1,77,65,149
vi) Others	3,21,91,853	1,69,47,145
TOTAL (I)	2,00,15,42,112	1,70,49,68,596
II. Investments outside India :		
i) Government Securities (including local authorities)	9,38,44,592	7,49,03,627
ii) Debentures & Bonds	-	-
iii) Investment in Associates	21,69,806	17,84,232
iv) Others	1,56,79,012	2,10,83,071
TOTAL (II)	11,16,93,410	9,77,70,930
TOTAL (I & II)	**2,11,32,35,522**	**1,80,27,39,526**
III. Investments in India :		
i) Gross value of Investments	2,04,31,34,034	1,75,61,09,701
ii) Aggregate provisions for depreciation	4,15,91,922	5,11,41,105
iii) Net Investments	2,00,15,42,112	1,70,49,68,596
IV Investments outside India :		
i) Gross value of Investments	11,44,32,752	9,87,50,902
ii) Aggregate provisions for depreciation	27,39,342	9,79,972
iii) Net Investments	11,16,93,410	9,77,70,930
TOTAL (III & IV)	**2,11,32,35,522**	**1,80,27,39,526**

Classification: Internal

(000's Omitted)

	As at 31-03-2023 ₹	As at 31-03-2022 ₹
SCHEDULE - 9 : ADVANCES		
A. i) Bills Purchased and Discounted	36,19,83,161	17,46,34,399
ii) Cash Credits, Overdrafts and Loans repayable on demand	1,87,61,78,744	1,66,07,78,457
iii) Term Loans	2,64,87,15,084	2,39,45,98,499
TOTAL (A)	4,88,68,76,989	4,23,00,11,355
B. Particulars of Advances :		
i) Secured by tangible assets (includes advances against Book Debts)	3,37,43,59,639	2,84,83,75,463
ii) Covered by Bank/Government Guarantees	47,87,98,579	26,09,43,520
iii) Unsecured	1,03,37,18,771	1,12,06,92,372
TOTAL (B)	4,88,68,76,989	4,23,00,11,355
C. Sectoral Classification of Advances :		
I. Advances in India		
i) Priority Sector	1,49,46,83,925	1,32,61,66,340
ii) Public Sector	1,20,47,04,107	1,05,72,94,505
iii) Banks	1,78,024	39
iv) Others	1,35,10,90,890	1,25,57,14,748
TOTAL (I)	4,05,06,56,946	3,63,91,75,632
II. Advances outside India :		
i) Due from Banks	36,90,97,116	23,04,30,196
ii) Due from others		
a) Bills Purchased and Discounted	11,35,36,084	6,49,23,607
b) Syndicated Loans	13,47,25,824	10,14,40,541
c) Others	21,88,61,019	19,40,41,379
TOTAL (II)	83,62,20,043	59,08,35,723
TOTAL (I & II)	4,88,68,76,989	4,23,00,11,355
SCHEDULE - 10 : FIXED ASSETS		
I. PREMISES :		
Opening Balance at cost	1,94,85,487	1,78,97,895
Add: Additions /Adjusments during the year	24,49,134	15,91,666
Less: Deductions/ Adjustments during the year	28,729	4,074
Sub-total	2,19,05,892	1,94,85,487
Addition to date on account of revaluation credited to revaluation reserve	7,01,56,030	6,97,50,574
Less : Depreciation to date (including on account of revaluation)	58,69,165	48,46,894
TOTAL (I)	8,61,92,757	8,43,89,167
II. OTHER FIXED ASSETS : (including Furniture and Fixtures)		
Opening Balance at cost	4,37,90,599	4,02,67,003
Add: Additions /Adjustments during the year	59,80,576	37,54,434
Less: Deductions/ Adjustments during the year	9,67,429	2,30,838
Sub-total	4,88,03,746	4,37,90,599
Less: Depreciation to date	3,54,95,227	3,24,78,692
TOTAL (II)	1,33,08,519	1,13,11,907
III. CAPITAL WORK IN PROGRESS	11,04,291	28,60,053
TOTAL (I to III)	10,06,05,567	9,85,61,127

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र. का. वित्त विभाग FINANCE DEPT

V SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

	As at 31-03-2023 ₹	(000's Omitted) As at 31-03-2022 ₹
SCHEDULE - 11 : OTHER ASSETS		
I. Inter Office Adjustment (Net)	2,07,15,175	7,19,19,504
II Interest Accrued	3,78,33,578	2,86,02,134
III Tax paid in advance/tax deducted at source (Net)	6,86,20,019	7,37,23,973
IV Stationery and Stamps	1,13,183	98,276
V Deferred Tax Assets	6,65,87,109	8,72,14,354
VI Others	11,89,37,568	12,13,54,164
TOTAL	**31,28,06,632**	**38,29,12,405**

* Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹ 53,815,757 (Previous Year ₹ 58,423,630)

	As at 31-03-2023 ₹	As at 31-03-2022 ₹
SCHEDULE - 12 : CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	1,70,39,174	1,81,00,466
II. Liability for partly paid Investments	9,47,055	9,72,953
III. Liability on account of outstanding forward exchange contracts	3,26,36,26,681	3,69,18,75,457
IV. Guarantees given on behalf of Constituents :		
a) In India	21,68,62,100	20,78,57,659
b) Outside India	2,79,18,368	3,97,93,728
V. Acceptances, endorsements and other obligations	22,48,23,917	24,05,26,464
VI. Interest Rate Swaps	84,11,272	1,56,30,342
VII. Other items for which the Bank is contingently liable	3,15,50,292	1,84,31,957
TOTAL	**3,79,11,78,859**	**4,23,31,89,026**

Classification: Internal

SCHEDULES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

(000's Omitted)

		Year ended 31-03-2023 ₹	Year ended 31-03-2022 ₹
SCHEDULE - 13 : INTEREST AND DIVIDENDS EARNED			
I.	Interest/Discount on advances/bills	33,54,88,878	25,98,74,446
II.	Income on Investments	12,03,41,146	11,15,51,256
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	1,67,45,628	63,77,537
IV.	Others	67,41,249	50,05,910
	TOTAL	47,93,16,901	38,28,09,149
SCHEDULE - 14 : OTHER INCOME			
I.	Commission, exchange and brokerage	1,38,23,154	1,21,06,619
II.	Profit/(Loss) on sale of investments	26,52,069	1,76,24,549
III.	Profit /(Loss) on Revaluation of Investments - net	1,57,45,052	(35,22,575)
IV.	Profit / (Loss) on sale of land, buildings and other assets	13,40,510	27,73,122
V.	Profit / (Loss) on exchange transactions	1,00,82,052	2,56,47,353
VI.	Income Earned by way of dividend etc. on subsidiaries/ companies and /or/ joint ventures	2,12,456	1,55,962
VII.	Miscellaneous Income	2,82,56,378	2,53,20,401
	TOTAL	7,21,11,671	8,01,05,431

* Includes Recoveries made in write-off accounts amounting to ₹ 12,068,537 (Previous Year ₹ 10,971,278)

Classification: Internal

	Year ended 31-03-2023 ₹	(000's Omitted) Year ended 31-03-2022 ₹
SCHEDULE - 15 : INTEREST EXPENDED		
I. Interest on Deposits	23,70,00,625	22,69,77,650
II. Interest on Reserve Bank of India / inter-bank borrowings	3,01,98,595	62,29,014
III. Interest on Subordinated Debts, IRS etc.	72,07,163	76,27,676
TOTAL	27,44,06,383	24,08,34,340

SCHEDULE - 16 : OPERATING EXPENSES		
I. Payments to and provisions for employees	8,45,29,032	7,11,20,824
II. Rent, Taxes and Lighting	86,64,225	80,26,479
III. Printing and Stationery	9,66,437	7,79,477
IV. Advertisement and Publicity	2,96,977	1,72,548
V. Depreciation on Bank's property	42,65,105	37,16,786
VI. Directors' fees, allowances and expenses	58,179	43,146
VII. Auditors' fees and expenses (Including Branch Auditors' Fees & Expenses)	12,14,078	9,50,432
VIII. Law Charges	4,19,920	4,54,629
IX. Postage, Telegrams, Telephones, etc.	29,29,726	16,89,096
X. Repairs and Maintenance	7,96,057	6,88,216
XI. Insurance	79,76,535	75,22,746
XII. Other Expenditure	3,16,19,115	2,65,36,612
TOTAL	14,37,35,386	12,17,00,991

SCHEDULE - 16 A : SHARE OF EARNINGS / LOSSES IN ASSOCIATES		
I. Regional Rural Banks (RRBs)	(12,41,298)	(28,840)
II. Others	8,13,824	8,40,697
TOTAL	(4,27,474)	8,11,857

SCHEDULE 17:

SIGNIFICANT ACCOUNTING POLICIES (Consolidated Financial Statements)

1) ACCOUNTING CONVENTION:

The accompanying consolidated financial statements (CFS) have been prepared following the going concern concept, on historical cost basis unless otherwise stated and conform in all material aspects to the Generally Accepted Accounting Principles (GAAP) in India, which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India, Insurance Regulatory and Development Authority of India (IRDAI), Companies Act 2013, Accounting Standards (AS), pronouncements issued by The Institute of Chartered Accountants of India (ICAI), Banking Regulation Act, 1949 and accounting practices prevailing in India. In respect of foreign offices/branches/subsidiaries/associates, statutory provisions and accounting practices prevailing in the respective foreign countries are complied with, except as specified elsewhere.

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. However actual results can differ from estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2) BASIS OF CONSOLIDATION:

Consolidated financial statements of the group have been prepared on the basis of:

a) The financial statements of Bank of India (the Parent bank) and its subsidiaries in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI), on a line by line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group transactions, balances, unrealised profit/loss and making necessary adjustments of material nature wherever required to conform to uniform accounting.

b) The difference between cost to the parent bank of its investment in the subsidiaries and parent bank's share in the equity of the subsidiaries is

Classification: Internal

recognised as goodwill/capital reserve. Goodwill, if any, is written off immediately on its recognition.

c) Minority interest in the Consolidated Financial Statement consists of the share of the minority shareholders in the net equity of the subsidiaries.

d) Accounting for investment in Associate companies is done under Equity method in accordance with Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements", issued by ICAI.

e) Accounting for investments in Joint Venture are consolidated on "Proportionate basis" as prescribed in Accounting Standard (AS) 27, "Financial Reporting of Interests in Joint Ventures" issued by ICAI.

3) REVENUE RECOGNITION:

3.1 Banking entities:

(a) Income/Expenditure is recognised on accrual basis, unless otherwise stated. In respect of foreign offices, income/ expenditure is recognised as per local laws/standards of host country.

(b) Interest income is recognised on time proportion basis except interest on Non-performing Assets.

(c) Commission on issue of Bank Guarantee and Letter of Credit is recognised over the tenure of BG/LC.

(d) All other Commission and Exchange, Brokerage, Fees and other charges are recognised as income on realisation.

(e) Income (other than interest) on investments in "Held to Maturity" category acquired at a discount to the face value, is recognised as follows:

i. on interest bearing securities, it is recognised only at the time of sale/ redemption.

ii. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

(f) Profit or loss on sale of investments is recognised in the Profit and Loss account. As per RBI guidelines, in case of profit on sale of investments under 'Held to Maturity' category, an equivalent amount (net of taxes and amount required to be transferred to Statutory Reserves) is appropriated to 'Capital Reserve Account'.

(g) Dividend income is recognised when the right to receive the dividend is established.

(h) Interest income on Income-tax refund is recognised in the year of passing of assessment order.

(i) **Appropriation of recoveries in NPAs:**

In respect of NPAs, recoveries effected except through a.) compromise settlement /special OTS, b.) Judgement of a Court/DRT/NCLT and c.) Assignment to ARC's/SC's are to be made in the following order:-

- Charges debited to borrower's account
- Expenses/out of pocket expenses incurred but not debited
- Unrealised interest
- Uncharged interest
- Principal

In other cases, the recoveries made are appropriated as per the order of relevant authority.

3.2 Non-Banking entities- Insurance:

a) **Premium Income**:

Premium including rider premium for non-linked business is recognised as income when due from policyholders. Premium for linked business is recognised when the associated units are created. Premium is recognised net of Goods and Services Tax (GST) as applicable.

Products having regular premium paying plans with limited premium payment term and/or pre-determined policy terms are treated as a regular business with the due classification of premium into the first year and renewal. Premium income on products other than aforesaid is classified as a single premium.

Premium on lapsed policies is recognised as income when such policies are reinstated.

Top up premium under linked business is considered as single premium and recognised as income when the associated units are created.

Premium in case of PMJJBY Scheme is recognised at Gross of administrative charges and reimbursement of expenses (as applicable) payable to intermediaries.

b) Interest on loans against policies is recognized on accrual basis.

c) Other income recognised when due, where the company is reasonably certain of ultimate collection.

d) Interest income on investments is recognised on accrual basis except interest income on non-performing investments, which is recognised upon receipt as specified in IRDAI guidelines.

e) **Amortised Income/Cost:**

Premium or discount on acquisition, as the case may be, in respect of debt securities/fixed income securities, pertaining to non-linked investments is amortized on straight line basis over the period of maturity/holding.

f) **Dividend:**

Dividend income for quoted shares is recognised on ex-dividend date, for non-quoted shares dividend income is recognised when the right to receive dividend is established.

g) **Income from linked funds**:

Income from linked funds which includes fund management charges, policy administrative charges, mortality charges, other charges, wherever applicable, are recovered from the linked funds in accordance with the terms and conditions of policy and recognised on due basis.

h) **Realized Gain/ (Loss) on Debt Securities for Linked Business:**

Realized gain/(loss) on debt securities for linked business is the difference between the sale consideration net of expenses and the book cost, which is computed on weighted average basis, as on the date of sale.

i) **Realized Gain/ (Loss) on Debt Securities for Non-Linked Business:**

Realized gain/(loss) on debt securities for other than linked business is the difference between the sale consideration net of expenses and the amortized cost, which is computed on a weighted average basis, as on the date of sale.

Classification: Internal

j) **Profit/ (Loss) on sale of Equity Shares/ Mutual Fund/ Exchange Traded Funds (ETFs)/ Additional Tier 1 Bonds (AT 1)/ Infrastructure Investment Trust (InvIT)/ Real Estate Investment Trust (REIT) :**

Profit/ (Loss) on sale of equity shares/ mutual fund units/ ETFs/ Additional Tier 1 Perpetual Bonds/ InvIT/ REIT is the difference between the sale consideration net of expenses and the book cost computed on weighted average basis as on the date of sale.

In respect of non-linked business the Profit/(Loss) includes the accumulated changes in the fair value previously recognized under "Fair Value Change Account".

k) **Unrealized Gain/ (Loss) for Linked Business:**

Unrealized gains and losses for Linked Business are recognised in the Revenue account of respective fund and shown under transfer / Gain on revaluation / change in fair value.

l) **Income from Security Lending and Borrowing:**

Fees received for lending of equity shares under Securities Lending and Borrowing (SLB) mechanism is amortized on a straight-line basis over the period of lending.

m) **Reinsurance Premium ceded:**

Reinsurance Premium ceded is accounted for on due basis at the time of recognition of premium income in accordance with the terms and conditions of the relevant treaties with the reinsurers. Profit/commission on reinsurance ceded is netted off against premium ceded on reinsurance.

3.3 Non-Banking entities – Mutual Fund and Trustee Services:

a) Management fees from the scheme of mutual fund are accounted on an accrual basis in accordance with the investment management agreement and are dependent on the net asset value as recorded by the schemes of BOI Mutual fund.

b) Trusteeship fees from the schemes of the mutual fund are accounted on an accrual basis as per SEBI regulations & in accordance with the Trust Deed and are dependent on the net asset value as recorded by the schemes of Bank of India Mutual Fund.

Classification: Internal BANK OF INDIA H.O. FINANCE DEPT.	V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS	LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS	MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

c) Profit or loss on sale of investment is recognised in the Profit & Loss Account on the trade date and determined on weighted average basis for individual security as per AS-13.

3.4 Non-Banking entities– Merchant Banking Services:

a) Total consideration paid or received on purchase or sale, on outright basis, of coupon-bearing debt securities shall be identified separately as principal consideration and accrued interest. Amount paid as accrued interest on purchase, and received on sale, of such securities shall be netted and reckoned as expense or income by way of interest.

b) Devolvement of equity shares in respect of issues underwritten if any by the company shall be treated as investments. Underwriting income on these issues shall be credited to profit and loss account and shall not be netted against the value of investments.

c) Brokerage and commission earned on secondary market operations shall be recognized on the basis of trade dates. Brokerage on online portal operations shall be recognized on the basis of trade dates. Brokerage and commission in respect of issue marketing and resource mobilization shall be accrued to the extent of availability of information. Depository, Portfolio Management, Investment Banking and other fees shall be accounted for on accrual basis. Dividend shall be recognised when the company's right to receive payment shall be established by the balance sheet date. Revenue shall exclude Service Tax, wherever recovered.

d) Profit on Sale of Investments shall be recognized on the settlement date. It represents the excess of Sale/Redemption proceeds over the acquisition cost. Cost shall be determined on a weighted average basis. Profit on sale of Investments shall be netted with loss on sale of Investments.

4) NON BANKING ENTITIES: Other Policies:

A. Insurance:

a) Benefits paid:

Benefits paid comprise of policy benefits & claim settlement costs, if any.

Death, rider, surrender & withdrawal claims are accounted for on receipt of intimation. Under linked Business, surrender also includes amount payable on lapsed/discontinued policies which are accounted for on expiry of lock in period. Surrenders and terminations are accounted net of charges.

Survival, maturity and annuity benefit claims are accounted for when due.

Reinsurance recoveries on claims are accounted for, in the same period as that of the related claims.

Claims disputed before judicial authorities are provided for on prudent basis as considered appropriate by management based on facts and circumstances in respect of each such claim.

b) Acquisition Costs:

Acquisition costs are costs that vary with and are primarily related to acquisition of new and renewal insurance contracts and consist of cost like commission to insurance intermediaries, rewards and incentives, sales staff costs, medical examination costs, policy printing expenses, stamp duty and other related expenses. These are expensed in the period in which they are incurred.

Claw back in future, if any, for the commission paid, is accounted for in the year in which it is recovered.

c) Policy Liabilities:

The valuation exercise is done to protect the interests of the existing policyholders. For With Profit policies the reasonable expectations of policyholders (PRE) are also considered. Adequate reserves are made for all the policyholder's benefits for various future scenarios. Adequate use of Margin for Adverse Deviation (MAD) is made to ensure that policyholders' benefits are protected even in some plausible adverse scenarios.

Actuarial liability for in force policies and for those in respect of which premium has been discontinued but a liability exists, is determined using the gross premium method and in case of group business (except for Credit Life Business and Reverse Mortgage Loan Enabled Annuity where gross premium method is used), the actuarial liabilities have been calculated on the basis of Unearned Premium Reserve method. Linked liabilities comprise unit liability representing the fund value of policies and non-unit liability for meeting insurance claims, expenses etc. The main governing guidelines considered for valuation are the Insurance Act 1938, the IRDA Act 1999, IRDAI (Actuarial Report & Abstract for Life Insurance Business) Regulations, 2016, IRDAI (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations 2016, Actuarial Practice Standards and Guidance notes issued by Institute of Actuaries of India, Circulars issued by IRDAI from time to time.

d) Loans:

Loans against policies are valued at the aggregate of book values (net of repayments) plus capitalized interest and are subject to impairment if any. Loans are classified as short term in case the maturity is less than 12 months from the date of balance sheet. Loans other than short term are classified as long term.

e) Funds for Future Appropriation:

The Funds for Future Appropriations (FFA), in the participating segment, represents surplus, which is not allocated to policyholders or to shareholders as at the Balance Sheet date. Transfers to and from the fund reflect the excess or deficit of income over expenses and appropriations in each accounting period arising in the Company's policyholders' funds. Any allocation to the participating policyholders would also give rise to a transfer to the shareholder's profit and loss account in the required proportion.

f) Discontinued Policies fund:

Discontinued policy fund means the segregated fund that is set aside on account of:

a) Non-payment of contracted premium

b) Upon the receipt of the information by the Company from the policyholder about the discontinuance of the policy.

Fund for discontinued policies is accounted in accordance with the Insurance Regulatory and Development Authority of India (Treatment of Discontinued Linked Insurance Policies) Regulations 2010 and circulars issued thereafter.

g) Unclaimed amount of policyholders:

Assets held for unclaimed amount of policyholders is created and maintained in accordance with the requirement of IRDAI circular No. IRDA/F&A/CIR/GLD/195/08/124 dated August 14, 2014, IRDA/F&A/CIR/CPM/134/07/2015 dated July 24, 2015, IRDA/F&A/CIR/CLD/114/05/2015 dated May 28, 2015, Master circular on Unclaimed Amount of Policyholders Ver 02 IRDA/F&A/CIR/Misc/282 /11/2020 dated November 17, 2020 and Investment Regulations, 2016 as amended from time to time:

i. Unclaimed amount of policyholders is invested in money market instruments, Liquid mutual funds and/ or fixed deposits of scheduled

Classification: Internal

banks which is valued at historical cost, subject to amortisation of premium or accretion of discount over the period of maturity/holding on a straight line basis.

ii. Income on unclaimed amount of policyholders is accreted to respective unclaimed fund and is accounted for on an accrual basis, net of fund management charges.

iii. Unclaimed amount of policyholders' liability is determined on the basis of NAV of the units outstanding as at the valuation date

B. Mutual fund and Trustee services:

i. Fund expenses

The Company absorbs the expenses relating to the launch of the schemes of Bank of India Mutual Fund and such expenses which are allowed as per the SEBI regulations.

ii. Brokerage

Upfront brokerage paid on the closed ended scheme is amortised over the tenure of the scheme. The unamortised portion of the brokerage is carried forward as prepaid expense. Any other brokerage is expensed out in the period in which it is incurred. W.e.f from Oct 22, 2018 brokerages are borne by Mutual Fund.

5) ADVANCES:

i. Advances are classified into "Performing" and "Non-Performing Advances" (NPAs) in accordance with the applicable regulatory guidelines.

ii. NPAs are further classified into Sub-Standard, Doubtful and Loss Assets in terms of applicable regulatory guidelines.

iii. In respect of domestic entities, NPA Provisions are made at the rates given as under:

Category of NPAs	Provision % on net outstanding advance
Sub Standard:*	
Exposures, which are unsecured ab-initio	25%

Classification: Internal

Category of NPAs	Provision % on net outstanding advance
Unsecured exposure in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available (unsecured – infra)	20%
Others	15%
Doubtful:	
Secured portion (Period for which advance has remained in doubtful category)	
- Upto one year	25%
- One year to three years	40%
- More than three years	100%
Unsecured portion	100%
Loss	100%

*On the outstanding advance

iv. In respect of foreign entities, classification of advances as NPAs and provision in respect of NPAs is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to bank, whichever is stringent.

v. Provisions in respect of NPAs, unrealised interest, ECGC claims, etc., are deducted from total advances to arrive at net advances as per RBI norms.

vi. In respect of Rescheduled/Restructured advances, provision is made for the diminution in the fair value of restructured advances measured in present value terms as per RBI guidelines. The said provision is reduced to arrive at Net advances.

vii. In case of financial assets sold to Asset Reconstruction Company (ARC) / Securitisation Company (SC), if the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is debited to the Profit and Loss account as per the extant RBI guidelines issued from time to time. If the sale is at a price higher than the NBV, the excess provision on sale of NPAs may be reversed to profit and loss account in the year the amounts is received. However, any excess provision is reversed only when the cash received (by way of initial consideration only/or redemption of SR's/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset

viii. Provision for Standard assets, including restructured advances classified as standard, is made in accordance with RBI guidelines. In respect of foreign entities provision for Standard Assets is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to the Bank, whichever is stringent.

ix. Provision for net funded country exposures (Direct/Indirect) is made on a graded scale in accordance with the RBI guidelines.

6) FLOATING PROVISION:

The bank has framed a policy for creation and utilisation of floating provisions. The quantum of floating provisions to be created is assessed at the end of each financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India or on being specifically permitted by Reserve Bank of India for specific purposes. These provisions are netted off from gross NPAs to arrive at Net NPAs.

7) DEBIT/CREDIT CARD REWARD POINTS:

Provision for reward points in relation to debit cards is provided for on actuarial estimates and Provision for reward points on credit cards is made based on the accumulated outstanding points.

8) INVESTMENTS:

I. Banking Entities:

a) Transactions in Government Securities are recognised on settlement date and all other Investments are recognised on trade date.

b) Investments are classified under `Held to Maturity', 'Held for Trading' and 'Available for Sale' categories as per RBI guidelines. For the purpose of disclosure in the Balance Sheet in Schedule 8, (I) 'Investments in India' are classified under six categories viz. i.) Government Securities, ii.) Other Approved Securities, iii.) Shares, iv.) Debentures and Bonds, v.) Investment in Associates and vi.) Others and (II) 'Investments outside India' are classified under three categories viz. i.) Government Securities, ii) Investment in Associates abroad iii) Debentures and Bonds and iv.) Other Investments.

A. <u>Basis of classification:</u>

Classification of an investment is done at the time of its acquisition.

(i) Held to Maturity:
These comprise investments that the Bank intends to hold till maturity. Investments in equity of subsidiaries, joint ventures and associates are also categorised under Held to Maturity.

(ii) Held for Trading:
These comprise investments acquired with the intention to trade by taking advantage of short term price/interest rate movements. Securities are to be sold within 90 days from the purchase date.

(iii) Available for Sale:
These comprise investments which do not fall either under "Held to Maturity" or "Held for Trading" category.

B. <u>Acquisition Cost of Investment:</u>

(i) Brokerage, commission, securities transaction tax, etc. paid on acquisition of equity investments are included in cost.

(ii) Brokerage, commission, broken period interest paid/ received on debt investments is treated as expense/income and is excluded from cost/sale consideration.

(iii) Brokerage and commission, if any, received on subscription of investments is credited to Profit and Loss Account.

C. <u>Method of valuation:</u>

Investments in India are valued in accordance with the RBI guidelines and investments held at foreign branches are valued at lower of the value as per the statutory provisions prevailing at the respective foreign countries or as per RBI guidelines issued from time to time.

Treasury Bills and all others discounted instruments are valued at carrying cost (ie acquisition cost plus discount accrued at the rate prevailing at the time of acquisition)

(i) **Held to Maturity:**

1. Investments included in this category are carried at their acquisition cost, net of amortisation, if any. The excess of acquisition cost, if any, over the face value is amortised over the remaining period of maturity using constant yield method. Such amortisation of premium is adjusted against income under the head "interest on investments".

Classification: Internal

2. Investments in associates are valued as per equity method of accounting in accordance with Accounting Standard 23 issued by the ICAI. Suitable provision is made for diminution, other than of temporary nature, for each investment individually.

(ii) **Held for Trading / Available for Sale:**

1. Investments under these categories are individually valued at the market price or fair value determined as per Regulatory guidelines and only the net depreciation in each classification for each category is provided for and net appreciation is ignored. On provision for depreciation, the book value of the individual securities remains unchanged after marking to market.

For the purpose of valuation of quoted investments in "Held for Trading" and "Available for Sale" categories, the market rates / quotes on the Stock Exchanges, the rates declared by Fixed Income Money Market and Derivatives Association (FIMMDA)/ Financial Benchmark India Pvt. Ltd. (FBIL) are used. Investments for which such rates/quotes are not available are valued as per norms laid down by RBI, which are as under:

Classification	**Basis of Valuation**
Government Securities	on Yield to Maturity basis
Other Approved Securities	on Yield to Maturity basis
Equity Shares, PSU and Trustee shares	at break up value as per the latest Balance Sheet (not more than 18 months old), otherwise Re.1 per company.
Preference Shares	on Yield to Maturity basis
PSU/Corporate Bonds	on Yield to Maturity basis
Units of Mutual Funds	at the latest repurchase price/NAV declared by the fund in respect of each scheme
Units of Venture Capital Funds (VCF)	declared NAV or break up NAV as per audited financials which are not more than 18 months old. If NAV/audited financials are not available for more than 18 months then at Re. 1/- per VCF.
Security Receipts	at NAV as declared by Securitisation Companies which is not more than 6 months old.

D. Transfer of Securities between Categories:

i. HTM to AFS/HFT :

a. If the security was originally placed under the HTM category at a discount it is transferred at the acquisition price / book value. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

b. If the security was originally placed in the HTM category at a premium, it is transferred to the AFS / HFT category at the amortised cost. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

ii. **AFS/HFT TO HTM:** Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In cases where the market value is higher than the book value at the time of transfer, the appreciation is ignored. In cases where the market value is less than the book value, the provision against depreciation held against this security is adjusted to reduce the book value to the market value and the security is transferred at the market value.

iii. **AFS TO HFT AND VICE-VERSA :** In the case of transfer of securities from AFS to HFT category or vice-versa, the securities are not re-valued on the date of transfer and the provisions for the accumulated depreciation, if any, held are transferred to the provisions for depreciation against the HFT securities and vice-versa.

E. Non performing Investments (NPIs) and valuation thereof:

(i) Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in case of domestic offices and respective regulators in case of foreign offices.

(ii) In respect of non performing investments, income is not recognised and provision is made for depreciation in value of such securities as per RBI guidelines.

(iii) Matured NPIs are shown under 'Other Assets' Schedule11 (Net of Provision).

F. Repo / Reverse Repo:

The securities sold and purchased under Repo/ Reverse repo are accounted as Collateralised lending and borrowing transactions. However, securities are transferred as in case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts

Classification: Internal			
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and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo Account is classified as Borrowings and balance in Reverse Repo account is classified as Balance with Banks and Money at Call & Short Notice in the balance sheet.

G. Investment in Security Receipts (SRs) backed by assets:-

In terms of RBI guidelines issued vide circular no RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021, the bank has revised valuation methodology in respect of SRs under securitization,

a) Investments by banks in SRs / PTCs / other securities issued by ARCs shall be valued periodically by reckoning the Net Asset Value (NAV) declared by the ARC based on the recovery ratings received for such instruments.

Provided that when bank invest in the SRs/PTCs issued by ARCs in respect of the stressed loans transferred by them to the ARC, the bank shall carry the investment in their books on an ongoing basis, until its transfer or realization, at lower of the redemption value of SRs arrived based on the NAV as above, and the NBV of the transferred stressed loan at the time of bank.

Provided further that when the investment by bank in SRs backed by stressed loans transferred by it, is more than 10 percent of all SRs backed by its transferred loans and issued under that securitisation, the valuation of such SRs by the bank will be additionally subject to a floor of face value of the SRs reduced by the provisioning rate as applicable to the underlying loans, had the loans continued in the books of the bank.

b) SRs/PTCs which are not redeemed as at the end of the resolution period (i.e., five years or eight years as the case may be) shall be treated as loss asset in books of the bank and fully provided for.

c). The valuation, classification and other norms applicable to investment in non-SLR instruments prescribed by RBI from time to time shall be applicable to bank investment in debentures/ bonds/ SRs /PTCs issued by ARC. However, if any of the above instruments issued by ARC is limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the bank shall reckon the NAV obtained from ARC from time to time, for valuation of such investments.

II. Non-Banking Entities- Insurance

In case of Insurance joint venture, Investments are made in accordance with the Insurance Act, 1938, IRDAI (Investment) Regulations, 2016, as amended from time to time and various other circulars/ notifications issued by the IRDAI in this regard.

Investments are recorded on trade date at cost, which includes brokerage and related taxes, if any. Broken period interest paid/received is debited/credited to Interest Receivable account and is not included in the cost of purchase/sale consideration.

Diminution in the value of investments, other than temporary, is recognised as an expense in the Revenue / Profit & Loss account.

Bonus Entitlements

Bonus entitlements are recognised as investments on the relevant 'ex- bonus date'.

Rights Entitlements

Rights entitlements are recognised as investments on the relevant 'ex-rights date'.

Discount

Any front end discount on privately placed investments is reduced from the cost of such investments.

A. Classification

Investments are specifically procured and held for Policyholders and Shareholders independently and the income relating to these investments is recognised in the Revenue Account and Profit & Loss Account respectively.

Short Term and Long Term Classification of Investment

Investments maturing within twelve months from the Balance Sheet date and investments made with the specific intention to dispose them off within twelve months from the Balance Sheet date are classified as short-term investments. Investments other than short-term investments are classified as long term investments.

B. Valuation – Shareholders' Investments and Non-Linked Policyholders' Investments

All debt securities are considered as 'held to maturity' and accordingly stated at historical cost, subject to amortization of premium or accretion of discount in the revenue account or the profit and loss account over the remaining period of maturity/ holding on a straight line basis.

Treasury Bills, Certificate of Deposits, Commercial Papers, Tri Party Repo are valued at cost subject to accretion of discount, over the remaining period of maturity on straight line basis.

Investments in Fixed Deposits are valued at cost.

Valuation of Listed Equity securities is measured at Fair value on the Balance Sheet date. For the purpose of calculation of Fair Value on the Balance Sheet date, last quoted closing price of the security on NSE (Primary Exchange) is considered. In case, the security is not listed/ traded on NSE, the last quoted closing price on BSE (Secondary Exchange) is considered.

Equity shares lent under the Securities Lending and Borrowing (SLB) mechanism are recognised in the Balance Sheet as assets, as the Company continues to be beneficial owner of these securities. The securities are valued as stated above for equity shares.

Additional Tier 1 (Basel III Compliant) Perpetual Bonds classified under "Equity" as stipulated by IRDAI Investment Regulations, are valued at fair value, using applicable market yields published by SEBI registered rating agency viz., CRISIL Ltd, using Bond Valuer. Unrealized gains or losses arising due to change in the fair value of Additional Tier 1 Bonds are recognised in the Balance Sheet under "Fair value change account".

Fair value of mutual fund units is the net asset value on the Balance Sheet date. Unrealized gains/losses on changes in fair values of listed equity shares and mutual funds are taken to the Fair Value Change Account and carried forward in the Balance Sheet.

Unlisted equity shares are valued at historical cost, subject to impairment, if any.

Exchange Traded Funds (ETFs) are valued at Fair Value on the Balance Sheet date. For the purpose of calculation of Fair Value on the Balance Sheet date, closing price of the security on NSE (Primary Exchange) is considered. In case, the security is not listed/ traded on NSE, the closing price on BSE (Secondary Exchange) is considered. In case ETFs are not traded on either of the Primary or the Secondary exchange on the Balance Sheet date, then the ETFs are valued at Net Asset Value (NAV) on the balance sheet date. In case NAV of Balance Sheet date is not available, then the latest available NAV is used for valuation purposes. Unrealized gains/losses on changes in fair values of ETFs are taken to the Fair Value Change Account and carried forward in the Balance Sheet.

Infrastructure Investment Trust / Real Estate Investment Trust

The Investment in Units of InvIT/ REIT are valued at Fair Value on the Balance Sheet date, closing price of the security on NSE (Primary Exchange) is considered. In case, the security is not listed/ traded on NSE, the closing price on BSE (Secondary Exchange) is considered. In case, the market quote is not available for the last 30 days, the Units are valued as per the latest NAV (not more than 6 months old) of the Units published by the Trust.

Alternate Investment Fund (AIF)

Investments in Alternative Investment Fund (AIF) are valued at the latest available net asset values (NAV) of the respective underlying funds. In case the

NAV of the fund is not available, investment is valued at cost subject to provision for diminution (if any).

C. Valuation - Linked business

Central Government and State Government securities are valued at prices obtained from Credit Rating Information Services of India Ltd. (CRISIL).

Corporate bonds and debentures are valued on the basis of CRISIL Bond Valuer.

Treasury Bills, Certificates of Deposits, Commercial Papers and Tri Party Repo are valued at cost subject to accretion of discount over the remaining period of maturity on straight line basis.

Investments in Fixed Deposits are valued at cost.

Listed equity shares are measured at fair value being the last quoted closing price of the security on NSE (Primary Exchange). In case, the security is not listed/ traded on NSE, the closing price on BSE (Secondary Exchange) is considered. Unrealized gains and losses are recognised in the revenue account of respective fund.

Equity shares lent under the Securities Lending and Borrowing (SLB) mechanism are recognised in the Balance Sheet as assets, as the Company continues to be beneficial owner of these securities. The securities are valued as stated above for equity shares.

Additional Tier 1 (Basel III Compliant) Perpetual Bonds classified under "Equity" as stipulated by IRDAI Investment Regulations, are valued at fair value, using applicable market yields published by SEBI registered rating agency viz., CRISIL Ltd., using Bond Valuer. Unrealized gains or losses are recognised in the respective fund's revenue account.

Mutual Fund units are valued at NAV of previous day. In case previous day's NAV is not available, then the latest available NAV is used for valuation purposes. The unrealized gains and losses are recognised in the respective fund's revenue account.

Unlisted equity shares are valued at historical cost, subject to impairment, if any.

Exchange Traded Funds (ETFs) are valued at Fair Value on the Balance Sheet date. For the purpose of calculation of Fair Value on the Balance Sheet date, closing price of the security on NSE (Primary Exchange) is considered. In case, the security is not listed/ traded on NSE, the closing price on BSE (Secondary Exchange) is considered. In case ETFs are not traded on either of the Primary or the Secondary exchange on the Balance Sheet date, then the ETFs are valued at Net Asset Value (NAV) of previous day. In case previous day's NAV is not available, then the latest available NAV is used for valuation purposes. The unrealized gains and losses are recognised in the revenue account of respective fund.

Infrastructure Investment Trust / Real Estate Investment Trust

The Investment in Units of InvIT/REIT are valued at Fair Value on the Balance Sheet date, closing price of the security on NSE (Primary Exchange) is considered. In case, the security is not listed/ traded on NSE, the closing price on BSE (Secondary Exchange) is considered. In case, the market quote is not available for the last 30 days, the Units are valued as per the latest NAV (not more than 6 months old) of the Units published by the Trust.

D. Interest Rate Derivative

Interest rate derivative contracts are used for hedging of highly probable forecasted transactions on insurance contracts and investment cash flows in life, pension and annuity business. The Company follows hedge accounting in accordance with the 'Guidance Note on Accounting for Derivative Contracts' issued by the Institute of Chartered Accountants of India (ICAI) and IRDAI Investment Master Circular as amended from time to time.

The Company has Board approved interest rate risk hedging Policy and Process document covering various aspects related to functioning of the derivative transactions undertaken to mitigate interest rate risk as per the Interest rate risk hedging strategy. At the inception of the hedge, the Company designates and documents the relationship between the hedging instrument and the hedged item, the risk management objective, strategy for undertaking the hedge and the methods used to assess the hedge effectiveness. Hedge effectiveness is the degree to which changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk are offset by changes in the fair value or cash flows of the hedging instrument. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter at Balance Sheet date.

The Forward Rate Agreement (FRA) contract is valued at the difference between the market value of underlying bond at the spot reference yield taken from the SEBI approved rating agency and present value of contracted forward price of underlying bond including present value of intermediate coupon inflows from valuation date till FRA contract settlement date, at applicable INR Overnight Interest Swap (OIS) rate curve. Margin settlement for the fair valuation or Mark to market valuation of derivative is carried based on valuation by the valuation agent as per forward rate agreement.

Hedging instruments are initially recognised at fair value and are re-measured at fair value at subsequent reporting dates. The effective portion of fair value gain /

loss on the interest rate derivative that is determined to be an effective hedge is recognised in equity account i.e. "Hedge Fluctuation Reserve" or "HFR" under the head 'Credit/(Debit) Fair Value Change Account" in the Balance Sheet and the ineffective portion of the change in fair value of such derivative instruments is recognised in the revenue account in the period in which they arise. The fair value gain / loss on the interest rate derivative that is determined to be an ineffective hedge is recognised in the revenue account in the period in which they arise.

The accumulated gains or losses that were recognised in the Hedge Fluctuation Reserve are reclassified into Revenue Account, in the same period during which the income from investments acquired from underlying forecasted cash flow is recognized in the Revenue Account.

Hedge accounting is discontinued when the hedging instrument is terminated or it becomes probable that the expected forecast transaction will no longer occur or the risk management objective is changed or no longer expected to be met. On such termination, accumulated gains or losses that were recognised in the Hedge Fluctuation Reserve are reclassified into Revenue Account. Costs associated with derivative contracts are considered as at a point in time cost.

E. Transfer of Investments

Transfer from shareholders' account to the policyholders' account:
Transfer of securities from the Shareholder account to the policyholders account to meet the deficit in the policyholders account is done at the cost price or market price, whichever is lower, for other than debt securities.

In case of debt securities, transfer is done at market price or net amortized cost, whichever is lower. If the prevailing market price of any security is not available at the time of transfer, then the price at which the security was valued on the previous day is considered.

Transfer between Non – Linked policyholders' funds:
No transfer of securities is done between various non-linked policyholders' funds.

Transfer between Unit-Linked Funds:
Transfer of investments between various unit linked funds is done at prevailing market price.
In case of securities other than equity, if the prevailing market price of any security is not available at the time of transfer, then the price at which the security was valued on the previous day is considered.

Provision for Non-Performing Assets (NPA)
All assets where the interest and / or instalment of principal repayment remain overdue for more than 90 days at the Balance Sheet date are classified as NPA.

In accordance with regulations on "Prudential norms for income recognition, asset classification, provisioning and other related matters in respect of debt portfolio", adequate provisions are made to cover amounts outstanding in respect of all NPA's.

Impairment of Investment
The carrying amounts of investments are reviewed at each balance sheet date, whether there is any indicator of impairment based on internal / external factors. An impairment loss is recognised as an expense and disclosed under the head 'Provision for diminution in the value of investment (net)' in the Revenue/ Profit or Loss account, to the extent of difference between the remeasured fair value and the acquisition cost as reduced by any previous impairment loss recognised as expense in Revenue/ Profit and Loss Account. Any reversal of impairment loss earlier recognised in the Revenue /Profit and Loss Account shall be recognised in Revenue/ Profit and Loss Account respectively.

Securities with call and put options
Securities with call option are valued at the lower of the value as obtained by valuing the security up to final maturity date or the call option date. In case there are multiple call options, the security is valued at the lowest value obtained by valuing the security at various call option exercise dates or up to the final maturity date.

Securities with put option are valued at the higher of the value as obtained by valuing the security up to final maturity date or the put option date. In case there are multiple put options, the security is valued at the highest value obtained by valuing the security at various put option exercise dates or up to the final maturity date.

The securities with both put and call option on the same day would be deemed to mature on the put/call date and would be valued accordingly. Addition tier 1 bonds have been valued considering the deemed residual maturity of 30 years as per the requirement of IRDAI Investment Master Circular 2022.

9) DERIVATIVE

A. Banking Entity:

The Bank presently deals Forex Forward Contracts in interest rate and currency derivatives. The interest rate derivatives dealt with by the Bank are Rupee Interest Rate Swaps, Foreign Currency Interest Rate Swaps, Forward Rate Agreements and Interest Rate Futures. Currency Derivatives dealt with by the Bank are Options, Currency Swaps and Currency Futures. Based on RBI guidelines, Derivatives are valued as under:

Classification: Internal

(a) The hedge/non hedge (market making) transactions are recorded separately.

(b) Income/expenditure on hedging derivatives are accounted on accrual basis.

(c) Forex forward contracts are Marked to market and the resultant gains and losses are recognized in the Profit and Loss Account.

(d) MTM appreciation/ depreciation of hedging derivative is first set off with the depreciation / appreciation of the corresponding underlying and the resultant depreciation is recognized. Resultant appreciation, if any, is ignored.

(e) Interest Rate Derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit & Loss account. Net Profit if any, is ignored.

(f) Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

(g) Gains/ losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

(h) Option fees/premium is amortised over the tenor of the option contract.

B. Non-Banking : Merchant Banking

a) Initial Margin payable at the time of entering into futures contract / sale of options shall be adjusted against the deposits with the exchanges in the form of fixed deposits, cash deposits and securities.

b) Transactions in Future contracts shall be accounted as Purchase and Sales at the notional trade value of the contract. The open interest in futures as at the Balance Sheet date shall be netted by its notional value.

c) **In case of Future Contracts**, the difference in the settlement price or exchange closing price of the previous day and exchange closing price of the subsequent day, paid to or received from the exchange shall be treated as Mark-to-Market Margin. The balance in the Mark-to-Market

Margin Account shall represent the net amount paid or received on the basis of movement in the prices of open interest in futures contracts till the balance sheet date. Net debit balance in the Mark-to-Market Margin Account shall be charged off to revenue whereas net credit balance shall be shown under current liabilities.

d) **In case of Option Contracts**, premium to be paid or to be received on purchase and sale of options and the difference paid or received on exercise of options shall be accounted as Purchases or Sales. In case of open interest in options sold if any as on the balance sheet date, provision shall be made for the amount by which premium prevailing on the Balance Sheet date shall exceed the premium to be received for those options. The excess of premium to be received over the premium prevailing on the Balance Sheet date shall not be recognised.

Similarly, in case of options bought, provisions hall be made for the amount by which the premium to be paid for the option shall exceed the premium prevailing on the Balance Sheet date and the excess of premium prevailing on the Balance Sheet date over the premium paid shall be ignored. In case of multiple open positions, provisions shall be made as under:

Sum of premium paid for all buy contracts + sum of all excess premium in sell positions

10) PROPERTY, PLANT & EQUIPMENT

a. Fixed assets are stated at historic cost, except in the case of assets which have been revalued, which are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve.

b. Cost includes cost of purchase and all expenditure such as site preparation, installation costs, professional fees, etc. incurred on the asset before it is ready to use or capable of ready to use. Subsequent expenditure incurred on assets ready to use is capitalised only when it increases the future benefits from such assets or their functioning capability.

c. 5% residual value has been kept for all the assets except for the assets with estimated useful life less than 5 Years (e.g. Mobile Phones, Computers, Computer Software forming part of hardware), where the entire cost of the assets is amortised over the useful life.

d. The rates of depreciation and method of charging depreciation is given below-

Sr. No.	Particulars	Rate of Depreciation	Estimated useful life as determined by the Bank	Method of charging depreciation
1	**Land & Building:**			
1.a.	Land (Freehold)	NIL		
1.b.	Leasehold Land		Lease premium is amortised over the period of lease	
1.c.	Building (including cost of land if not ascertained separately)	1.58%	60 Years	Straight Line
2.	**Other Fixed Assets:-**			
a.	Furniture, Fixtures, Electrical fittings and Equipment's	9.50%	10 Years	Straight Line
b.	Electrical Fitting and Equipment's	9.50%	10 Years	Straight Line
c.	Air-conditioning plants, etc. and business machines	6.33%	15 Years	Straight Line
d.	Motor cars, Vans & Motor cycles	11.88%	8 Years	Straight Line
e.	Cycle	20.00%	5 Years	Straight Line
f.	Mobile Phones	33.33%	3 Years	Straight Line
g.	Computers and Computer Software forming integral part of hardware	33.33%	3 Years	Straight Line
h.	Servers	20%	5 Years	Straight Line
i.	Computer Software, which do not form integral part of computer hardware	20%	5 Years	Straight Line

e. In respect of additions/sale during the year, depreciation is provided on proportionate basis for the number of days the assets have been ready to use during the year.

f. The revalued portion is depreciated over the balance useful life of the assets as assessed at the time of revaluation. Such depreciation is charged to Profit & loss account and equivalent amount is transferred from Revaluation Reserve to Revenue Reserve.

g. Depreciation on fixed assets outside India is provided on Straight Line Method, except at the centres where different rates/method have been prescribed by the local statutory authorities.

Classification: Internal

h. Computer Software, not forming integral part of computer hardware is classified as intangible asset and amortised over a period of 5 years.

i. In respect of leasehold land, the lease premium, if any, is amortised over the period of lease.

11) TRANSACTIONS INVOLVING FOREIGN EXCHANGE:

Transactions involving foreign exchange are accounted for in accordance with AS 11, "The Effect of Changes in Foreign Exchange Rates" read with extant RBI guidelines:

a) Translation in respect of Integral Foreign operations:

Foreign currency transactions of Indian branches have been classified as integral foreign operations and foreign currency transactions of such operations are translated as under:

i) Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount, the daily closing rate as available from Cogencis/ Reuter's page on date of the transaction.

ii) Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing spot rates.

iii) Foreign currency non-monetary items, which are carried in terms of historical cost, are reported using the exchange rate at the date of the transaction.

iv) Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v) Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting notional profit or loss is recognised in the Profit and Loss account.

vi) Outstanding Foreign exchange forward contracts which are not intended for trading are valued at the closing spot rate as advised by FEDAI. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

vii) Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii) Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss account.

b) Translation in respect of Non-Integral Foreign operations:
Transactions and balances of foreign entities are classified as non-integral foreign operations and their financial statements are translated as follows:

i) Assets and Liabilities (monetary and non-monetary as well as contingent liabilities) are translated at the closing rates notified by FEDAI.

ii) Income and expenses are translated at the quarterly average closing rates notified by FEDAI.

iii) All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments by the bank in the respective foreign entities.

iv) The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country.

12) EMPLOYEE BENEFITS:

i. Short Term Employee Benefits:

The undiscounted amount of short-term employee benefits, such as medical benefits etc. which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

ii. Long Term Employee Benefits:

A. Defined Benefit Plan

a) Gratuity

The Bank provides gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to

15 days basic salary payable for each completed year of service, subject to a maximum prescribed as per The Payment of Gratuity Act, 1972 or Bank of India Gratuity Fund Rules, 1975, whichever is higher. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by trustees based on an independent actuarial valuation carried out quarterly.

b) Pension

The Bank provides pension to all eligible employees. The benefit is in the form of monthly payments as per rules and payments to vested employees on retirement, on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the pension fund at 10% of pay in terms of Bank of India (Employees) Pension regulations, 1995. The pension liability is reckoned based on an independent actuarial valuation carried out quarterly and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

B. Defined Contribution Plan:

a. Provident Fund

The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a trust established for this purpose and are charged to Profit and Loss Account. The bank recognises such annual contributions as an expense in the year to which it relates.

b. Pension

All Employees of the bank, who have joined from 1st April, 2010 are eligible for contributory pension. Such employees contribute monthly at a predetermined rate to the pension scheme. The bank also contributes monthly at a predetermined rate to the said pension scheme. Bank recognises its contribution to such scheme as expenses in the year to which it relates. The contributions are remitted to National Pension System Trust. The obligation of bank is limited to such predetermined contribution.

c. Other Long term Employee Benefits:

All eligible employees are entitled to the following-

i.) Leave encashment benefit, which is a defined benefit obligation, is provided for on the basis of an actuarial valuation in accordance with AS 15 – “Employee Benefits”.

ii.) Other employee benefits such as Leave Fare Concession, Milestone award, resettlement benefits, sick leave etc. which are defined benefit obligations are provided for on the basis of an actuarial valuation in accordance with AS 15 – “Employee Benefits”.

iii.) In respect of overseas branches, offices and subsidiaries, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

13) SEGMENT REPORTING:

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

14) Lease Transactions: (AS 19 Leases)

Lease where risks & rewards of ownership are retained by lessor are classified as Operating Lease as per AS 19 (Leases). Lease expenses on such lease are recognised in Profit & Loss Account.

15) EARNINGS PER SHARE:

a) Basic and Diluted earnings per equity share are reported in accordance with AS 20 “Earnings per share”. Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the period.

b) Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the period.

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16) TAXES ON INCOME:

a) Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the BOI group. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - "Accounting for Taxes on Income" respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions.

b) Deferred Tax adjustments comprise changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

c) Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable income.

d) In Consolidated Financial Statements, income tax expenses are the aggregate of the amounts of tax expense appearing in the separate financial statements of the parent and its subsidiaries/joint ventures, as per their applicable laws.

17) IMPAIRMENT OF ASSETS:

Impairment losses, if any on Fixed Assets (including revalued assets) are recognised and charged to Profit and Loss account in accordance with AS 28 "Impairment of Assets". However, an impairment loss on revalued assets is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

18) PROVISIONS, CONTINGENT LIABLITIES AND CONTINGENT ASSETS:

As per AS 29 "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying

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economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

Contingent Assets are not recognised in the financial statements.

19) SHARE ISSUE EXPENSES:

Share issue expenses are charged to Share Premium Account in the year of issue of shares.

SCHEDULE 18

All figures are in ₹ Crore unless specifically stated. Figures in Brackets relate to previous year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. Particulars of the subsidiaries whose financial statements are consolidated with the standalone financial statement of Bank of India (the Parent bank) are as under:

Name of Subsidiaries		Country of Incorporation	Proportion of Ownership by the Parent bank as on 31.03.2023	Proportion of Ownership by the Parent bank as on 31.03.2022
Domestic Subsidiaries:				
a)	BOI Shareholding Ltd.	India	100%	100%
b)	Bank of India Investment Managers Pvt Ltd.	India	100%	100%
c)	Bank of India Trustee Services Pvt Ltd.	India	100%	100%
d)	BOI Merchant Bankers Ltd	India	100%	100%
Overseas Subsidiaries:				
a)	PT Bank of India Indonesia Tbk	Indonesia	86.04%	76%
b)	Bank of India (Tanzania) Ltd.	Tanzania	100%	100%
c)	Bank of India (New Zealand) Ltd.	New Zealand	100%	100%
d)	Bank of India (Uganda) Ltd.	Uganda	100%	100%

2. Particulars of associates and joint venture considered in the Consolidated Financial Statements are as under :

(i) Associates:

	Name of Associates	Country of Incorporation	Proportion of Ownership by the Parent bank as on 31.03.2023	Proportion of Ownership by the Parent bank as on 31.03.2022
a)	Regional Rural Banks-			
	i) Madhya Pradesh Gramin Bank (erstwhile Narmada Jhabua Gramin Bank)	India	35%	35%
	ii) Vidharbha Konkan Gramin Bank	India	35%	35%
	iii) Aryavart Bank (erstwhile Gramin Bank of Aryavart)	India	35%	35%
b)	Indo Zambia Bank Limited	Zambia	20%	20%
c)	STCI Finance Ltd.	India	29.96%	29.96%
d)	ASREC (India) Ltd.	India	26.02%	26.02%

(ii) Joint Venture:

Name of Joint Venture	Country of Incorporation	Proportion of Ownership by the Parent bank as on 31.03.2023	Proportion of Ownership by the Parent bank as on 31.03.2022
Star Union Dai-ichi Life Insurance Company Limited	India	28.96%	28.96%

3. The financial statements of the subsidiaries, joint ventures and associates which are used in the consolidation have been drawn upto the same reporting date as that of the Parent Bank i.e. 31st March 2023 except for an associate Indo Zambia Bank

Limited (IZBL). IZBL's financial statements are prepared upto 31st December 2022 and its management has reported no significant transactions for the quarter ended 31st March 2023.

4. In case of subsidiaries/joint venture/associates, accounting adjustments arising due to different accounting policies followed by them and the Parent Bank have been carried out on the basis of data provided by subsidiaries/joint venture/associates.

5. The Consolidated Financial Statements have been prepared on the basis of :

   (i) Financial statements of PT Bank of India Indonesia Tbk as on 31.03.2023 certified by the Management and reviewed by an independent reviewer as per the local requirements of the country of incorporation.

   (ii) Financial statements of Bank of India (Tanzania) Ltd. as on 31.03.2023 certified by the Management and reviewed by an independent reviewer as per the local requirements of the country of incorporation.

   (iii) Financial statements of Bank of India (New Zealand) Ltd. as on 31.03.2023 duly audited as per the local requirements of the country of incorporation.

   (iv) Financial statements of Bank of India (Uganda) Ltd. as on 31.03.2023 certified by the Management and reviewed by an independent reviewer as per the local requirements of the country of incorporation.

   (v) Audited financial statements of BOI Shareholding Ltd., Bank of India Investment Managers Pvt. Ltd., Bank of India Trustee Services Pvt. Ltd., BOI Merchant Bankers Ltd., Madhya Pradesh Gramin Bank, Vidharbha Konkan Gramin Bank, Aryavart Bank & STCI Finance Ltd. for the financial year ended 31.03.2023 and Indo Zambia Bank Ltd. for the twelve months ended 31.12.2022.

   (vi) Unaudited financial statements of Star Union Dai-ichi Life Insurance Company Ltd. and ASREC (India) Ltd., for the financial year ended 31.03.2023 certified by their management.

6. In respect of the Parent bank, balancing of Subsidiary Ledger Accounts, confirmation/reconciliation of balances with foreign branches, Inter-office accounts, NOSTRO Accounts, Suspense, Draft Payable, Clearing Difference, other office accounts, etc. is in progress on an on-going basis. In the opinion of the management, the overall impact on the financial statements, if any, of pending final clearance/adjustment of the above, is not likely to be significant.

बैंक ऑफ इंडिया BANK OF INDIA H. O. प्र. का. वित्त विभाग FINANCE DEPT.	V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS	LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS	MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

7. The following information is disclosed in respect of consolidated financial statements in terms of guidelines issued by Reserve Bank of India:

(a) Composition of Regulatory Capital:

Sr. No.	Particulars	31.03.2023	31.03.2022
i)	Common Equity Tier 1 capital (CET 1)	51,101	45,173
ii)	Additional Tier 1 capital	2,852	1,352
iii)	Tier 1 capital (i + ii)	53,953	46,525
iv)	Tier 2 capital	6,683	8,241
v)	Total capital (Tier 1+Tier 2)	60,636	54,766
vi)	Total Risk Weighted Assets (RWAs)	3,58,532	3,19,579
vii)	Common Equity Tier 1 Capital ratio (CET1) (%)	14.25%	14.14%
viii)	Tier I Capital ratio (%)	15.05%	14.56%
ix)	Tier II Capital ratio (%)	1.86%	2.58%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	16.91%	17.14%
xi)	Leverage Ratio	6.28%	5.94%
xii)	Percentage of the shareholding of Government of India	81.41%	81.41%
xiii)	Amount of paid-up equity capital raised	NIL	*5,550.01
xiv)	Share application money pending for	NIL	NIL
xv)	Amount of non-equity Tier 1 capital raised during the year, *of which:*		
	Basel III Compliant Perpetual Debt Instruments	1,500.00	NIL
xvi)	Amount of Tier 2 capital raised during the year, *of which*		
	Basel III Compliant Perpetual Debt Instruments	NIL	1,800

The said computation of Capital to Risk weighted asset Ratio & Leverage ratio is arrived at after considering the effect of Net Present Value of non-interest bearing recapitalization bond infused as capital by the Government of India during the FY ended 31.03.2021.

*Includes ₹ 3,000 received from Government of India on March 31, 2021 towards preferential allotment of equity shares for which the Parent Bank has issued and allotted 42,11,70,854 equity shares of ₹ 10 each fully paid up at an issue price of ₹ 71.23 per share on June 11, 2021. In terms of RBI communication reference no. DOR.CAP.S82/21.01/002/ 2021-22 dated April 30, 2021, the share application money of ₹ 3,000 has been considered for computation of CET 1 capital as on March 31, 2021.

The Parent Bank has raised Equity Share Capital of ₹ 2,550.01 through Qualified Institutional Placement on August 31, 2021. The Parent Bank has issued and allotted 40,54,71,866 equity shares of face value ₹ 10 each at a premium of ₹ 52.89 per share to the investors.

Pursuant to RBI Circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated March 1, 2016, the Bank has considered revaluation reserve, foreign currency translation reserve and deferred tax assets in calculation of Capital Adequacy Ratios as on March 31, 2023.

Details of outstanding Additional Tier 1 (AT-1) bonds raised to augment Tier-1 Capital are as under:-

Raised during the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2020-21	Additional Tier 1	1,352.00	1,352.00
2022-23	Additional Tier 1	1,500.00	1,500.00
	Total	**2,852.00**	**2,852.00**

During the year ended March 31, 2023, the Parent Bank has raised Basel III compliant Additional Tier I Bonds Series VIII amounting to ₹ 1,500.

Details of outstanding Tier-II Instruments raised to augment Tier -II capital are as under:

Raised during the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2013-14	Tier-II	1,500.00	0
2015-16	Tier-II	3,000.00	1,200.00
2020-21	Tier-II	1,800.00	1,800.00
	Total	**6,300.00**	**3,000.00**

The Parent Bank has redeemed Tier II Bonds Series XIII & Series XIV amounting to Rs.1,500 & Rs. 1,000 by exercising call option on July 7, 2021 and March 25, 2022 respectively.

(b) Draw down from Reserves (Parent Bank)

During the FY 2022-23, There has been no drawdown from reserves to the Profit and Loss accounts.

(c) The Parent Bank has invested ₹ 675.63 (share application money pending allotment) in one of its subsidiary namely, PT Bank of India Indonesia TBK. Further, the Parent Bank also acquired additional stake of 10.04% (for ₹ 529.97) in the said subsidiary which resulted in goodwill on consolidation of ₹ 304.78, and the same has been adjusted and written off during the year.

(d) The Parent Bank has infused additional capital of ₹ 57.92 in its joint venture namely, Star Union Dai-ichi Life Insurance Company Limited and ₹ 4.63 in one of its subsidiary namely, Bank of India Investment Managers Private Limited during the year.

(e) During the year, Parent Bank has been allotted shares of ₹ 270.24, by one its associate Regional Rural Bank namely, Vidharbha Konkan Gramin Bank.

(f) The Parent Bank has infused additional proportionate capital in FY 2022-23 in the following associate Regional Rural Banks:

i. ₹110.09 in Vidharbha Konkan Gramin Bank (pending allotment)
ii. ₹152.04 in Aryavrat Bank (pending allotment)
iii. ₹139.08 in Madhya Pradesh Gramin Bank (pending allotment)

(g) **Provisions and Contingencies:**

Particulars	**2022-23**	**2021-22**
Provision for NPI	1,207.76	397.36
Provision towards NPA	3,667.90	2,992.71
Provision made towards Income Tax (including Deferred Tax)	2,216.62	2,167.53
Provision towards Standard Assets	1,655.18	893.88
Other Provision & Contingencies		
• Provision for Sacrifice in Restructured Accounts	(-)64.80	(-)69.23
• Provision for Country Risk	14.72	10.93
• Other Provisions	749.22	238.62
Total	**9,446.59**	**6,631.80**

(h) Floating Provisions as on 31.03.2023 - (Parent Bank)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening Balance						0.00
Add: Additional provisions made during the year						0.00
Less: Amount drawn down[15] during the year						0.00
Closing balance of floating provisions						0.00

Floating Provisions as on 31.03.2022 - (Parent Bank)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening Balance						232.22
Add: Additional provisions made during the year						0.00
Less: Amount drawn down[15] during the year						232.22
Closing balance of floating provisions						0.00

(i) Income-Tax – (Parent Bank)

Claims against the Bank not acknowledged as debt under contingent liabilities (Schedule 12) include disputed income tax/interest tax liabilities of ₹ 355.86 (previous year ₹ 529.03) for which no provision is considered necessary based on various judicial decisions in respect of past assessments on such disputes. Payments/adjustments against the said disputed dues are included under Other Assets (Schedule 11).

(j) Provision for taxes has been arrived at after due consideration of the provisions of the applicable tax laws and relevant judicial decisions on certain disputed issues.

(k) Disclosure of Letter of comfort issued by the Parent bank for subsidiaries (As compiled by Management)

During the year 2022-23, the Parent bank has not issued any letter of comforts on behalf of Subsidiaries.

In the Financial year 2010-11, the Parent Bank has issued parental guarantee in favour of Royal Bank of New Zealand, for its wholly owned subsidiary, Band of India (New Zealand) Ltd. to meet its financial obligations, if they fall due.

As on 31.03.2023 no financial obligations have arisen on the above commitments.

8. Disclosures in terms of Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI):

A. AS - 5 Net Profit / loss for the period, Prior Period Items and changes in accounting policies:

(i) Prior Period Items:

During the year, there were no material prior period income / expenditure items.

(ii) Change in Accounting Policy (AS-5):

There is no change in the Significant Accounting Policies followed during the year ended March 31, 2023 as compared to those followed in the previous financial year ended March 31, 2022.

B. AS-15 " Employee Benefits" (Parent Bank)

Sr. No.	Particulars	FY 2022-2023		FY 2021-2022	
		Gratuity	Pension	Gratuity	Pension
(i)	**Principal actuarial assumptions used :**				
	Discount Rate	7.51%	7.39%	7.37%	6.84%
	Rate of Return on Plan Assets	6.87%	7.67%	6.42%	8.21%
	Salary Escalation Rate	5.50%	5.50%	5.50%	5.50%
	Attrition Rate Current	1.00%	1.00%	1.00%	1.00%
(ii)	**Table showing changes in Present value of Defined Benefit Obligation :**				
	Liability at the beginning of the year	1,898.52	17,889.53	1,935.32	16,837.05
	Interest Cost	129.68	1,159.60	121.82	775.14
	Current Service Cost	108.55	977.95	99.24	946.18
	Past Service Cost	-	122.42	-	-
	Benefit Paid	278.00	1,872.53	369.98	1,824.62
	Actuarial (gain)/loss on Obligation	211.81	719.43	112.11	1,155.78
	Liability at the end of the year	2,070.55	18,996.40	1,898.52	17,889.53
	Unrecognised past service cost	-	183.62	-	489.67
	Total Defined Benefit obligation	**2,070.55**	**19,180.02**	**1,898.52**	**18,379.20**
(iii)	**Table showing changes in Fair value of Plan Assets :**				
	Fair Value of Plan Assets at the beginning of the year	1,887.32	17,604.64	1,930.62	16,531.02
	Expected return on Plan Assets	131.13	1,333.66	119.13	1,356.20
	Contributions	320.89	1,439.17	219.86	1,800.30
	Benefit Paid	278.00	1,872.53	369.98	1,824.62
	Actuarial gain/(loss) on Plan Assets	(5.88)	(45.52)	(12.31)	(258.26)
	Fair Value of Plan Assets at the end of the year	**2,055.47**	**18,459.42**	**1,887.32**	**17,604.64**
	Total Actuarial Gain/(Loss) recognised	(217.68)	(764.95)	(124.42)	(1,414.03)

Sr. No.	Particulars	FY 2022-2023		FY 2021-2022	
		Gratuity	Pension	Gratuity	Pension
(iv)	**Actual return on Plan Assets :**				
	Expected Return on Plan Assets	131.13	1,333.66	119.13	1,356.20
	Actuarial gain/(loss) on Plan Assets	(5.88)	(45.52)	(12.31)	(258.26)
	Actual return on Plan Assets	**125.26**	**1,288.14**	**106.82**	**1,097.94**
(v)	**Amount recognised in the Balance Sheet :**				
	Liability at the end of the year	2,070.55	19,180.02	1,898.52	18,379.20
	Fair Value of Plan Assets at the end of the year	2,055.47	18,459.42	1,887.32	17,604.64
	Unrecognised past service cost	-	183.62	-	489.67
	Amount Recognised in the Balance Sheet	**15.09**	**536.98**	**11.20**	**284.88**
(vi)	**Expenses recognised in the Income-Statement :**				
	Current Service Cost	108.55	977.95	99.24	946.18
	Interest Cost	129.68	1,159.60	121.82	775.14
	Expected Return on Plan Assets	(131.13)	(1,333.66)	(119.13)	(1,356.20)
	Expenses recognized relating to prior years	-	-	-	-
	Past Service Cost	-	306.04	-	-
	Actuarial (Gain) or Loss	217.68	764.95	124.42	1,414.03
	Expense Recognised in P & L	**324.78**	**1,874.89**	**226.35**	**1,779.15**
(vii)	**Balance Sheet Reconciliation :**				
	Opening Net Liability (Last period's net amount recognized in the balance sheet)	11.20	284.88	4.70	306.03
	Expenses as above	324.78	1,874.89	226.35	1,779.15
	Employer's Contribution	(320.89)	(1,439.17)	(219.86)	(1,800.30)
	Additional Past Service Cost	-	(183.62)	-	-
	Amount Recognised in Balance Sheet	**15.09**	**536.98**	**11.20**	**284.88**
(viii)	**Category of Assets :**				
	Central Government of India Securities	15.30	2,329.69	71.50	2,288.50
	Equity	-	759.33	-	551.87
	Corporate Bonds	94.98	6,095.69	120.61	5,422.74
	State Government Securities	55.48	3,057.14	130.70	2,858.58
	Insurance	1852.39	5,810.69	1532.83	6089.16
	Other	37.32	406.88	31.68	393.79
	Total	**2,055.47**	**18,459.42**	**1,887.32**	**17,604.64**
(ix)	**Experience Adjustment :**				
	On Plan Liability (Gain)/Loss	240.77	843.92	152.27	1,092.69
	On Plan Asset (Loss)/Gain	(5.88)	(45.52)	(42.37)	(694.35)

Other long term employee benefits*:

Particulars	**31.03.2023**		**31.03.2022**	
	Liability	**Provisions made/ (w/back) during the year**	**Liability**	**Provisions made/(w/back) during the year**
Leave Encashment	1,201.04	17.28	1,183.77	(-)99.81
Leave Travel Concession	62.58	0.17	62.41	0.18
Resettlement Benefits	8.07	0.36	7.71	0.38
Milestone Awards	4.59	0.04	4.56	0.04
Sick Leave**	3.00	0.00	3.00	0.00

* The actuarial assumptions for other long term benefits are same which are used for Gratuity.

The Parent bank has recognised contribution to employees' Provident Fund/Defined contribution scheme as an expense. During the year, the Parent bank has contributed ₹ 391.94 (Previous Year ₹ 364.15) towards such fund which is a defined contribution plan.

** The Parent bank has been recognising the liability of sick leave to full extent hitherto i.e. entire outstanding leave balance. In line with the Guidance Note on implementation of Employee Benefits (AS-15) - (revised 2005) in respect of Sick Leave, the liability in this regard is recognised based on probability of availing such leaves by employees.

The Parent Bank's best estimate of contributions expected to be paid during the annual period beginning after the Balance sheet date, towards Pension is ₹ 2,215.86 (Previous Year ₹ 2,106.26) and towards Gratuity is ₹ 22.78 (Previous Year: ₹ 45.69).

Surplus /Deficit in the Plan:

	Gratuity Plan				
Particular	**FY2022-23**	**FY2021-22**	**FY2020-21**	**FY2019-20**	**FY2018-19**
Defined benefit obligation	2,070.55	1,898.52	1,935.33	1,747.81	1,683.78
Plan assets	2,055.47	1,887.32	1,930.63	1,649.47	1,592.38
Unrecognised Transitional liability	0.00	0.00	0.00	0.00	0.00
Surplus/(deficit)	(-)15.09	(-)11.20	(-)4.70	98.34	91.40
Experience Adjustment On Plan Liability (Gain)/Loss	240.77	152.27	315.39	(-)86.04	54.03
Experience Adjustment On Plan Asset (Loss)/Gain	(-)5.88	(-)42.37	86.25	100.21	14.29

	Pension Plan				
Particular	**FY2022-23**	**FY2021-22**	**FY2020-21**	**FY2019-20**	**FY2018-19**
Defined benefit obligation	19,180.02	18,379.20	16,837.05	16,065.92	14,709.20
Plan assets	18,459.42	17,604.64	16,531.02	15,827.60	14,314.88
Unrecognised Transitional liability	183.62	489.67	0.00	0.00	0.00
Surplus/(deficit)	(-)536.99	(-)284.88	(-)306.03	(-)238.32	(-)394.32
Experience Adjustment On Plan Liability (Gain)/Loss	843.92	1,092.69	791.71	808.90	546.91
Experience Adjustment On Plan Asset (Loss)/Gain	(-)45.52	(-)694.35	(-)620.28	155.64	37.73

C. AS-17 "Segment Reporting"

Part A: Business Segment

Business Segment	Treasury Operations (1)		Wholesale Banking Operations (2)		Retail Banking Operations (3)		Digital Banking (3) (I)		Other Retail Banking (3)(ii)		(*)Other Banking Operations (4)		Total (1+2+3+4)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue	16,465.87	15,603.57	17,949.53	14,607.48	20,731.92	15,716.53	0	0	20,731.92	15,716.53	0	0	55,147.32	45,927.58
Unallocated revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					XXXX	XXXX	585.03	410.14
Less: Inter segment revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					XXXX	XXXX	589.49	46.26
Total Revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					XXXX	XXXX	55,142.86	46,291.46
Results	5,252.77	5,978.05	(-)6.82	(-)2,343.56	2,392.35	3,217.21	(-)0.38	0	2,392.73	3,217.21	0	0	7,638.30	6,851.71
Unallocated Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					XXXX	XXXX	(-)1,583.72	(-)1,191.61
Profit/(Loss) Before Tax	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					XXXX	XXXX	6,054.58	5,660.10
Income Tax	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					XXXX	XXXX	2,216.62	2,167.53
Extraordinary Profit/ (Loss)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					XXXX	XXXX	XXXX	
Net Profit/(Loss)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					XXXX	XXXX	3,837.96	3,492.57
Other Information :														
Segment Assets	284,366.60	261,226.84	297,011.11	235,168.66	215,949.71	216,917.68	2.02	0	215,947.69	216,917.68	0	0	797,327.42	713,313.18
Unallocated Assets													28,708.33	29,818.15
Total Assets	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					XXXX	XXXX	826,035.75	743,131.33
Segment Liabilities	267,321.61	246,569.37	290,729.72	262,901.73	193,707.89	166,610.81	2.40	0	193,705.49	166,610.81	0	0	751,759.22	676,081.91
Unallocated Liabilities													13,843.59	10,527.57
Total Liabilities	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					XXXX	XXXX	765,602.81	686,609.48

Note: Information in respect of Non-Banking subsidiaries/joint venture has been included under unallocated segment.

Part B: Geographical Segment

Geographical Segments	Domestic		International		Total	
Particulars	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue	50,205.33	44,430.58	4,937.53	1,860.88	55,142.86	46,291.46
Assets	705,383.83	653,651.33	120,651.92	89,480.00	826,035.75	7,43,131.33

The BOI group has recognised Business Segments as Primary reporting segment and Geographical Segments as Secondary segment in line with RBI guidelines in compliance with AS-17.

I. **Primary Segment: Business Segments**

a) **Treasury**: 'Treasury' segment includes the entire investment portfolio i.e. dealing in Government and other Securities, Money Market Operations and Forex Operations including Derivative contracts.

b) **Wholesale Banking**: Wholesale Banking includes all lending activities which are not included under Retail Banking.

c) **Retail Banking** : Retail Banking segment comprises of Digital Banking and Other Retail Banking.

Digital Banking includes digital banking products acquired by DBUs.

Other Retail Banking includes all housing loan accounts and borrower accounts having exposure up to ₹ 7.50 crore.

Pricing of Inter-Segmental transfers

Retail Banking Segment is a Primary resource mobilising unit and Wholesale Segment and Treasury Segment compensates the Retail banking segment for funds lent by it to them taking into consideration the average cost of deposits and borrowings incurred by it.

Allocation of Costs:

a) Expenses directly attributed to particular segment are allocated to the relative segment.
b) Expenses not directly attributable to specific segment are allocated in proportion to number of employees/business managed.

Secondary Segment: Geographical Segments

a) Domestic Operations
b) International Operations

D. AS-18 "Related Party Transactions" (Parent Bank):

Key Managerial Personnel:

Managing Director & CEO:	Shri Atanu Kumar Das (Superannuated on 19.01.2023) Shri Rajneesh Karnatak (from 29.04.2023)
Executive Directors:	Shri P. R. Rajagopal Shri Swarup Dasgupta Shri M. Karthikeyan Smt Monika Kalia (upto 15.11.2022) Shri Subrat Kumar (from 21.11.2022)

Remuneration paid : (Amount in ₹)

Sr No	Name	2022-23	2021-22
1	Shri Atanu Kumar Das	28,89,579	32,62,233
2	Shri P. R. Rajagopal	38,99,430	34,40,568
3	Shri M. Karthikeyan	30,32,883	27,25,869
4	Shri Swarup Dasgupta	30,32,833	27,25,869
5	Smt. Monika Kalia	18,93,147	28,00,774
6.	Shri Subrat Kumar	11,55,336	NA

In terms of paragraph 5 of AS 18, transactions in the nature of Banker – Customer relationship, including those with Key Management Personnel and relatives of Key Management Personnel have not been disclosed, since the disclosure would conflict with Parent Bank's duties of confidentiality.

E. Accounting Standard 19 – Leases (Parent Bank): - Operating leases are cancellable at the option of the Parent Bank. The amount of lease expenses recognized in the Profit & Loss Account for such operating lease is ₹ 676.84 (Previous Year: ₹ 618.36).

F. AS20 "Earnings per Share" in ₹:

Sr. No.	Particulars	2022-23	2021-22
1.	Basic EPS	9.35	9.07
2.	Diluted EPS	9.35	9.07

Calculation of Basic & Diluted E.P.S.:

S.No.	Particulars	2022-23	2021-22
(A)	Net Profit/(Loss) for the year attributable to Equity Shareholders	3,837.96	3,492.57
(B)	Weighted Average Number of Equity shares (in crore)	410.36	385.28
(C)	Basic Earnings per Share (A/B) (₹)	9.35	9.07
(D)	Weighted Average number of Equity shares including dilutive potential equity shares (in crore)	410.36	385.28
(E)	Dilutive Earnings per share (A/D) (₹)	9.35	9.07
(F)	Nominal Value per Equity Share (₹)	10.00	10.00

G. AS-22 "Accounting for Taxes on Income":

The Major components of Deferred Tax Assets and Deferred Tax Liabilities are as under:

Particulars	31.03.2023	31.03.2022
Deferred Tax Assets		
On account of timing difference towards provisions	7,922.01	9,895.77
Others	850.34	783.28
Total Deferred Tax Assets	**8,772.35**	**10,679.05**
Deferred Tax Liabilities		
On account of depreciation on fixed assets	96.12	154.67
On account of depreciation on investment	0	0.00
On account of interest accrued but not due	1,102.14	887.51
Others	915.38	915.91
Total Deferred Tax Liabilities	**2,113.64**	**1,958.09**
Net Deferred Tax Assets / (Liabilities)	**6,658.71**	**8,720.96**

H. Accounting Standard 24 - Discontinuing Operations: In consonance with the Government of India directives and as a part of strategic initiatives for rationalisation of Overseas Operations, in Financial year 2019-20, the Parent Bank has sold its overseas subsidiary i.e. Bank of India (Botswana) Ltd. for consideration of ₹ 14.64 and remaining cost of investment of ₹ 19.18 has been fully provided.

For the Financial year 2022-23, we confirm that there is no disinvestment of our overseas subsidiaries.

I. AS-27 "Financial Reporting of Interests in Joint Ventures":

Investments include ₹ 98.17 (Previous year ₹ 75) representing Parent Bank's interest in the following jointly controlled entity:

Sr. No.	Name of the Company	Amount	Country of incorporation	Holding %
1	Star Union Dai-Ichi Life Insurance Company Ltd.	98.17	India	28.96%

Aggregate amount of assets, liabilities, income and expenses related to the group's interest in jointly controlled entities:

Particulars	31.03.2023	31.03.2022
Liabilities		
Capital & Reserves	307.51	213.22
Deposits	-	-
Borrowings	-	-
Other Liabilities & Provisions	5,405.48	4,211.15
Total	**5,712.99**	**4,424.37**
Assets		
Cash and Balances with Reserve Bank of India	90.85	41.15
Balances with Banks and Money at call and short notice	-	-
Investments	5,419.83	4206.16
Advances	7.17	4.90
Fixed Assets	14.75	10.52
Other Assets	180.39	161.65
Total	**5,712.99**	**4,424.37**
Capital Commitments	-	-
Other Contingent Liabilities	33.69	31.56
Income		
Interest Earned	17.14	12.71
Other Income	38.23	76.62
Total	**55.37**	**89.34**
Expenditure		
Interest Expended	-	-
Operating Expenses	18.34	89.37
Provisions & Contingencies	0.21	(6.63)
Total	**18.55**	**82.73**
Profit / (Loss)	**36.82**	**6.60**

J. AS-29 "Provisions, Contingent Liabilities and Contingent Assets": (Parent Bank)

A. Movement of Provisions for contingent liabilities

Particulars	Legal cases/contingencies*	
	2022-23	2021-22
Opening Balance	61.02	100.91
Provided during the year	4.07	2.67
Amounts used during the year	1	42.56
Closing Balance	64.09	61.02
Timing of outflow/uncertainties	Outflow on settlement / crystallization	

*Excluding provisions for others

B. Contingent Liabilities

Such liabilities are dependent upon the outcome of court order/arbitration/out of court settlement, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be. No reimbursement is expected in such cases.

9. Other Notes:

a) The investments of life insurance joint venture have been accounted for in accordance with the IRDAI guidelines instead of restating the same in accordance with the accounting policy followed by the Parent Bank. The investments of the insurance joint venture constitute approximately 2.56% (previous year 2.33%) of the total investments as on 31st March, 2023.

b) The Parent Bank has made provision of ₹ 268 for the year ended March 31, 2023 towards arrears of wages, on ad-hoc basis, due for revision with effect from November 1, 2022.

c) **Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks**

Reserve Bank of India vide its Circular No. RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 4, 2021, permitted Banks to amortise the additional liability on account of revision in family pension over a period not exceeding five years beginning with the financial year ending March 31, 2022, subject to a minimum of 1/5th of the total amount being expensed every year. The Bank recognised the additional liability on account of revision in family pension amounting to ₹ 612.09 and has opted to amortise the said liability over a period not exceeding five years, beginning financial year ending March 31, 2022.

Accordingly, the Parent Bank has recognised ₹ 306.04 (₹ 122.42) as an expense in the Profit and Loss account, for the year ended March 31, 2023 and the balance unamortised liability of ₹ 183.63 (₹489.67) has been carried forward. If the unamortised liability had been fully recognised in the Profit & Loss account by the Bank, the Net Profit (after tax) for the quarter and year ended March 31, 2023 would have been lower by ₹ 119.46 (₹ 318.56).

d) Parent Bank was holding 100% provision in a particular account, recovery of which is under dispute with another PSU Bank. The account has been reported as fraud to RBI. RBI vide its communication ref. no. DoS. Co. SSM (BOI)/6557/13.37.007/2019-20 dated April 13, 2020 permitted the Parent Bank to maintain provision of 50% of the disputed amount on an ongoing basis subject to certain conditions. Accordingly, the Parent Bank holds provision of ₹144.03 (being 50% of the outstanding amount) for the said disputed amount.

e) In accordance with the RBI guidelines, during the year ended March 31, 2023, Parent Bank has shifted Central Government securities with a book value of ₹ 2,887.84 and State Government securities with a book value of ₹ 5,054.58 from HTM to AFS category. Further, the Parent Bank has shifted from AFS to HTM category, Central Government securities with a book value of ₹ 656.41 after charging shifting loss of ₹ 21.62. Venture Capital Fund for an amount of ₹ 7.65 has been shifted from HTM to AFS category.

f) In respect of RBI referred NCLT accounts (List 1 & 2) as on March 31, 2023, the Parent Bank holds 100% provision of the outstanding value of ₹ 3,403.66.

g) **Impact of Covid-19:**

The COVID-19 virus, a global pandemic has affected the world economy over the last three years. The extent to which any new wave of COVID-19 will impact the Parent Bank's operations and financial results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government- mandated or elected by us.

h) Other Income includes commission and brokerage income, profit/loss on sale of assets, profit/loss on revaluation of investments (net) (including depreciation on performing investments), earnings from foreign exchange and derivative transactions, recoveries from accounts previously written off, dividend income, etc.

i) **Other Income / Expenditure exceeding 1% of total income (Parent Bank)**

Other Income: Other Income includes below income exceeding 1% of the total income of the Parent Bank.

Particulars	FY 2022-23	FY 2021-22
Recovery in written off accounts	1,206.85	1,097.13

j) The Board of Directors of Parent Bank has recommended a dividend of ₹ 2.00 per equity share (20%) for the year ended March 31, 2023 subject to requisite approvals.

k) Previous Year's figures have been regrouped/rearranged wherever considered necessary.

V Sankar Aiyar & Co.	Laxmi Tripti & Associates	Mukund M Chitale & Co.
Chartered Accountants 2C Court Chambers, 35, New Marine Lines, Mumbai – 400 020.	Chartered Accountants 2/9, Shireen Complex, BDA Colony, KOH-E-FIZA, Bhopal - 462001	Chartered Accountants Second Floor, Kanpur House, Paranjape B Scheme Road No 1, Vile Parle East, Mumbai- 400057

Independent Auditors' Report on Audited Consolidated Quarterly Financial Results and Year to Date Financial Results of the Bank of India Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) regulations,2015

To
The Board of Directors
Bank of India
Mumbai

Report on the Audit of the Consolidated Financial Results

Opinion

1. We have audited the accompanying Statement of Consolidated Financial Results of **Bank of India** ("the **Parent Bank**") and its subsidiaries (collectively hereinafter referred to as "**the Group**"), associates and joint venture for the quarter and year ended March 31, 2023 ("**the Statement**"),being submitted by the Parent Bank pursuant to the requirement of Regulation 33 and 52 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), except for the disclosures relating to "consolidated Pillar 3 disclosure" as at 31st March 2023, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Consolidated Financial results and have not been audited by us.

   In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on separate audited financial results of subsidiaries, associates and joint venture, the aforesaid statement:

   a. include the financial results of the following entities

   Subsidiaries:

   i. BOI Shareholding Ltd.
   ii. Bank of India Investment Managers Private Limited (formerly known as BOI Star Investment Managers Private Limited)
   iii. Bank of India Trustee Services Private Limited (formerly known as BOI Star Trustee Services Private Limited)
   iv. BOI Merchant Bankers Ltd.
   v. PT Bank of India Indonesia TBK
   vi. Bank of India (Tanzania) Ltd.
   vii. Bank of India (New Zealand) Ltd.
   viii. Bank of India (Uganda) Ltd.

   Joint Venture:

   i. Star Union Dai-ichi Life Insurance Company Limited

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Associates:

i. Madhya Pradesh Gramin Bank
ii. Vidharbha Konkan Gramin Bank
iii. Aryavart Bank
iv. Indo- Zambia Bank Ltd.
v. STCI Finance Ltd.
vi. ASREC (India) Ltd.

b. is presented in accordance with the requirements of Regulation 33 and 52 of the Listing Regulations except for the disclosures relating to consolidated Pillar 3 disclosure as at 31st March 2023 including leverage ratio and liquidity coverage ratio under Basel III capital regulations as have been disclosed on the Bank's website and in respect of which link has been provided on the consolidated financial results and have not been audited by us and

c. gives a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India, of the consolidated net profit and other financial information of the group, its associates and Joint venture for the quarter and the year ended 31st March 2023.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Results* section of our report. We are independent of the Group, its associates and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

3. We draw attention to Note No. 9 of the audited financial results, regarding amortization of additional liability on account of revision in family pension amounting to Rs. 612.09 Crores. The Bank has charged an amount of Rs. 214.23 Crores and Rs. 306.04 Crores to the profit and loss account for the quarter and year ended March 31, 2023 respectively and balance unamortized expense of Rs. 183.63 Crores has been carried forward.

Our opinion is not modified in respect of these matters.

Board of Directors' Responsibility for the Consolidated Financial Results

4. These Consolidated Financial Results have been compiled from the audited consolidated financial statements. The Bank's Board of Directors are responsible for the preparation and presentation of these consolidated Financial Results that give a true and fair view of the consolidated net profit and other financial information of the Group, its associates and joint venture in accordance with the Accounting Standards issued by the ICAI, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. The respective Board of Directors of the entities included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act/Banking Regulations Act, 1949 for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Financial Results that give a true and fair view and are free from

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material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Bank, as aforesaid.

In preparing the consolidated Financial Results, the respective Board of Directors of the entities included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its associates and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the entities included in the Group and of its associates and Joint venture are responsible for overseeing the financial reporting process of the Group and of its associates and joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

5. Our objectives are to obtain reasonable assurance about whether the consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Financial Results. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. We are also responsible for expressing our opinion on whether the bank has adequate internal financial controls with reference to the standalone financial statements in place and operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

   - Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint venture to cease to continue as a going concern.

   - Evaluate the overall presentation, structure and content of the consolidated Financial Results, including the disclosures, and whether the consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

   - Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and joint venture to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial

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Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

6. The consolidated Financial Results include the audited Financial Results of 5 subsidiaries and 5 associates, whose Financial Statements/Financial Results/ financial information reflect Group's share of total assets of Rs. 903.76 crore as at 31st March 2023, Group's share of total revenue of Rs. 22.50 crore and Rs. 81.11 crore and Group's share of total net profit/(loss) after tax of Rs. 22.33 crore and Rs. (47.53) crore for the quarter and year ended 31st March 2023 respectively, as considered in the consolidated Financial Results, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements/financial results/financial information of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

In the case of one foreign associate, the financial information has been prepared in accordance with accounting principles generally accepted in the country in which it is situated and has been audited by the other auditors under generally accepted auditing standards as applicable in the country in which it is situated. The Bank's management has converted the financial information of such associate from accounting principles generally accepted in the country in which it is situated to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances of such associate located outside India is based on the report of other auditors and the conversion adjustments prepared by the Bank's management.

The consolidated Financial Results include the unaudited Financial Results of 3 subsidiaries, 1 Joint Venture and 1 associate whose Financial Statements/Financial Results/ Financial information reflect Group's share of total assets of Rs. 10,534.57 crore as at 31st March 2023, Group's share of total revenue of Rs. 137.97crore and Rs. 346.44 crore and Group's share of total net profit/(loss) after tax of Rs. 38.76 crore and Rs. (137.45) crore for the quarter and year ended 31st March 2023 respectively, as considered in the consolidated Financial Results. These unaudited Financial Statements/Financial Results/ financial information has been furnished to us duly certified by the Bank's management and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on such reviewed/unaudited Financial Statements/Financial Results/Financial information. In our opinion and according to the information and explanations given to us by Bank's management, these Financial Statements/Financial Results / Financial information are not material to the Group.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/Financial information as certified by Bank's management.

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7. The Consolidated Financial Results include the results for the quarter ended 31st March 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our opinion on the Consolidated Financial Results is not modified in respect of above matters.

For V Sankar Aiyar & Co. **Chartered Accountants** (FRN 109208W) **Asha Patel** **Partner** **M. No. 166048** **UDIN: 23166048BGUTEO5567**	**For Laxmi Tripti & Associates** **Chartered Accountants** (FRN 009189C) **Sunil Agarwal** **Partner** **M.No. 103066** **UDIN: 23103066BGVYZA3251**	**For Mukund M Chitale & Co.** **Chartered Accountants** (FRN 106655W) **Nilesh RS Joshi** **Partner** **M. No. 114749** **UDIN: 23114749BGSUJQ2544**

Place: Mumbai
Date: May 6, 2023

BANK OF INDIA

BALANCE SHEET
AS AT 31st MARCH, 2023

&

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH, 2023

Bank of India

BALANCE SHEET AS ON 31st MARCH 2023

(000's Omitted)

	Schedule No	As at 31-03-2023 ₹	As at 31-03-2022 ₹
CAPITAL AND LIABILITIES			
Capital	1	41,043,052	41,043,052
Reserves & Surplus	2	548,663,088	510,269,339
Deposits	3	6,695,857,713	6,278,959,591
Borrowings	4	649,790,232	267,603,666
Other Liabilities and Provisions	5	220,202,058	248,264,475
TOTAL		8,155,556,143	7,346,140,123
ASSETS			
Cash and balances with Reserve Bank of India	6	440,345,054	402,805,778
Balances with Banks and money at call and short notice	7	403,608,131	512,770,611
Investments	8	2,043,978,771	1,744,484,066
Advances	9	4,858,996,352	4,208,417,907
Fixed Assets	10	99,610,019	97,749,535
Other Assets	11	309,017,816	379,912,226
TOTAL		8,155,556,143	7,346,140,123
Contingent Liabilities	12	3,789,703,359	4,231,982,122
Bills for Collection		291,747,325	276,009,290

The Schedules referred to above form an integral part of the Balance Sheet.

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र. का. वित्त विभाग FINANCE DEPT.

Sankar Sen
General Manager & Chief Financial Officer

Shiv Bajrang Singh
Chief General Manager

Subrat Kumar
Executive Director

M. Karthikeyan
Executive Director

Swarup Dasgupta
Executive Director

P. R. Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

DIRECTORS

Dr.Bhushan Kumar Sinha

Subrata Das

Veni Thapar

Munish Kumar Ralhan

V V Shenoy

In terms of our report of even date attached

For V Sankar Aiyar & Co.
Chartered Accountants
(FRN:109208W)

Asha Patel
Partner
M. No.166048

For Laxmi Tripti & Associates
Chartered Accountants
(FRN:009189C)

Sunil Agarwal
Partner
M. No.103066

For Mukund M Chitale & Co.
Chartered Accountants
(FRN: 106655W)

Nilesh RS Joshi
Partner
M. No. 114749

Place: Mumbai
Date May 06, 2023

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

Bank of India

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2023

(000's Omitted)

	Schedule No.	Year ended 31-03-2023 ₹	Year ended 31-03-2022 ₹
INCOME			
Interest earned	13	476,477,223	380,758,259
Other income	14	70,998,904	78,787,317
TOTAL		547,476,127	459,545,576
EXPENDITURE			
Interest expended	15	273,728,195	240,137,287
Operating expenses	16	139,821,724	119,523,743
Provisions and Contingencies		93,696,808	65,837,588
TOTAL		507,246,727	425,498,618
PROFIT/(LOSS)			
Net Profit/(Loss) for the year		40,229,400	34,046,958
Add: Profit/(Loss) brought forward		19,986,503	-
TOTAL		60,215,903	34,046,958
APPROPRIATIONS			
Transfer to Statutory Reserve		10,060,000	8,520,000
Transfer to Investment Fluctuation Reserve		1,514,286	2,537,920
Transfer to Investment Reserve Account		3,807,815	-
Transfer to Revenue Reserve		-	-
Transfer to Capital Reserve		-	3,002,535
Dividend paid		8,207,132	-
Transfer to Special Reserve u/s Sec 36(1) (viii) of Income Tax Act,1961		-	-
Balance in Profit and Loss Account		36,626,670	19,986,503
TOTAL		60,215,903	34,046,958
Significant accounting policies	17		
Notes to Accounts	18		
Earnings Per Share (Basic and Diluted)		9.80	8.84

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र. का. वित्त विभाग FINANCE DEPT.

Sankar Sen
General Manager & Chief Financial Officer

Shiv Bajrang Singh
Chief General Manager

Subrat Kumar
Executive Director

M. Karthikeyan
Executive Director

Swarup Dasgupta
Executive Director

P. R. Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

DIRECTORS

Dr.Bhushan Kumar Sinha | Subrata Das | Veni Thapar | Mukesh Kumar Ralhan | V V Shenoy

In terms of our report of even date attached

For V Sankar Aiyar & Co.
Chartered Accountants
(FRN:109208W)

Asha Patel
Partner
M. No.166048

For Laxmi Tripti & Associates
Chartered Accountants
(FRN:009189C)

Sunil Agarwal
Partner
M. No.103066

For Mukund M Chitale & Co.
Chartered Accountants
(FRN: 106655W)

Nilesh RS Joshi
Partner
M. No. 114749

Place: Mumbai
Date : May 06, 2023

LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

Classification: ... Sub-Classification: ...

BANK OF INDIA

Statement of Standalone Cash Flow for the year ended 31st March 2023

(₹ in '000)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
A. Cash Flow from Operating Activities:		
Net Profit before taxes	**6,22,93,107**	**5,56,67,484**
Adjustments for:		
Amortisation/Depreciation on Investments	1,35,67,140	61,66,144
(Profit)/Loss on Revaluation of investments (including depreciation on performing investments)	(1,57,45,053)	35,22,575
Depreciation on Fixed Assets	42,09,160	36,35,111
(Profit)/Loss on sale of Fixed Asset	(13,40,510)	(7,938)
Provision for NPAs	3,60,18,530	2,94,29,505
Provision for Standard Assets	1,65,45,565	90,13,825
Provision for Other items	69,91,403	18,00,120
Interest on AT 1 & Tier II Bonds (treated separately)	69,71,690	70,38,868
Dividend received from Subsidaries/Joint Ventures/Associates	(2,12,456)	(1,84,462)
Adjustments for:		
Increase /(Decrease) in Deposits	41,68,98,122	78,23,990
Increase /(Decrease) in Borrowings	36,71,86,566	(5,00,37,389)
Increase / (Decrease) in Other Liabilities and Provisions	(4,71,81,331)	5,47,15,621
(Increase) / Decrease in Investments	(28,86,89,127)	12,13,99,571
(Increase)/ Decrease in Advances	(68,65,96,975)	(58,09,82,173)
(Increase) / Decrease in Other Assets	4,69,41,198	(1,65,53,919)
Direct Taxes (Paid)/Refund	41,48,792	(56,09,666)
Net Cash Flow from Operating Activities (A)	**(5,79,94,179)**	**(35,31,62,732)**
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(64,19,407)	(56,91,277)
Sale of Fixed Assets	13,84,412	2,04,117
Sale / Redemption / (Additional) investment in Subsidiaries/Jt Ventures/Associates (Net)	(86,27,665)	(30,43,900)
Dividend received from Subsidiaries, Joint Venture & Associates	2,12,457	1,84,462
Net Cash Flow from Investing Activities (B)	**(1,34,50,203)**	**(83,46,599)**
C. Cash Flow from Financing Activities:		
Share Capital	-	40,54,719
Share Premium	-	2,12,63,185
Issue/(redemption) of Tier II Capital bonds (Net)	1,50,00,000	(70,00,000)
Dividend (Interim & Final) paid	(82,07,132)	-
Interest on AT 1 & Tier II Bonds	(69,71,690)	(70,38,868)
Net Cash Flow from Financing Activities (C)	**(1,78,822)**	**1,12,79,036**
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**(7,16,23,204)**	**(35,02,30,296)**
Cash and Cash Equivalents as at the beginning of the year	**91,55,76,389**	**1,26,58,06,685**
Cash and Cash Equivalents as at the end of the year	**84,39,53,185**	**91,55,76,389**

Contd...

(₹ In '000)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Reconciliation of Cash and Cash Equivalents as at the end of the year		
Cash and balances with Reserve Bank of India (Schedule 6)	44,03,45,054	40,28,05,778
Balances with Banks and money at call and short notice (Schedule 7)	40,36,08,131	51,27,70,611
Cash and Cash Equivalents as at the end of the period	**84,39,53,185**	**91,55,76,389**

Cash and cash equivalent as per cash flow statement comprises of cash in hand, in ATM, balances in current account with RBI and other Banks (including deposits) and money at call and short notice which can be readily convertible into cash.

Sankar Sen
General Manager &
Chief Financial Officer

Shiv Bajrang Singh
Chief General Manager

Subrat Kumar
Executive Director

M. Karthikeyan
Executive Director

Swarup Dasgupta
Executive Director

P R Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

DIRECTORS

Dr.Bhushan Kumar Sinha **Subrata Das** **Veni Thapar** **Munish Kumar Ralhan** **V V Shenoy**

In terms of our report of even date attached

For V Sankar Aiyar & Co.
Chartered Accountants
(FRN:109208W)

Asha Patel
Partner
M. No.166048

For Laxmi Tripti & Associates
Chartered Accountants
(FRN:009189C)

Sunil Agarwal
Partner
M. No.103066

For Mukund M Chitale & Co.
Chartered Accountants
(FRN: 106655W)

Nilesh RS Joshi
Partner
M. No. 114749

Place: Mumbai
Date : May 6, 2023

	As at 31-03-2023 ₹	(000's Omitted) As at 31-03-2022 ₹
SCHEDULE - 1 : CAPITAL		
AUTHORISED CAPITAL		
600,00,00,000 (Previous year ended 600,00,00,000) Equity Shares of ₹10 each	60,000,000	60,000,000
ISSUED CAPITAL		
Equity Shares 410,47,43,170 (Previous year ended 410,47,43,170) of ₹10 each	41,047,432	41,047,432
TOTAL	41,047,432	41,047,432
SUBSCRIBED & PAID-UP CAPITAL		
410,35,66,070 Equity Shares (Previous year ended 410,35,66,070) of ₹10 each	41,035,661	41,035,661
Add: Amount of shares forfeited	7,391	7,391
TOTAL *	41,043,052	41,043,052

* Of the above, 334,08,61,720 Equity Shares (Previous year ended 334,08,61,720) of ₹10 each fully paid up amounting to ₹3340.86 crore (Previous year ended ₹3340.86 crore) is held by Central Government.

	As at 31-03-2023 ₹	As at 31-03-2022 ₹
SCHEDULE - 2 : RESERVES & SURPLUS		
I. Statutory Reserve :		
Opening Balance	84,798,842	76,278,842
Additions during the year	10,060,000	8,520,000
TOTAL (I)	94,858,842	84,798,842
II. Capital Reserves :		
A) Revaluation Reserve :		
Opening Balance	69,266,159	62,517,920
Add: Addition during the period on Revaluation of Premises	222,192	7,338,808
Less: Adjustments during the year	(360,150)	(84,766)
Less: Depreciation on revalued Fixed Assets transferred to Revenue reserve	888,203	675,335
Total of (A)	68,960,298	69,266,159
B) Others		
i) Profit on sale of Investments - "Held to Maturity"		
Opening Balance	33,520,679	30,518,144
Additions during the period	-	3,002,535
Sub-total of (i)	33,520,679	33,520,679
ii) Foreign Currency Translation Reserve		
Opening Balance	19,857,393	20,485,971
Add/ (Less) : Additions / adjustments during the year (Net)	3,750,944	(628,578)
Sub-total of (ii)	23,608,337	19,857,393
Total of (B)	57,129,016	53,378,072
TOTAL (II)	126,089,314	122,644,231
III. Share Premium :		
Opening Balance	162,545,324	115,493,848
Add : Additions during the year	-	47,233,699
Less : Deductions/Utilization during the year	-	182,223
TOTAL (III)	162,545,324	162,545,324

Classification: ... Sub-Classification: ...

	As at 31-03-2023 ₹	(000's Omitted) As at 31-03-2022 ₹
SCHEDULE - 2 : RESERVES & SURPLUS (contd.)		
IV. Revenue and Other Reserves :		
i) Revenue Reserve :		
Opening Balance	84,818,508	85,846,523
Add: Additions during the year	2,926,398	1,026,852
Less: Deductions during the year	0	2,054,867
Sub-total of IV(i)	87,744,906	84,818,508
ii) Investment Reserve Account :		
Opening Balance	-	-
Add: Additions during the year	3,807,815	-
Less: Deductions during the year	-	-
Sub-total of IV(ii)	3,807,815	-
iii) Investment Fluctuation Reserve :		
Opening Balance	9,275,931	6,738,011
Add: Additions during the year	1,514,286	2,537,920
Less: Deductions during the year	-	-
Sub-total of IV(iii)	10,790,217	9,275,931
iv) Special Reserve u/s Sec 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	26,200,000	26,200,000
Additions during the year	-	-
Sub-total of IV(iv)	26,200,000	26,200,000
TOTAL (IV)	128,542,938	120,294,439
V. Balance in Profit and Loss Account :	36,626,670	19,986,503
TOTAL (I TO V)	548,663,088	510,269,339
SCHEDULE - 3 : DEPOSITS		
A. I. Demand Deposits :		
i) From Banks	13,155,027	8,453,986
ii) From Others	336,260,434	341,372,366
TOTAL (I)	349,415,461	349,826,352
II. Savings Bank Deposits	2,222,777,608	2,166,813,869
III. Term Deposits :		
i) From Banks	501,172,088	362,297,362
ii) From Others	3,622,492,556	3,400,022,008
TOTAL (III)	4,123,664,644	3,762,319,370
TOTAL A(I, II, III)	6,695,857,713	6,278,959,591
B. i) Deposits of branches in India	5,670,627,884	5,508,327,657
ii) Deposits of branches outside India	1,025,229,829	770,631,934
TOTAL (B)	6,695,857,713	6,278,959,591

Classification: ... Sub-Classification: ...

(000's Omitted)

SCHEDULE - 4 : BORROWINGS

	As at 31-03-2023 ₹	As at 31-03-2022 ₹
I. Borrowings in India :		
i) Reserve Bank of India	26,920,000	35,190,000
ii) Other Banks		
a. Tier I Capital	7,540,000	4,020,000
b. Tier II Capital	3,370,000	3,140,000
c. Others	89,565	521,400
Total (ii)	10,999,565	7,681,400
iii) Other Institutions and Agencies		
a. Tier I Capital	20,980,000	9,500,000
b. Tier II Capital	59,630,000	59,860,000
c. Others	503,773,826	152,812,119
Total (iii)	584,383,826	222,172,119
Total (I)	622,303,391	265,043,519
II. Borrowings outside India		
a. Tier I Capital	-	-
b. Upper Tier II Capital	-	-
c. Others	27,486,841	2,560,147
Total (II)	27,486,841	2,560,147
Total (I. II)	649,790,232	267,603,666
Secured borrowings included in I & II above	220,825,176	136,472,904

SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS

	As at 31-03-2023 ₹	As at 31-03-2022 ₹
I. Bills Payable	16,225,591	17,110,211
II. Inter-office adjustments (net)	-	-
III. Interest accrued	25,651,647	17,395,308
IV. Deferred Tax Liabilities	-	4,669
V. Others (Including Provisions)*	178,324,820	213,754,287
TOTAL	220,202,058	248,264,475

* Includes provision for Standard Assets ₹ 52,524,117 (Previous Year ₹ 38,381,717)

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V SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

Classification: Sub-Classification:

	As at 31-03-2023 ₹	(000's Omitted) As at 31-03-2022 ₹
SCHEDULE - 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	21,343,258	24,244,922
II. Balances with Reserve Bank of India :*		
i) In Current Account	365,182,605	333,560,856
ii) In Other Accounts	53,819,191	45,000,000
TOTAL (ii)	419,001,796	378,560,856
TOTAL (I, II)	440,345,054	402,805,778
* Including balances with Central Banks outside India		
SCHEDULE - 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE		
I. In India :		
i) Balances with Banks		
a) In Current Accounts	406,830	1,002,318
b) In Other Deposit Accounts	6,162,750	1,894,813
ii) Money at call and short notice		
a) With Banks	-	1,000,000
b) With Other Institutions	301,669	5,033,499
TOTAL (i and ii)	6,871,249	8,930,630
II. Outside India :		
i) In Current Accounts	4,756,530	22,050,717
ii) In Other Deposit Accounts	259,688,429	399,114,307
iii) Money at call and short notice	132,291,923	82,674,957
TOTAL (i, ii and iii)	396,736,882	503,839,981
TOTAL (I, II)	403,608,131	512,770,611
SCHEDULE - 8 : INVESTMENTS		
I. Investments in India :		
i) Government Securities	1,797,257,779	1,527,475,165
ii) Other approved Securities	-	-
iii) Shares	10,334,035	8,486,760
iv) Debentures and Bonds	99,787,051	101,909,798
v) Subsidiaries and/or Joint ventures (including Associates)	12,058,644	8,715,451
vi) Others (Commercial Papers, Units of Mutual Funds, Pass Through Certificates, Security Receipts, Venture Fund, Gold etc.)	19,935,443	6,941,855
TOTAL (I)	1,939,372,952	1,653,529,029
Gross	1,980,964,874	1,704,670,134
Less: Depreciation and Amortisation	41,591,922	51,141,105
Net	1,939,372,952	1,653,529,029
II. Investments outside India :		
i) Government Securities (including local authorities)	74,407,006	65,840,383
ii) In Subsidiaries and/or joint ventures abroad	14,722,376	9,422,633
iii) Other Investments (Debentures, Bonds etc.)	15,476,437	15,692,021
TOTAL (II)	104,605,819	90,955,037
Gross	107,345,161	91,935,009
Less: Depreciation and Amortisation	2,739,342	979,972
Net	104,605,819	90,955,037
TOTAL (I, II)	2,043,978,771	1,744,484,066

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LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

Classification: ... Sub-Classification: ...

	As at 31-03-2023 ₹	(000's Omitted) As at 31-03-2022 ₹
SCHEDULE - 9 : ADVANCES		
A. i) Bills Purchased and Discounted	361,983,161	174,634,399
ii) Cash Credits, Overdrafts and Loans repayable on demand	1,859,855,164	1,649,278,767
iii) Term Loans	2,637,158,027	2,384,504,741
TOTAL (A)	4,858,996,352	4,208,417,907
B. Particulars of Advances :		
i) Secured by tangible assets (includes advances against Book Debts)	3,346,735,660	2,826,923,683
ii) Covered by Bank/Government Guarantees	478,631,983	260,820,700
iii) Unsecured	1,033,628,709	1,120,673,524
TOTAL (B)	4,858,996,352	4,208,417,907
C. Sectoral Classification of Advances :		
I. Advances in India		
i) Priority Sector	1,494,683,925	1,326,166,340
ii) Public Sector	1,204,704,107	1,057,294,505
iii) Banks	178,024	39
iv) Others	1,351,019,236	1,255,665,795
TOTAL (C-I)	4,050,585,292	3,639,126,679
II. Advances outside India :		
i) Due from Banks	369,097,116	230,430,196
ii) Due from others		
a) Bills Purchased and Discounted	113,536,084	64,923,607
b) Syndicated Loans	134,725,824	101,440,541
c) Others	191,052,037	172,496,884
TOTAL (C-II)	808,411,061	569,291,228
TOTAL (C - I, C - II)	4,858,996,353	4,208,417,907
SCHEDULE - 10 : FIXED ASSETS		
I. PREMISES :		
Opening Balance, at cost	18,699,604	17,163,960
Additions / Adjustments during the year	2,419,268	1,535,644
Less:Deductions / Adjustments during the year	3,510	-
Sub-total	21,115,362	18,699,604
Addition to date on account of revaluation	70,156,030	69,750,574
Less : Depreciation to date (including on account of revaluation)	5,774,217	4,701,077
TOTAL - (I)	85,497,175	83,749,101
II. OTHER FIXED ASSETS : (including Furniture and Fixtures)		
Opening Balance at cost	42,944,931	39,325,380
Additions / Adjustments during the year	5,768,384	3,815,730
Less:Deductions / Adjustments during the year	926,696	196,179
Sub-total	47,786,619	42,944,931
Less: Depreciation to date	34,759,500	31,798,468
TOTAL (II)	13,027,119	11,146,463
III. CAPITAL WORK IN PROGRESS	1,085,725	2,853,971
TOTAL (I, II, III)	99,610,019	97,749,535

Classification: Confidential Sub-Classification:

	As at 31-03-2023 ₹	(000's Omitted) As at 31-03-2022 ₹
SCHEDULE - 11 : OTHER ASSETS		
I. Inter-office adjustments (net)	20,715,175	71,919,504
II. Interest accrued	36,452,715	27,505,683
III. Tax paid in advance/tax deducted at source	68,610,640	73,700,345
IV. Stationery and Stamps	112,378	97,356
V. Deferred Tax Assets (Net)	66,378,837	87,078,619
VI. Others *	116,748,071	119,610,719
TOTAL	309,017,816	379,912,226

* Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹ 63,815,757 (Previous Year ₹ 58,423,630)

SCHEDULE - 12 : CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	17,039,174	18,100,466
II. Liability for partly paid Investments	947,055	972,953
III. Liability on account of outstanding forward exchange contracts	3,263,331,139	3,691,798,145
IV. Guarantees given on behalf of Constituents :		
a) In India	216,842,851	207,749,624
b) Outside India	27,485,360	39,140,541
V. Acceptances, endorsements and other obligations	224,434,843	240,477,714
VI. Derivative contracts other than listed at III above	8,411,272	15,630,342
VII. Other items for which the Bank is contingently liable	31,211,665	18,112,337
TOTAL	3,789,703,359	4,231,982,122

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र. का. वित विभाग FINANCE DEPT.

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MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

Classification: Confidential Sub-Classification: Private Confidential

SCHEDULES TO PROFIT AND LOSS ACCOUNT

(000's Omitted)

SCHEDULE - 13 : INTEREST EARNED

	For the Year ended 31-03-2023 ₹	For the Year ended 31-03-2022 ₹
I. Interest/Discount on advances/bills	333,676,070	258,415,093
II. Income on Investments	119,431,951	111,162,588
III. Interest on balances with Reserve Bank of India and other inter-bank funds	16,663,845	6,233,916
IV. Others	6,705,357	4,946,662
TOTAL	476,477,223	380,758,259

SCHEDULE - 14 : OTHER INCOME

	31-03-2023	For the Year ended 31-03-2023 ₹	31-03-2022	For the Year ended 31-03-2022 ₹
I. Commission, exchange and brokerage		13,681,969		11,975,488
II. Profit on sale of Investments	2,622,807		17,601,913	
Less : Loss on sale of Investments	9,273	2,613,534	7,505	17,594,408
III. Profit on revaluation of Investments	179,982		435	
Less : Loss on revaluation of Investments	(15,565,070)	15,745,052	3,523,010	(3,522,575)
IV. Profit on sale of land, buildings and other assets	1,355,613		2,780,903	
Less : Loss on sale of land, buildings and other assets	15,103	1,340,510	7,781	2,773,122
V Profit on exchange transactions	10,045,229		25,612,617	
Less : Loss on Exchange Transactions	7,626	10,037,603	8,359	25,604,258
VI Income earned by way of dividends etc., from subsidiaries/ companies and/or joint ventures abroad/in India		212,456		184,462
VII Miscellaneous Income *		27,367,780		24,178,154
TOTAL		70,998,904		78,787,317

* Includes Recoveries made in write-off accounts amounting to ₹ 12,068,537 (Previous Year ₹ 10,971,278)

Classification: Confidential Sub-Classification: Private and Confidential

	For the Year ended 31-03-2023 ₹	(000's Omitted) For the Year ended 31-03-2022 ₹
SCHEDULE - 15 : INTEREST EXPENDED		
I. Interest on Deposits	236,270,317	226,294,933
II. Interest on Reserve Bank of India / Inter-bank borrowings	30,166,921	6,224,865
III. Others:	7,290,957	7,617,489
TOTAL	273,728,195	240,137,287
SCHEDULE - 16 : OPERATING EXPENSES		
I. Payments to and provisions for employees	83,918,350	70,555,291
II. Rent, Taxes and Lighting	8,535,770	7,868,853
III. Printing and Stationery	957,455	770,845
IV. Advertisement and Publicity	280,529	166,003
V. Depreciation on Bank's property	4,209,160	3,635,111
VI. Directors' fees, allowances and expenses	9,110	4,055
VII. Auditors' fees and expenses (Including branch Auditors' fees & expenses)	1,195,005	932,798
VIII. Law Charges	381,408	435,100
IX. Postage, Telegrams, Telephones, etc.	2,817,696	1,607,582
X. Repairs and Maintenance	782,403	675,525
XI. Insurance	7,938,260	7,490,347
XII. Other Expenditure	28,796,578	25,382,233
TOTAL	139,821,724	119,523,743

बैंक ऑफ इंडिया BANK OF INDIA H. O. प्र. का. वित्त विभाग FINANCE DEPT.

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LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF PREPARATION:

The financial statements are prepared following the going concern concept, on historical cost basis unless otherwise stated and conform, in all material aspects, to the Generally Accepted Accounting Principles (GAAP) in India, which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI), Accounting Standards (AS), pronouncements issued by The Institute of Chartered Accountants of India (ICAI), Banking Regulation Act, 1949 and accounting practices prevalent in the banking industry in India. In respect of foreign offices/branches, statutory provisions and accounting practices prevailing in the respective foreign countries are complied with, except as specified elsewhere.

2. USE OF ESTIMATES:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. However, actual results can differ from estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. REVENUE RECOGNITION: (AS 9 - Revenue Recognition)

a. Income/Expenditure is recognised on accrual basis, unless otherwise stated. In respect of foreign offices, income/expenditure is recognised as per local laws/standards of host country.

b. Interest income is recognised on time proportion basis except interest on non-performing assets.

c. Commission on issue of Bank Guarantee and Letter of Credit is recognised over the tenure of BG/LC.

d. All other Commission and Exchange, Brokerage, Fees and other charges are recognised as income on realisation.

e. Income (other than interest) on investments in "Held to Maturity" category acquired at a discount to the face value, is recognised as follows:

- i. On Interest bearing securities, it is recognised only at the time of sale/ redemption.
- ii. On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

f. Profit or loss on sale of investments is recognised in the Profit and Loss account. As per RBI Guidelines, in case of profit on sale of investments under 'Held to Maturity' category, an equivalent amount (net of taxes and amount required to be transferred to Statutory Reserves) is appropriated to 'Capital Reserve Account'.

g. Dividend Income is recognised when the right to receive the dividend is established.

h. Interest Income on Income-tax refund is recognised in the year of passing of assessment order.

i. **Appropriation of recoveries in NPAs:**

In respect of NPAs, recoveries effected except through a.) Compromise settlement /special OTS, b.) Judgement of a Court/DRT/NCLT and c.) Assignment to ARC's/SC's. are to be made in the following order:-

- Charges debited to borrower's account,
- Expenses/out of pocket expenses incurred but not debited,
- Unrealised interest,
- Uncharged interest,
- Principal

In other cases, the recoveries made are appropriated as per the order of relevant authority.

4. ADVANCES:

a. Advances are classified into "Performing" and "Non-Performing Advances" (NPAs) in accordance with the applicable regulatory guidelines.

b. NPAs are further classified into Sub-Standard, Doubtful and Loss Assets in terms of applicable regulatory guidelines.

c. In respect of domestic branches, NPA Provisions(On the Outstanding Advances) are made at the rates given as under:

Category of NPAs	**Provision % on net outstanding advance**
Sub Standard:	
Exposures, which are unsecured ab initio	25%
Unsecured exposure in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available (unsecured – infra)	20%
Others	15%
Doubtful:	
Secured portion (Period for which advance has remained in doubtful category)	
- Upto one year	25%
- One year to three years	40%
- More than three years	100%
Unsecured portion	100%
Loss	100%

d. In respect of foreign branches, classification of advances as NPAs and provision in respect of NPAs is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

Classification: Internal

e. Provisions in respect of NPAs, unrealised interest, ECGC claims, etc. are deducted from total advances to arrive at net advances as per RBI norms.

f. In respect of Rescheduled/Restructured advances, provision is made for the diminution in the fair value of restructured advances measured in present value terms as per RBI guidelines. The said provision is reduced to arrive at Net advances.

g. In case of financial assets sold to Asset Reconstruction Company (ARC) / Securitisation Company (SC), if the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is debited to the Profit and Loss account as per the extant RBI guidelines issued from time to time. If the sale is at a price higher than the NBV, the excess provision on sale of NPAs may be reversed to profit and loss account in the year the amounts is received. However, any excess provision is reversed only when the cash received (by way of initial consideration only/or redemption of SR's/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

h. Provision for Standard assets, including restructured advances classified as standard, is made in accordance with RBI guidelines. In respect of foreign branches provision for Standard Assets is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

i. Provision for net funded country exposures (Direct/Indirect) is made on a graded scale in accordance with the RBI guidelines.

5. FLOATING PROVISION:

The bank has framed a policy for creation and utilisation of floating provisions. The quantum of floating provisions to be created is assessed at the end of each financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India or on being specifically permitted by Reserve Bank of India for specific purposes. These provisions are netted off from gross NPAs to arrive at Net NPAs.

6. DEBIT/CREDIT CARDS REWARD POINTS:

Provision for reward points in relation to the debit cards is provided for on actuarial estimates and Provision for Reward Points on Credit cards is made based on the accumulated outstanding points.

7. INVESTMENTS:

a. Transactions in Government Securities are recognised on Settlement Date and all other Investments are recognised on trade date.

b. Investments are classified under 'Held to Maturity', 'Held for Trading' and 'Available for Sale' categories as per RBI guidelines. For the purpose of disclosure in the Balance Sheet in Schedule 8, (I) 'Investments in India' are classified under six categories viz. i.) Government Securities, ii.) Other Approved Securities, iii.) Shares, iv.) Debentures and Bonds, v.) Subsidiaries and Joint Ventures and vi.) Others and (II) 'Investments outside India' are classified under three categories viz. i.) Government Securities, ii.) Subsidiaries and Joint Ventures abroad and iii.) Other Investments.

A. Basis of classification

Classification of an investment is done at the time of its acquisition.

(i) Held to Maturity
These comprise investments that the Bank intends to hold till maturity. Investments in equity of subsidiaries, joint ventures and associates are also categorised under Held to Maturity.

(ii) Held for Trading
These comprise investments acquired with the intention to trade by taking advantage of short term price/interest rate movements. Securities are to be sold within 90 days from the purchase date.

(iii) Available for Sale:
These comprise investments which do not fall either under "Held to Maturity" or "Held for Trading" category.

B. Acquisition Cost of Investment:

(i) Brokerage, commission, securities transaction tax, etc. paid on acquisition of equity investments are included in cost.

(ii) Brokerage, commission, broken period interest paid/ received on debt investments is treated as expense/income and is excluded from cost/sale consideration.

(iii) Brokerage and Commission, if any, received on subscription of investments is credited to Profit and Loss Account.

C. Method of valuation:

Investments in India are valued in accordance with the RBI guidelines and investments held at foreign branches are valued at lower of the value as per the statutory provisions prevailing at the respective foreign countries or as per RBI guidelines issued from time to time.

Treasury Bills and all other discounted instruments are valued at carrying cost (ie acquisition cost plus discount accrued at the rate prevailing at the time of acquisition)

(i) Held to Maturity:

1. Investments included in this category are carried at their acquisition cost, net of amortisation, if any. The excess of acquisition cost, if any, over the face value is amortised over the remaining period of maturity using constant yield method. Such amortisation of premium is adjusted against income under the head "interest on investments".

2. Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost except for investments in Regional Rural Banks, which are valued

at carrying cost (i.e. book value). Suitable provision is made for diminution, other than of temporary nature, for each investment individually.

(ii) **Held for Trading / Available for Sale:**

1. Investments under these categories are individually valued at the market price or fair value determined as per Regulatory guidelines and only the net depreciation in each classification for each category is provided for and net appreciation is ignored. On provision for depreciation, the book value of the individual securities remains unchanged after marking to market.

For the purpose of valuation of quoted investments in "Held for Trading" and "Available for Sale" categories, the market rates / quotes on the Stock Exchanges, the rates declared by Fixed Income Money Market and Derivatives Association (FIMMDA)/ Financial Benchmark India Pvt. Ltd. (FBIL) are used. Investments for which such rates/quotes are not available are valued as per norms laid down by RBI, which are as under:

Classification	Basis of Valuation
Government Securities	on Yield to Maturity basis
Other Approved Securities	on Yield to Maturity basis
Equity Shares, PSU and Trustee shares	at break-up value as per the latest Balance Sheet (not more than 18 months old), otherwise Re.1 per company.
Preference Shares	on Yield to Maturity basis
PSU/Corporate Bonds	on Yield to Maturity basis
Units of Mutual Funds	at the latest repurchase price/NAV declared by the fund in respect of each scheme
Units of Venture Capital Funds (VCF)	declared NAV or break-up NAV as per audited financials which are not more than 18 months old. If NAV/audited financials are not available for more than 18 months then at Re. 1/- per VCF.
Security Receipts	at NAV as declared by Securitisation Companies which is not more than 6 months old.

D. Transfer of Securities between Categories:

A) HTM to AFS/HFT –

i) If the security was originally placed under the HTM category at a discount it is transferred at the acquisition price / book value. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

ii) If the security was originally placed in the HTM category at a premium, it is transferred to the AFS / HFT category at the amortised cost. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

B) **AFS/HFT TO HTM-** Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In cases where the market value is higher than the book value at the time of transfer, the appreciation is ignored. In cases where the market value is less than the book value, the provision against depreciation held against this security is adjusted to reduce the book value to the market value and the security is transferred at the market value.

C) **AFS TO HFT AND VICE-VERSA -** In the case of transfer of securities from AFS to HFT category or vice-versa, the securities are not re-valued on the date of transfer and the provisions for the accumulated depreciation, if any, held are transferred to the provisions for depreciation against the HFT securities and vice-versa.

E. Non-performing Investments (NPIs) and valuation thereof:

(i) Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in case of domestic offices and respective regulators in case of foreign offices.

(ii) In respect of non-performing investments, income is not recognised and provision is made for depreciation in value of such securities as per RBI guidelines.

(iii) Matured NPIs are shown under 'Other Assets' Schedule11 (Net of Provision).

F. Repo / Reverse Repo:

The securities sold and purchased under Repo/ Reverse repo are accounted as Collateralised lending and borrowing transactions. However, securities are transferred as in case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo Account is classified as Borrowings and balance in Reverse Repo account is classified as Balance with Banks and Money at Call & Short Notice in the Balance sheet.

G. Investment in Security Receipts (SRs) backed by assets:-

In terms of RBI guidelines issued vide circular no RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021, the bank has revised valuation methodology in respect of SRs under securitization,

a) Investments by banks in SRs / PTCs / other securities issued by ARCs shall be valued periodically by reckoning the Net Asset Value (NAV) declared by the ARC based on the recovery ratings received for such instruments.

Provided that when bank invest in the SRs/PTCs issued by ARCs in respect of the stressed loans transferred by them to the ARC, the bank shall carry the investment in their books on an ongoing basis, until its transfer or realization, at lower of the redemption value of SRs arrived based on the NAV as above, and the NBV of the transferred stressed loan at the time of bank.

Provided further that when the investment by bank in SRs backed by stressed loans transferred by it, is more than 10 percent of all SRs backed by its transferred loans and issued under that securitisation, the valuation of such SRs by the bank will be additionally subject to a floor of face value of the SRs reduced by the provisioning rate as applicable to the underlying loans, had the loans continued in the books of the bank.

b) SRs/PTCs which are not redeemed as at the end of the resolution period (i.e., five years or eight years as the case may be) shall be treated as loss asset in books of the bank and fully provided for.

c). The valuation, classification and other norms applicable to investment in non-SLR instruments prescribed by RBI from time to time shall be applicable to bank investment in debentures/ bonds/ SRs /PTCs issued by ARC. However, if any of the above instruments issued by ARC is limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the bank shall reckon the NAV obtained from ARC from time to time, for valuation of such investments.

8. DERIVATIVES:

The Bank presently deals in Forex Forward Contracts, interest rate, and currency derivatives. The interest rate derivatives dealt with by the Bank are Rupee Interest Rate Swaps, Foreign Currency Interest Rate Swaps, Forward Rate Agreements and Interest Rate Futures. Currency Derivatives dealt with by the Bank are Options, Currency Swaps and Currency Futures. Based on RBI guidelines, Derivatives are valued as under:

a. The hedge/non hedge (market making) transactions are recorded separately.

b. Income/expenditure on hedging derivatives are accounted on accrual basis.

c. Forex forward contracts are marked to market and the resultant gains and losses are recognized in the profit and loss account

d. MTM appreciation/ depreciation of hedging derivative is first set off with the depreciation / appreciation of the corresponding underlying and the resultant depreciation is recognized. Resultant appreciation, if any, is ignored.

e. Interest Rate Derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit & Loss account. Net Profit if any, is ignored.

f. Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

g. Gains/ losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

h. Option fees/premium is amortised over the tenor of the option contract.

9. PROPERTY, PLANT & EQUIPMENT: (AS 10 Property, Plant & Equipment)

a. Fixed assets are stated at historic cost, except in the case of assets which have been revalued, which are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve.

b. Cost includes cost of purchase and all expenditure such as site preparation, installation costs, professional fees, etc. incurred on the asset before it is ready to use or capable of ready to use. Subsequent expenditure incurred on assets ready to use is capitalised only when it increases the future benefits from such assets or their functioning capability.

c. 5% residual value has been kept for all the assets except for the assets with estimated useful life less than 5 Years (eg. Mobile Phones, Computers and Computer Software forming integral part of hardware), where the entire cost of the assets is amortised over the useful life.

d. The rates of depreciation and method of charging depreciation is given below:

Sr. No.	Particulars	Rate of Depreciation	Estimated useful life as determined by the Bank	Method of charging depreciation
1	**Land & Building:**			
1.a.	Land (Freehold)	NIL		
1.b.	Leasehold Land		Lease premium is amortised over the period of lease	
1.c.	Building (including cost of land if not ascertained separately)	1.58%	60 Years	Straight Line
2.	**Other Fixed Assets:-**			
a.	Furniture, Fixtures, Electrical fittings and Equipment's	9.50%	10 Years	Straight Line
b.	Electrical Fitting and Equipment's	9.50%	10 Years	Straight Line
c.	Air-conditioning plants, etc. and business machines	6.33%	15 Years	Straight Line
d.	Motor cars, Vans & Motor cycles	11.88%	8 Years	Straight Line
e.	Cycle	20.00%	5 Years	Straight Line
f.	Mobile phones	33.33%	3 Years	Straight Line
g.	Computers and Computer Software forming integral part of hardware	33.33%	3 Years	Straight Line
h.	Servers	20%	5 Years	Straight Line
i.	Computer Software, which do not form integral part of computer hardware	20%	5 Years	Straight Line

e. In respect of additions/sale during the year, depreciation is provided on proportionate basis for the number of days the assets have been ready to use during the year.

f. The revalued portion is depreciated over the balance useful life of the assets as assessed at the time of revaluation. Such depreciation is charged to Profit & loss and equivalent amount is transferred from Revaluation Reserve to Revenue Reserve.

g. Depreciation on fixed assets outside India is provided on Straight Line Method, except at the centres where different rates/method have been prescribed by the local statutory authorities.

h. Computer Software, not forming integral part of computer hardware is classified as intangible asset and amortised over a period of 5 years.

i. In respect of leasehold land, the lease premium, if any, is amortised over the period of lease.

10. TRANSACTION INVOLVING FOREIGN EXCHANGE:

Transactions involving foreign exchange are accounted for in accordance with AS 11, "The Effect of Changes in Foreign Exchange Rates" read with extant RBI guidelines:

A. Translation in respect of Integral Foreign operations: Foreign currency transactions of Indian branches have been classified as integral foreign operations and foreign currency transactions of such operations are translated as under:

i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount, the daily closing rate as available from Cogencis/ Reuter's page on date of the transaction.

ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing spot rates.

iii. Foreign currency non-monetary items, which are carried in terms of historical cost, are reported using the exchange rate at the date of the transaction.

iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting notional profit or loss is recognised in the Profit and Loss account.

vi. Outstanding Foreign exchange forward contracts which are not intended for trading are valued at the closing spot rate as advised by FEDAI. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii. Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss account.

B. Translation in respect of Non-Integral Foreign operations: Transactions and balances of foreign branches are classified as non-integral foreign operations and their financial statements are translated as follows:

i. Assets and Liabilities (monetary and non-monetary as well as contingent liabilities) are translated at the closing rates notified by FEDAI.

ii. Income and expenses are translated at the quarterly average closing rates notified by FEDAI.

iii. All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments by the bank in the respective foreign branches.

iv. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country.

11. EMPLOYEE BENEFITS: (AS 15 Employee Benefits)

A. Short Term Employee Benefits:
The undiscounted amount of short-term employee benefits, such as medical benefits etc. which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

B. **Long Term Employee Benefits:**

a. **Defined Benefit Plan:-**

i.) Gratuity:
The Bank provides gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to a maximum prescribed as per The Payment of Gratuity Act, 1972 or Bank of India Gratuity Fund Rules,1975, whichever is higher. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by trustees based on an independent actuarial valuation carried out quarterly.

ii.) Pension:
The Bank provides pension to all eligible employees. The benefit is in the form of monthly payments as per rules and payments to vested employees on retirement, on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the pension fund at 10% of pay in terms of Bank of India Pension Regulations, 1995. The pension liability is reckoned based on an independent actuarial valuation carried out quarterly and Bank makes such additional contributions

periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

b. **Defined Contribution Plan:**

i.) Provident Fund:
The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a trust established for this purpose and are charged to Profit and Loss Account. The bank recognises such annual contributions as an expense in the year to which it relates.

ii.) Pension:
All Employees of the bank, who have joined from 1st April, 2010 are eligible for contributory pension. Such employees contribute monthly at a predetermined rate to the pension scheme. The bank also contributes monthly at a predetermined rate to the said pension scheme. Bank recognises its contribution to such scheme as expenses in the year to which it relates. The contributions are remitted to National Pension System Trust. The obligation of bank is limited to such predetermined contribution.

C. Other Long term Employee Benefit:

All eligible employees are entitled to the following-
i.) Leave encashment benefit, which is a defined benefit obligation, is provided for on the basis of an actuarial valuation in accordance with AS 15 - Employee Benefits.

ii.) Other employee benefits such as Leave Fare Concession, Milestone award, resettlement benefits, Sick leave etc. which are defined benefit obligations are provided for on the basis of an actuarial valuation in accordance with AS 15 - Employee Benefits.

iii.) In respect of overseas branches and offices, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

12. SEGMENT REPORTING: (AS 17 Segment reporting)

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

13. Lease Transactions: (AS 19 Leases)

Lease where risks & rewards of ownership are retained by lessor are classified as Operating Lease as per AS 19 (Leases). Lease expenses on such lease are recognised in Profit & Loss Account.

14. EARNINGS PER SHARE: (AS 20 Earnings per Share)

Basic and Diluted earnings per equity share are reported in accordance with AS 20 "Earnings per share". Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the period.

15. TAXES ON INCOME: (AS 22 Accounting for taxes on Income)

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - "Accounting for Taxes on Income" respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions.

Deferred Tax adjustments comprise changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable income.

16. IMPAIRMENT OF ASSETS: (AS 28 Impairment of Assets)

"Impairment losses, if any on Fixed Assets (including revalued assets) are recognised and charged to Profit and Loss account in accordance with AS 28 "Impairment of Assets". However, an impairment loss on a revalued asset is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset."

17. PROVISIONS, CONTINGENT LIABLITIES AND CONTINGENT ASSETS: (AS 29 Provisions, Contingent Liabilities and Contingent Assets)

As per AS 29 "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

Contingent Assets are not recognised in the financial statements.

18. SHARE ISSUE EXPENSES:

Share issue expenses are charged to Share Premium Account in the year of issue of shares.

SCHEDULE 18

All figures are in ₹ Crore unless specifically stated, figures in brackets relate to previous year.

NOTES FORMING PART OF ACCOUNTS

The following information is disclosed in terms of guidelines issued by RBI:

1. Capital (As per BASEL-III):

(a) Composition of Regulatory Capital:

Sr. No.	Particulars	31.03.2023	31.03.2022
i)	Common Equity Tier 1 capital (CET 1)	48,231.94	42,695.01
ii)	Additional Tier 1 capital	2,852.00	1,352.00
iii)	Tier 1 capital (i + ii)	51,083.94	44,047.01
iv)	Tier 2 capital	6,643.48	8,205.57
v)	Total capital (Tier 1+Tier 2)	57,727.42	52,252.58
vi)	Total Risk Weighted Assets (RWAs)	354,534	3,16,395
vii)	Common Equity Tier 1 Capital ratio (CET1) (%)	13.60%	13.49%
viii)	Tier I Capital ratio (%)	14.41%	13.92%
ix)	Tier II Capital ratio (%)	1.87%	2.59%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	16.28%	16.51%
xi)	Leverage Ratio	6.04%	5.70%
xii)	Percentage of the shareholding of Government of India	81.41%	81.41%
xiii)	Amount of paid-up equity capital raised during the year	0.00	* 5,550.01
xiv)	Share application money pending for allotment	0.00	0.00
xv)	Amount of non-equity Tier 1 capital raised during the year, *of which:*		
	a) Basel III compliant Perpetual Non-Cumulative Preference Shares	0.00	0.00
	b) Basel III complaint Perpetual Additional Tier-I Debt Instruments (Series VI & VII)	1,500.00	0.00
xvi)	Amount of Tier 2 capital raised during the year, *of which*		
	a) Perpetual Cumulative Preference Shares	0.00	0.00
	b) Basel III Compliant redeemable Tier-II Bond	0.00	1,800.00

The said computation of Capital to Risk weighted asset Ratio & Leverage ratio is arrived at after considering the effect of Net Present Value of non-interest bearing recapitalization bond infused as capital by the Government of India during the FY ended 31.03.2021.

Pursuant to RBI Circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated March 1, 2016, the Bank has considered revaluation reserve, foreign currency translation reserve and deferred tax assets in calculation of Capital Adequacy Ratios as on March 31, 2023.

*Includes ₹ 3,000 received from Government of India on March 31, 2021 towards preferential allotment of equity shares for which the Bank has issued and allotted 42,11,70,854 equity shares of ₹ 10 each fully paid up at an issue price of ₹ 71.23 per share on June 11, 2021. In terms of RBI communication reference no. DOR.CAP.S82/21.01/002/ 2021-22 dated April 30, 2021, the share application money of ₹ 3,000 has been considered for computation of CET 1 capital as on March 31, 2021.

* The Bank has raised Equity Share Capital of ₹ 2550.01 through Qualified Institutional Placement on August 31, 2021. The Bank has issued and allotted 40,54,71,866 equity shares of face value ₹ 10 each at a premium of ₹ 52.89 per share to the investors

Details of outstanding Additional Tier 1 (AT-1) bonds raised to augment Tier-1 Capital are as under:-

Raised during the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2020-21	Additional Tier 1	1,352.00	1,352.00
2022-23	Additional Tier 1	1,500.00	1,500.00
	Total	**2,852.00**	**2,852.00**

During the year ended March 31, 2023, Bank has raised Basel III compliant Additional Tier I Bonds Series VIII amounting to ₹ 1,500.

Details of outstanding Tier-II Instruments raised to augment Tier -II capital are as under:

Raised during the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2013-14	Tier-II	1,500.00	0.00
2015-16	Tier-II	3,000.00	1,200.00
2021-22	Tier-II	1,800.00	1,800.00
	Total	**6,300.00**	**3,000.00**

Bank has redeemed Tier II Bonds Series XIII & Series XIV amounting to ₹ 1,500 & ₹ 1,000 by exercising call option on July 7, 2021 and March 25, 2022 respectively.

(b) Draw down from Reserves:

During the year ended March 31, 2023, there has been no drawdown from reserves to the Profit and Loss Account.

2. **Asset Liability Management**

(a) **Maturity pattern of certain items of assets and liabilities as on 31st March, 2023**

Details	Day 1	2to 7 days	8 to 14 days	15 to 30 Days	31 Days to 2 months	Over 2 months and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and upto 3 years	Over 3 years and up to 5years	Over 5 years	TOTAL (1 TO 10)
Deposits$	15,098.03	30,623.99	14,760.12	23,575.73	33,643.64	31,307.38	42,998.77	41,465.53	95,110.29	82,018.12	258,984.17	669,585.77
	(15,778.19)	(25,256.04)	(14,681.74)	(16,177.77)	(28,355.06)	(24,764.49)	(27,677.63)	(27,107.98)	(1,40,429.91)	(1,10,530.66)	(1,97,136.49)	(6,27,895.96)
Advances#	12,281.81	6,442.18	5,573.66	6,229.10	11,889.69	12,739.22	21,999.18	26,535.89	195,895.35	59,244.19	127,069.35	485,899.64
	(11,781.62)	(4,498.53)	(4,830.48)	(7,301.23)	(10,805.37)	(8,012.25)	(14,073.59)	(18,277.18)	(1,71,230.15)	(51,766.34)	(1,18,265.05)	(4,20,841.79)
Investments	0.00	1,601.92	236.07	1,028.47	3,514.19	2,630.91	5,609.36	3,782.43	14,328.30	24,704.52	146,961.70	204,397.88
	(250.24)	(2,883.23)	(1,460.81)	(1,775.55)	(3,107.11)	(6,478.85)	(13,115.29)	(4,252.39)	(10,360.06)	(20,017.10)	(1,10,747.78)	(1,74,448.41)
Borrowings	404.43	20,127.49	1,395.07	1,635.34	11,186.99	953.22	13,229.68	2,339.49	10,407.32	1,500.00	1,800.00	64,979.02
	(1,157.55)	(10,198.07)	(0.00)	(2.14)	(0.00)	(557.03)	(0.00)	(4,501.58)	(4,192.00)	(6,152.00)	(0.00)	(26,760.37)
Foreign Currency Assets##	2,127.21	8,812.03	3,455.75	13,963.56	11,338.04	19,125.07	16,843.18	20,210.23	22,361.09	20,883.28	6,851.22	145,970.66
	(1,880.39)	(2,375.27)	(1,669.62)	(21,949.17)	(10,559.67)	(21,334.74)	(11,396.46)	(12,448.23)	(25,450.21)	(15,950.10)	(8,332.83)	(1,33,346.70)
Foreign Currency Liabilities$$	2,615.12	17,781.88	2,761.91	11,045.63	20,002.16	10,135.08	15,889.42	11,469.50	7,749.00	6,875.97	189.33	106,515.00
	(4,772.88)	(12,840.33)	(2,907.49)	(4,392.19)	(13,883.90)	(9,194.81)	(11,943.11)	(7,847.08)	(12,845.90)	(6,021.09)	(154.30)	(86,803.09)

$ including deposits in Foreign Currency
# including advances in Foreign Currency
Foreign Currency on Balance Sheet Assets represent Advances and Investments
$$ Foreign Currency on Balance Sheet Liabilities represent Borrowings and Deposits

Note: The maturity pattern of Deposits, Borrowings, Advances and Investment as of 31st March 2023 is based on the following:

- RBI Guidelines on ALM
- Behavioural studies of Assets & Liabilities which do not have definite maturity and for embedded optionality

(b) Liquidity Coverage Ratio: As compiled by the management

Quantitative Disclosure:

		FY 2022-23*		FY 2021-22*	
	AMOUNT IN RS CRS	Total Unweighted Value (average) @	Total Weighted Value(average) @	Total Unweighted Value (average) @	Total Weighted Value(average) @
HIGH QUALITY LIQUID ASSETS					
1	Total High Quality Assets(HQLA)		141,772.51		152,978.82
CASH OUTFLOW					
2	Retail deposits and deposits from small business customers, of which:	490,439.65	42,687.67	481,892.84	42,040.18
(i)	Stable deposits	127,125.93	6,356.30	122,982.07	6,149.10
(ii)	Less stable deposits	363,313.73	36,331.37	358,910.77	35,891.08
3	Unsecured wholesale funding of which:	82,100.09	46,746.70	79,063.20	43,190.90
(i)	Operational deposits (all counterparties)	-	-	179.42	44.85
(ii)	Non -operational deposits (all counterparties)	58,922.31	23,568.93	59,562.89	23,825.16
(iii)	unsecured debts	23,177.77	23,177.77	19,320.89	19,320.89
4	Secured wholesale funding		2,975.64		9.47
5	Additional requirements, of which	31,037.31	10,727.82	23,506.27	7,852.73
(i)	Outflows related to derivative exposures and other collateral requirement	5,414.68	5,414.68	3,133.31	3,133.31
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	25,622.63	5,313.14	20,372.95	4,719.42
6	Other contractual funding obligations	14,865.49	14,865.49	19,509.66	19,509.66
7	Other contingent funding obligations	37,109.90	1,113.29	37,416.21	1,125.66
8	TOTAL CASH OUTFLOWS		119,116.61		113,728.60
CASH INFLOW					
9	Secured lending(e.g. reverse repos)	5,533.88	3,487.53	9,036.03	6,766.98
10	Inflows from fully performing exposurs	27,354.34	21,745.10	29,487.00	20,462.70
11	Other cash inflows	15,855.87	15,685.38	15,390.67	14,621.87
12	TOTAL CASH INFLOWS	48,744.10	40,918.00	53,913.71	41,851.55
13	TOTAL HQLA		141,772.51		152,978.82
14	TOTAL NET CASH OUTFLOWS		78,198.61		71,877.05
15	LIQUIDITY COVERAGE RATIO(%)		181.30		212.83

Note:-

*On consolidated basis (including domestic operations, overseas centres and overseas subsidiaries)

@ Disclosure as on 31.03.2023 as well as 31.03.2022 has been done by taking simple averages of daily observations over previous 4 quarters (i.e. average for the FY 2022-23 & FY 2021-22 respectively). This is as per RBI guidelines ref. no. DBR.No.BP.BC.80 /21.06.201/2014-15 dated March 31, 2015.

Qualitative disclosures with regard to LCR

W.e.f. 1st January 2015, the Bank has implemented guidelines on Liquidity Coverage Ratio (LCR) as directed by Reserve Bank of India.

The LCR standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until next 30 calendar days under a severe liquidity stress scenario.

$$\text{LCR} = \frac{\textbf{High Quality Liquid Assets (HQLA)}}{\text{Total net cash outflows over the next 30 calendar days}}$$

Here,

- HQLA comprises of level 1 and level 2 assets, in other words these are cash or near to cash items which can be easily used / discounted in the market in case of need.
- Net cash outflows are excess of total inflows over total outflows under stressed situation as defined by Basel / RBI. While arriving at the net cash outflow, the inflows are taken with pre-defined hair-cuts and the outflows are taken at pre-defined run-off factors.
- In case stressed inflows are more than the stressed outflows, 25% of total outflows shall be taken as total net cash outflows to arrive at the LCR.
- With effect from 01.01.2015, Banks are required to maintain minimum 60% LCR on an ongoing basis. The same shall reach 100% as on 01.01.2019 with incremental increase of 10% each year.

	01.01.2015	01.01.2016	01.01.2017	01.01.2018	01.01.2019	01.04.2020	01.10.2020
Minimum LCR	60%	70%	80%	90%	100%	80%	90%

However , in order to accommodate the burden on bank's cash flow on account of Covid 19 pandemic , RBI vide circular no DOR.BP.BC.No.65/21.04.098/2019-20, dated April 17,2020 permitted Banks to maintain LCR as under:

From date of Circular to September 30, 2020	80%
Oct 1, 2020 to March 31, 2021	90%
April 1, 2021 onwards	100%

Main Drivers of LCR: The main drivers of the LCR are adequacy of High Quality Liquid Assets (HQLA) and lower net cash outflow on account of higher funding sources from retail customers. Sufficient stock of HQLA helped the Bank to maintain adequate LCR.

Composition of HQLA: The composition of High Quality Liquid Assets (HQLA) mainly consists of cash balances, excess SLR, excess CRR and FALLCR (Facility to Avail Liquidity for Liquidity Coverage Ratio).

The composition of HQLA as on date of disclosure is given below:

Cash in hand	1.89%
Excess CRR balance	3.91%
Government securities in excess of minimum SLR Requirement	13.98%
Government securities within the mandatory SLR Requirement, to the extent allowed by RBI under MSF including FALLCR (presently to the extent of 2 percent of NDTL as allowed for MSF)	8.08%
Marketable securities issued or guaranteed by foreign sovereigns having 0% risk weight under Basel II standardized approach and other securities adjustments on account of Repo/Reverse Repo transactions	6.11%
Facility to Avail Liquidity for Liquidity Coverage Ratio	64.05%
Level 2 Assets	1.98%

Concentration of funding sources: Majority of Bank's funding sources are from retail customers (about 60%) therefore the stressed outflows are comparatively lower. However, in absence of any non-callable option for term deposits, the Bank has considered almost all deposits under outflow section as per RBI guidelines. Bank also does not have funding concentration from any significant counterparty. A significant counterparty is defined as a single counterparty or group of connected or affiliated counter parties accounting in aggregate for more than 1% of the bank's total liabilities.

Derivative Exposures and potential collateral calls: Bank has very little exposure in derivative business which is not very significant.

Currency mismatch in the LCR: In terms of RBI guidelines, a significant currency is one where aggregate liabilities denominated in that currency amount to 5 per cent or more of the bank's total liabilities.

Description of the degree of centralization of liquidity management and interaction between the group's units: The liquidity management of the Bank at enterprise level is a Board level function and a separate sub-committee of the Board (R.Com.) keeps close watch on that. The periodical monitoring of the liquidity management is being monitored by the

ALCO on regular intervals. The entire liquidity management process of the Bank is being governed by ALM Policy of the Bank.

The liquidity management for domestic operations is the central function, being managed at Head Office level. The overseas liquidity management is being handled at each centre, jurisdiction wise to keep close monitoring and control and also to comply with the local regulatory requirements as well. International Division of the Bank keeps watch on the overseas liquidity position and the overall liquidity monitoring is done at Head Office level centrally.

(c) Net Stable Funding Ratio:

	Amount in (Rs. Crores)	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	63,906.47	0.00	0.00	0.00	63,906.47
2	*Regulatory capital*	63,906.47	0.00	0.00	0.00	63,906.47
3	*Other capital instruments*	0.00	0.00	0.00	0.00	0.00
4	Retail deposits and deposits from small business customers: (5+6)	222,661.15	129,987.37	75,255.91	0.00	389,424.69
5	*Stable deposits*	37,846.81	27,624.59	20,742.65	0.00	81,903.34
6	*Less stable deposits*	184,814.35	102,362.79	54,513.26	0.00	307,521.35
7	Wholesale funding: (8+9)	23,250.71	20,900.77	16,702.03	0.00	30,426.75
8	*Operational deposits*	0.00	0.00	0.00	0.00	0.00
9	*Other wholesale funding*	23,250.71	20,900.77	16,702.03	0.00	30,426.75
10	Other liabilities: (11+12)	1,223.62	37,292.71	0.00	228,192.75	124,597.18
11	*NSFR derivative liabilities*		0.00	0.00	0.00	0.00
12	*All other liabilities and equity not included in the above categories*	1,223.62	37,292.71	0.00	228,192.75	124,597.18
13	**Total ASF (1+4+7+10)**					608,355.10
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					7,566.34
15	Deposits held at other financial institutions for operational purposes	5,423.09	0.00	0.00	0.00	2,711.55
16	Performing loans and securities: (17+18+19+21+23)	0.00	229,201.65	19,381.85	243,714.97	286,812.06
17	*Performing loans to financial institutions secured by Level 1 HQLA*	0.00	0.00	0.00	0.00	0.00
18	*Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions*	0.00	9,049.87	3,957.02	0.00	3,335.99
19	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:*	0.00	220,151.78	15,424.83	187,226.42	239,485.48
20	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit*	0.00	220,151.78	15,424.83	187,226.42	239,485.48
21	*Performing residential mortgages, of which:*	0.00	0.00	0.00	20,123.40	13,080.21
22	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit*	0.00	0.00	0.00	20,123.40	13,080.21
23	*Securities that are not in default and do not qualify as HQLA, including exchange-traded equities*	0.00	0.00	0.00	36,365.16	30,910.38
24	Other assets: (sum of rows 25 to 29)	0.00	26,277.14	4,665.99	145,432.23	168,879.45
25	*Physical traded commodities, including gold*	0.00				0.00
26	*Assets posted as initial margin for derivative contracts and contributions to default funds of*		0.00	0.00	0.00	0.00
27	*NSFR derivative assets*		20,188.56	3,359.81	632.03	24,180.40
28	*NSFR derivative liabilities before deduction of variation margin posted*		352.03	69.39	0.00	421.42
29	*All other assets not included in the above*	0.00	5,736.54	1,236.80	144,800.20	144,277.63
30	Off-balance sheet items		12,838.40	48,296.83	45,442.92	4,560.90
31	**Total RSF**					470,530.29
32	**NSFR %**					**129.29%**
#	Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.					

The objective of the Net Stable Funding Ratio (NSFR) is to promote the resilience of bank's liquidity risk profiles and to incentivize a more resilient banking sector over a longer time horizon. The NSFR will require banks to maintain a stable funding profile in the form of Capital & liabilities in relation to the composition of their assets and off-balance sheet activities.

NSFR is defined as the amount of available stable funding relative to the amount of required stable funding.

$$NSFR = \frac{Available\ Amount\ of\ Stable\ Funding\ (ASF)}{Required\ Amount\ of\ Stable\ Funding\ (RSF)} \geq 100\%$$

RBI issued the regulations on the implementation of the Net Stable Funding Ratio in May 2018 with minimum requirement of equal to at least 100%. The implementation is effective from 1st October, 2021. NSFR is applicable to Bank's domestic operations as well as overseas operations and computed at standalone and consolidated level.

Available Stable Funding (ASF) is defined as the portion of capital and liabilities expected to be reliable which is determined by various factor weights according to the nature and maturity of liabilities with liabilities having maturity of 1 year or more receiving 100 weight.

Required Stable Funding (RSF) is defined as the portion of on balance sheet and off-balance sheet exposures which requires to be funded on an ongoing basis. The amount of such stable funding required is a function of the liquidity characteristics and residual maturities of the various assets held.

Brief about NSFR of the Bank

The main drivers of the Available Stable Funding (ASF) are the capital base, retail deposit base, and funding from non-financial companies and long-term funding from institutional clients. The capital base formed around 11%, retail deposits (including deposits from small sized business customers) formed 64% and wholesale funding formed 5% of the total Available Stable Funding, after applying the relevant weights.

The Required Stable Funding primarily comprised lending to corporates, retail clients and financial institutions which constituted 61% of the total RSF after applying the relevant weights. The stock of High-Quality Liquid Assets which majorly includes cash and reserve balances with the RBI, government debt issuances attracted no or low amount of stable funding due to their high quality and liquid characteristic. Accordingly, the HQLA constituted only 2% of the Required Stable Funding after applying the relevant weights. Other assets and Contingent funding obligations, such as committed credit facilities, guarantees and letters of credit constituted 36% of the Required Stable Funding.

Bank has maintained comfortable stable funding buffers with Available Stable Funding at consolidated level of ₹ 608,355.10 Cr against ₹ 470,530.29 Cr of Required Stable Funding, resulting in a consolidated NSFR of 129.29% as on 31st March, 2023.

3. Investments

(a) Composition of Investment Portfolio

Investments as at 31.03.2023

	Investments in India							Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	148,812.37	0.00	1.11	3,342.28	1,227.70	72.35	153,455.81	0.00	1,474.10	0.00	1,474.10	154,929.92
Less: Provision for nonperforming	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.87	0.00	1.87	1.87
Net	148,812.37	0.00	1.11	3,342.28	1,227.70	72.35	153,455.81	0.00	1,472.24	0.00	1,472.24	154,928.05
Available for Sale												
Gross	30,943.50	0.00	2,262.36	7,928.22	0.00	3,484.97	44,619.05	7,628.18	0.00	1,632.24	9,260.41	53,879.46
Less: Provision for depreciation and NPI	0.00	0.00	1,028.88	778.43	0.00	1,207.42	3,014.73	187.47	0.00	84.59	272.07	3,286.80
Net	30,943.50	0.00	1,233.48	7,149.79	0.00	2,277.55	41,604.32	7,440.70	0.00	1,547.64	8,988.34	50,592.66
Held for Trading												
Gross	-29.92	0.00	1.55	50.00	0.00	0.00	21.62	0.00	0.00	0.00	0.00	21.62
Less: Provision for depreciation and NPI	0.17	0.00	0.00	0.00	0.00	0.00	0.17	0.00	0.00	0.00	0.00	0.17
Net	-30.09	0.00	1.55	50.00	0.00	0.00	21.45	0.00	0.00	0.00	0.00	21.45
Total Investments	179,725.95	0.00	2,265.02	11,320.50	1,227.70	3,557.32	198,096.48	7,628.18	1,474.10	1,632.24	10,734.52	208,831.00
Less: Provision for nonperforming	0.17	0.00	1,028.88	778.43	0.00	1,207.42	3,014.90	0.00	1.87	0.00	1.87	3,016.77
Less: Provision for depreciation and NPI	0.00	0.00	202.73	563.36	21.83	356.36	1,144.28	187.47	0.00	84.59	272.07	1,416.35
Net	179,725.78	0.00	1,033.41	9,978.71	1,205.87	1,993.54	193,937.30	7,440.70	1,472.24	1,547.64	10,460.58	204,397.88

BANK OF INDIA H.O. FINANCE DEPT.

V SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

Investments as at 31.03.2022

	Investments in India							Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	1,26,901.15	0.00	1.11	4,490.60	894.91	48.97	1,32,336.73	0.00	944.13	0.00	944.13	1,33,280.86
Less: Provision for non-performing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.87	0.00	1.87	1.87
Net	1,26,901.15	0.00	1.11	4,490.60	894.91	48.97	1,32,336.73	0.00	942.26	0.00	942.26	1,33,278.99
Available for Sale												
Gross	26,363.38	0.00	2,596.44	6,822.02	0.00	2,722.50	38,504.33	6,637.30	0.00	1,612.07	8,249.37	46,753.70
Less: Provision for depreciation and NPI	0.00	0.00	1,667.51	546.70	0.00	0.00	2,214.21	53.27	0.00	42.87	96.14	2,310.35
Net	26,363.38	0.00	928.93	6,275.32	0.00	2,722.50	36,290.12	6,584.03	0.00	1,569.20	8,153.23	44,443.35
Held for Trading												
Gross	(-)375.07	0.00	1.01	0.00	0.00	0.00	-374.06	0.00	0.00	0.00	0.00	(-)374.06
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	(-)375.07	0.00	1.01	0.00	0.00	0.00	-374.06	0.00	0.00	0.00	0.00	(-)375.06
Total Investments	1,52,889.46	0.00	2,598.56	11,312.62	894.91	2,771.46	1,70,467.01	6,637.30	944.13	1,612.07	9,193.50	1,79,660.51
Less: Provision for non-performing	0.00	0.00	1,667.51	546.70	0.00	0.00	2,214.21	0.00	1.87	0.00	1.87	2,216.08
Less: Provision for depreciation and NPI	141.93	0.00	82.37	574.94	23.36	2,077.28	2,899.88	53.27	0.00	42.87	96.14	2,996.02
Net	1,52,747.53	0.00	848.68	10,190.98	871.55	694.18	1,65,352.92	6,584.03	942.26	1,569.20	9,095.49	1,74,448.41

(i) Government Securities (Face Value) amounting to ₹ 32,964.87 (previous year ₹ 36,705.27) are kept as margin with RBI, CCIL, Clearing House and Exchange towards margin/security settlement.

(ii) Bank has invested ₹ 675.63 (share application money pending allotment) in one of its subsidiary namely, PT Bank of India Indonesia TBK. Further, the Bank also acquired additional stake of 10.04% (for ₹ 529.97) in the said subsidiary which resulted in goodwill on consolidation of ₹ 304.78, and the same has been adjusted and written off during the year.

(iii) Bank has infused additional capital of ₹ 57.92 in its joint venture namely, Star Union Dai-ichi Life Insurance Company Limited and ₹ 4.63 in one of its subsidiary namely, Bank of India Investment Managers Private Limited during the year.

(iv) During the year, Bank has been allotted shares of ₹ 270.24, by one its associate Regional Rural Bank namely, Vidharbha Konkan Gramin Bank.

(v) Bank has infused additional proportionate capital in FY 2022-23 in the following associate Regional Rural Banks:

a. ₹110.09 in Vidharbha Konkan Gramin Bank (pending allotment)

b. ₹152.04 in Aryavrat Bank (pending allotment)

c. ₹139.08 in Madhya Pradesh Gramin Bank (pending allotment)

(b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

Particulars	As at 31.03.2023	As at 31.03.2022
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	5,212.11	4,478.58
b) Add: Provisions made during the year	2,075.29	1,300.52
c) Less: Write off / write back of excess provisions during the year	2,879.43	567.80
d) Add/(Less): Adjustments on account of exchange difference	25.16	0.81
e) Closing balance	4,433.13	5,212.11
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	927.59	673.80
b) Add: Amount transferred during the year	151.43	253.79
c) Less: Drawdown	0.00	0.00
d) Closing balance	1,079.02	927.59
iii) Closing balance in IFR as a percentage of closing balance of investments[13] in AFS and HFT/Current category	2.00%	2.00%

(c) Sale and transfers to/from HTM category during the financial year 2022-23:

The total value of sale and transfers of securities from HTM category during April 1, 2022 to March 31, 2023 has not exceeded 5% of the book value of investments held in HTM category as on March 31, 2022. The 5 per cent threshold referred to above will exclude:

(a) The one-time transfer of securities to/from HTM category with the approval of Board of Director permitted to be undertaken by banks at the beginning of the accounting year.

(b) Sale to the Reserve Bank of India under pre-announced OMO auctions.

(c) Repurchase of Government Securities by Government of India from banks.

(d) Sale of securities or transfer to AFS/HFT consequent to the reduction of ceiling on SLR securities under HTM, in addition to the shifting permitted at the beginning of the accounting year.

Sale of Securities from HTM during FY 2022-23 (Other than one time Shifting & sale under OMO)	0.00	Sale in % (<5%) =0.00%
Securities held in HTM Category as on 31.03.2022	1,08,581.86	

(d) Non-SLR investment portfolio

i. Non-performing non-SLR investments

Sr. No.	Particulars	2022-23	2021-22
(a)	Opening balance	2,228.00	2,520.04
(b)	Additions during the year since 1st April	1,515.34	413.21
(c)	Reductions during the above period	726.74	705.25
(d)	Exchange difference	0.00	0.00
(e)	Closing balance	**3,016.60**	**2228.00**
(f)	Total provisions held	3,016.60	2216.08

ii. Issuer Composition of non-SLR Investments

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities*	Extent of 'Unrated' Securities*	Extent of 'Un-listed' Securities*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	PSUs	1,777.34	1,704.69	0.00	497.89	0.00
		(2,281.92)	(1,737.35)	(0.00)	(586.96)	(0.00)
ii.	FIs	3,340.89	2,816.02	0.00	0.00	0.00
		(1,448.30)	(1,344.16)	(0.00)	(0.00)	(0.00)
iii.	Banks	1,450.47	709.12	0.00	0.00	0.00
		(1,159.94)	(365.60)	(0.00)	(0.00)	(0.00)
iv.	Private Corporates	4,571.13	4,338.98	1,440.11	56.35	0.00
		(5,332.71)	(4,225.36)	(1,426.40)	(56.35)	(0.00)
v.	Subsidiaries/ Joint Ventures#	2,701.81	2,701.81	0.00	0.00	0.00
		(1,839.03)	(1,839.03)	(0.00)	(0.00)	(0.00)
vi.	Others *$	39,962.44	32,273.04	0.00	0.00	0.00
		(40,338.03)	(33,736.74)	(0.00)	(0.00)	(108.40)
	Total	53,804.08	44,543.66	1,440.11	554.24	0.00
		(52,399.93)	(43,248.24)	(1,426.40)	(643.31)	(108.40)
vii.	Less: Provision held towards Depreciation	4,432.96	0.00	0.00	0.00	0.00
		(5,070.17)	(0.00)	(0.00)	(0.00)	(0.00)
	Net	49,371.12	44,543.66	1,440.11	554.24	0.00
		(47,329.76)	(43,248.24)	(1,426.40)	(643.31)	(108.40)

* Investment in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central Govt. Securities, Security Receipts, etc. are not segregated under these categories as these are exempt from rating/listing guidelines.

Investment in Subsidiaries/Joint Ventures/Associates have not been segregated into various categories as these are not covered under relevant RBI guidelines.

$ includes investment in GOI Non-SLR re-capitalisation bonds of ₹ 24,699 (previous year ₹ 24,699)

iii. Repo Transactions (in face value terms) undertaken during the year:

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2021
Securities sold under repo:				
i) Government Securities	0.00 (0.00)	7753.15 (3,574.36)	3739.83 (3,519.30)	2692.00 (3,519.00)
ii) Corporate Debt Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Securities purchased under reverse repo:				
i) Government Securities	0.00 (0.00)	9208.00 (23,622.00)	319.10 (7,741.99)	0.00 (4,500.00)
ii) Corporate Debt Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

(e) Matured NPI (included in Schedule 11 'Other Assets'):

(i) Value of Investments:

Particular	**2022-23**	**2021-22**
(i) Gross Value of Investments	1,854.36	1,413.98
(a) In India	1,351.17	902.33
(b) Outside India	503.19	511.65
(ii) Provision for Depreciation	1,854.36	1,364.38
(a) In India	1,351.17	852.73
(b) Outside India	503.19	511.65
(iii) Net Value of Investments		
(a) In India	0.00	49.60
(b) Outside India	0.00	0.00

(ii) Movement of provisions held towards depreciation on investments:

Particular	**2022-23**	**2021-22**
Opening Balance	1,364.38	1,246.38
Add: Provisions made during the year	598.11	400.41
Sub-total	1,962.49	1,646.79
Less: Write off/ write-back of excess provision during the year	138.61	294.28
Add/(Less): Adjustments on account of Exchange Diff	30.48	11.87
Closing Balance	1,854.36	1,364.38

(f) Non performing Investments (Including Matured Investments):

Particulars	2022-23	2021-22
(i) Net NPIs to Net Investment (%)	0.00%	0.04%
(ii) Movement of NPIs (Gross)		
a) Opening balance	3,641.98	3,766.42
b) Additions during the year	2,143.94	875.09
c) Reductions during the year	914.95	999.53
d) Closing balance	4,870.97	3,641.98
(iii) Movement Provision for NPIs		
a) Opening balance	3,580.46	3,246.60
b) Additions during the year	2,084.86	764.44
c) Reductions during the year	794.35	430.58
d) Closing balance	4,870.97	3,580.46
(iv) Movement of NPIs (Net)		
a) Opening balance	61.52	519.82
b) Provisions made during the year	59.08	110.65
c) Write-off/write-back of excess provisions	120.60	568.95
d) Closing balance	0.00	61.52

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4. Asset Quality

(a) Classification of Advances and Provisions held

As on 31.03.2023

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	4,11,408.26	4,365.69	21,921.99	19,317.71	45,605.39	4,57,013.65
Add: Additions during the year					7,968.83	
Less: Reductions during the year*					15,888.66	
Closing balance	4,78,166.92	4,984.33	15,105.96	17,595.27	37,685.56	5,15,852.48
*Reductions in Gross NPAs due to:						
(i) Upgradation					1,204.45	
(ii) Recoveries (excluding recoveries from upgraded accounts)					6,029.33	
(iii) Technical/ Prudential Write-offs					5,438.76	
(iv) Write-offs other than those under (iii) above					3,216.12	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held		820.39	15,615.37	19,317.71	35,753.47	
Add: Fresh provisions made during the year					3,601.85	
Less: Excess provision reversed/ Write-off loans					9,723.37	
Closing balance of provisions held		1,392.48	10,644.20	17,595.27	29,631.95	
Net NPAs						
Opening Balance		3,545.30	6,306.62	0.00	9,851.92	
Add: Fresh additions during the year					4,366.98	
Less: Reductions during the year					6,165.29	
Closing Balance		3,591.85	4,461.76	0.00	8,053.61	

Note: Opening and closing balance s of provisions for NPAs include ECGC claims received (FY 2022-23 ₹ 1048.64/FY 2021-22 ₹ 977.60) part payment received and kept in suspense account (FY 2022-23 ₹ 64.51 /FY 2021-22 ₹ 59.36), balance in sundries account in respect of NPA accounts (FY 2022-23 ₹ 877.02 /FY 2021-22 ₹ 922.04) and provision in lieu of diminution in the fair value of restructured NPAs (FY 2022-23 ₹ 51.87 /FY 2021-22 ₹ 19.18)

Floating Provisions as on 31.03.2023

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening Balance	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.00
Add: Additional provisions made during the year	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.00
Less: Amount drawn down during the year	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.00
Closing balance of floating provisions	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.00

Technical write-offs and the recoveries made thereon as on 31.03.2023

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening balance of Technical/ Prudential written-off	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	34,913.49
Add: Technical/ Prudential write-offs during the year*	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	8,182.77
Less: Recoveries made from previously technical/ prudential written-off accounts during the year	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	2,744.01
Closing balance	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	40,352.25

*including exchange difference

As on 31.03.2022

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	353900.96	6630.35	27919.91	21984.68	56,534.94	4,10,435.57
Add: Additions during the year					8,834.65	
Less: Reductions during the year*					19,764.20	
Closing balance	411408.25	4365.69	21921.99	19317.71	45,605.39	4,57,013.64
*Reductions in Gross NPAs due to:						
(i) Upgradation					2,732.67	
(ii) Recoveries (excluding recoveries from upgraded accounts)					6,707.59	
(iii) Technical/ Prudential16 Write-offs					2,352.12	
(iv) Write-offs other than those under (iii) above					7,971.82	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	2,723.10	1,253.36	20,802.66	21,984.68	44,040.70	46,763.80
Add: Fresh provisions made during the year					2,942.95	
Less: Excess provision reversed/ Write-off loans					11,230.18	
Closing balance of provisions held	3,638.17	820.39	15,615.37	19,317.71	35,753.47	39,391.64
Net NPAs						
Opening Balance		5,376.99	7,117.25	0.00	12,494.24	
Add: Fresh additions during the year					5,891.71	
Less: Reductions during the year					8,534.02	
Closing Balance		3,545.30	6,306.62	0.00	9,851.93	9851.93

Note: Opening and closing balance s of provisions for NPAs include ECGC claims received (FY 2021-22 ₹ 977.60 /FY 2020-21 ₹ 905.95) part payment received and kept in suspense account (FY 2021-22 ₹ 59.36 /FY 2020-21 ₹ 48.87), balance in sundries account in respect of NPA accounts (FY 2021-22 ₹ 922.04 /FY 2020-21 ₹ 981.68) and provision in lieu of diminution in the fair value of restructured NPAs (FY 2021-22 ₹ 19.18 /FY 2020-21 ₹ 30.32)

Floating Provisions as on 31.03.2022

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening Balance	[redacted]					232.22
Add: Additional provisions made during the year	[redacted]					0.00
Less: Amount drawn down[15] during the year	[redacted]					232.22
Closing balance of floating provisions	[redacted]					0.00

Technical write-offs and the recoveries made thereon as on 31.03.2022

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening balance of Technical/ Prudential written-off	[redacted]					32,561.37
Add: Technical/ Prudential write-offs during the year*	[redacted]					4,920.05
Less: Recoveries made from previously technical/ prudential written-off accounts during the year	[redacted]					2,567.93
Closing balance	[redacted]					34,913.49

Ratios

Particulars	2022-23	2021-22
Gross NPA to Gross Advances (in %)	7.31	9.98
Net NPA to Net Advances (in %)	1.66	2.34
Provision coverage ratio (in %)	89.68	87.76

(b) Sector-wise Advances (Including Prudential/Technical write off) (As compiled by management)

Sr. No.	Sector	2022-23			2021-22		
		O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector	O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector
A	**Priority sector**						
1	Agriculture & allied activities	71,387.57	9,408.13	13.18	63,292.65	8,777.37	13.87
2	Advances to industries sector eligible as priority sector lending	25,478.00	3,459.00	13.58	22,743.23	3,561.66	15.66
3	Services	41,523.22	5,323.26	12.82	35,557.49	5,654.78	15.90
4	Personal loans	22,441.03	909.92	4.05	22,033.54	896.55	4.07
	Sub-total (A)	160,829.82	19,100.31	11.88	143,626.91	18,890.37	13.15
B	**Non Priority Sector**						
1	Agriculture & allied activities	30.45	1.13	0.00	57.07	1.02	1.79
2	Industry	143,215.73	8,568.53	5.98	119,311.88	14,462.43	12.12
3	Services	139,449.09	8,861.52	6.35	135,412.84	11,088.32	8.19
4	Personal loans	72,327.39	1,154.07	1.60	58,604.95	1,163.26	1.98
	Sub-total (B)	355,022.66	18,585.25	5.23	313,386.74	26,715.03	8.52
	Total (A+B)	515,852.48	37,685.56	7.31	457,013.65	45,605.39	9.98

(c) Overseas Assets, NPAs and Revenue:

Sr. No.	Particulars	2022-23	2021-22
1	Total Assets	1,16,673.69	86,317.65
2	Total NPAs	8,243.92	8,568.77
3	Total Revenue	4,636.88	1,626.11

(d) Particulars of resolution plan and restructuring

(i) Particulars of Resolution Plan

As per RBI Circular No.DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, as on March 31, 2023, Bank holds additional Provision of ₹ 2,078.85 in respect of 26 borrower accounts (exposure ₹ 7,910.24), where the viable Resolution Plan has not been implemented within 180 days / 365 days of review period.

(ii) Disclosure on Stressed Assets:

(1) Disclosure on Flexible Structuring of Existing Loans:

Period	No. of borrowers taken up for flexible structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
Previous Financial Year	0	0.00	0.00	0	0
Current Financial Year (From April 2022 to March 2023)	0	0.00	0.00	0	0

(2) Disclosure on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period):

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
Nil						

(3) Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period):

No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
Nil								

(4) Disclosure on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period):

No. of project loan accounts where the Bank has decided to effect change in ownership	Amount outstanding as on the reporting date		
	Classified as Standard	Classified as Standard restructured	Classified as NPA
Nil			

(5) Disclosure on Scheme for Sustainable Structuring of Stressed Assets (S4A), wherever implemented:

Sr. No.	Aggregate Amount Outstanding	Amount Outstanding		Provision Held
		In Part A	In Part B	
Classified as Standard				
3	280.27	112.05	168.22	76.68
Classified as NPA				
3	281.83	71.33	210.49	278.52
Total				
6	562.10	183.38	378.71	355.20

(e) Divergence in asset classification and provisioning:

As per RBI Master Direction No. RBI/DOR/2021-22/83 DOR.ACC.REC.No.45/21.04.018/2021-22 dated August 30, 2021 (updated as on 13.12.2022) on Financial statements – Presentation and Disclosures, divergence in the asset classification and provisioning, Banks should disclose divergences, if either or both of the following conditions are satisfied:

(a) the additional provisioning for non-performing assets (NPAs) assessed by RBI exceeds 10% of the reported profit before provisions and contingencies for the reference period, and;
(b) the additional Gross NPAs identified by the RBI exceeds 10% of reported incremental Gross NPAs for the reference period.
Divergences are within threshold limits in the Bank as specified above. Hence, no disclosure is required with respect to Divergence in Asset Classification and Provisioning.

(f) Disclosure of transfer of loan exposures:

Disclosure of Transfer of Loan Accounts (SMAs & NPAs) in terms of RBI Circular No. DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021:

a. The Bank has not transferred any loans not in default or Special Mention Accounts (SMA) during the year ended March 31, 2023.

b. Details of loans not in default acquired through assignment are given below:

Particulars	2022-23	2021-22
Aggregate amount of loans acquired (₹ in crore)	667.43	0.00
Weighted average residual maturity (in months)	65.07	0.00
Weighted average holding period by the originator (in months)	15.28	0.00
Retention of beneficial economic interest by the originator	10%	0.00
Tangible security coverage	130%	0.00

c. During the year ended March 31, 2023 the Bank has not acquired any stressed (Non-Performing) Assets.

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d. Details of Stressed Loans (NPAs) transferred during the year ended March 31, 2023:

Sr. No.	Particulars	To ARCs	To permitted transferees	To other transferees
a.	No. of accounts	4 (10)	2 (--)	--
b.	Aggregate principal outstanding of loans transferred	274.80 (930.68)	39.45 (--)	--
c.	Weighted average residual tenor of the loans transferred	-- (--)	-- (--)	--
d.	Net book value of the loans transferred (at the time of transfer)	-- (107.90)	-- (--)	--
e.	Aggregate consideration	124.63 (403.01)	14.76 (--)	--
f.	Additional consideration realized in respect of accounts transferred in earlier years	-- (--)	-- (--)	--
g.	Quantum of excess provisions reversed to the Profit & Loss account on account of sale of stressed loans	124.63 (295.11)	14.76 (--)	--

Distribution of the Security Receipts (SRs) held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on March 31, 2023:

Recovery Rating Band	Book Value 2022-23	Book Value 2021-22
RR1+	0.00	0.00
RR1	219.69	280.84
RR2	43.48	9.40
RR3	0.00	36.40
RR4	0.00	167.33
RR5	64.37	829.32
Ratings Withdrawn	1658.97	733.18
Total	**1986.51**	**2,056.47**

As per RBI guidelines Rating is not applicable post 8 years. The Bank has provided in full for the above Security Receipts.

(fa) Profit from sale of NPA:

Sr. No.	Particular	2022-23	2021-22
1	Profit booked in respect of sale of NPA	139.39	295.11

(g) Fraud Accounts

Particulars	2022-23	2021-22
Number of frauds reported	208	216
Amount involved in fraud	582.59	5,793.22
Amount of provision made during this year for such frauds $	68.93	250.79
Amount of provision made for such frauds $	561.69*	5382.17*
Amount of Unamortised provision debited from 'other reserves' as at the end of the year	Nil	205.49

$ Amount of provision shown after netting of recovery.
*including provision for other than credit related frauds of ₹ 5.32 (Previous year: ₹7.76).

(h) In accordance with RBI circular No. DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 & RBI Circular No. DOR.STR.REC.21/21.04.048/2021-22 dated June 4, 2021 on Resolution Framework 2.0 –Resolution of COVID-19 related stress of Micro, Small and Medium Enterprises (MSMEs), the details of accounts restructured is as under:

(₹ in Crore except number of accounts)

No. of Accounts	Amount as on 31.03.2023	Provision Held
70,602	2,446.74	244.67

In terms of RBI Circular No. DOR.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 (Resolution Framework 1.0) and DOR. STR.REC.11/21.04.048/2021-22 dated May 5, 2021 (Resolution Framework 2.0), the details of resolution plan as on March 31, 2023:

March 31, 2023

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of previous half year, i.e. September 30, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2023	Of (A) amount written off during the half-year ended March 31, 2023	Of (A) amount paid by the borrowers during the half-year ended March 31, 2023	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year, i.e. March 31, 2023
Personal Loans	5,285.68	190.90	1.27	274.33	4,974.07
Corporate persons*	3,403.71	337.73	2.07	331.45	2,840.70
Of which MSMEs	2,704.86	241.04	2.07	210.20	2,446.74
Others	31.08	4.00	0.00	1.93	25.87
Total	**8,720.47**	**532.63**	**3.34**	**607.71**	**7,840.64**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code 2016.

March 31, 2022

(i) There were 28,815 borrower accounts having an aggregate exposure of ₹ 670.99 to the Bank, where the resolution plan has been implemented under RBI's Resolution Framework 1.0 dated August 6, 2020 and now modified under RBI's Resolution Framework 2.0 dated May 5, 2021 for Individuals and Small Businesses.

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)		Of (A), aggregate debt that slipped into NPA during the half year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of the resolution plan - Position as at the end of this half-year
	(A)		(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Addition – Exposure to accounts classified as Standard consequent to implementation of resolution plan, where application received by September 2021 (Position as on restructuring date)				
Personal Loans	131.01	5.65	3.16	--	6.32	137.92
Corporate Persons*	524.36	10.03	35.91	0.30	46.09	533.07
of which, MSMEs	524.36	10.03	35.91	0.30	46.09	533.07
Others	--	--	--	--	--	--
Total	655.37	15.68	39.07	0.30	52.41	670.99

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

(ii) In terms of RBI Circular No. DOR.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 (Resolution Framework 1.0) and DOR. STR.REC.11/21.04.048/2021-22 dated May 5, 2021 (Resolution Framework 2.0), the details of resolution plan as on March 31, 2022:

Type of borrower	(A)		Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2022	Of (A) amount written off during the half-year ended March 31, 2022	Of (A) amount paid by the borrowers during the half- year ended March 31, 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year, i.e, March 31, 2022
	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of the previous half-year, i.e, September 30, 2021 (A)	Addition - Exposure to accounts classified as Standard consequent to implementation of resolution plan, where applications received by September'21 (Position as on restructuring date)				
Personal Loans	5,649.09	114.45	95.23	0.64	303.06	5,652.60
Corporate persons	5,561.91	176.09	411.99	4.17	1,033.55	4,255.03
Of which MSMEs	3,007.80	176.09	295.42	4.17	259.87	3,097.09
Others	39.08	--	--	--	2.02	36.59
Total	11,250.08	290.54	507.22	4.81	1,338.63	9,944.22

5. Exposures

The Bank is lending to sectors, which are sensitive to asset price fluctuation.

i. Exposure to Real Estate Sector, as compiled by management

Sr. No.	Category		31.03.2023	31.03.2022
1	Direct Exposure		64,810.01	54,967.61
	(a)	Residential Mortgages	59,232.26	51,075.00
		(i) Lending fully secured by Mortgages on residential property that is or will be occupied by the borrower or that is rented (other than (ii) below);	39,718.49	32,241.26
		(ii) Individual housing loans eligible for inclusion in priority sector	19,513.77	18,833.74
	(b)	Commercial Real Estate-	5,329.12	3,059.06
		Lending secured by mortgages on commercial real estate's (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	5,329.12	3,059.06
	(c)	Investments in Mortgage Backed duties (MBS) and other securitised Exposures	248.63	833.55
		a) Residential b) Commercial Real Estate	0.00 248.63	0.00 833.55
2	Indirect Exposure		28,482.99	19,530.35
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		28,482.99	19,530.35
Total exposure to Real Estate Sector (1+2)			93,293.00	74,497.96

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ii. Exposure to Capital Market

Sr. No	Category	31.03.2023	31.03.2022
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1,182.40	1,099.91
ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	3.15	3.73
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	833.00	886.91
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	0.00	2.82
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	1,598.37	1,503.85
vi)	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new Companies in anticipation of raising resources;	0.00	0.00
vii)	Bridge loans to Companies against expected equity flows/issues;	0.00	0.00
viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	0.00	0.00
ix)	Financing to stockbrokers for margin trading;	0.00	0.00

Sr. No	Category	31.03.2023	31.03.2022
x)	All exposures to Venture Capital Funds (both registered and unregistered)	247.29	225.63
Total Exposure to Capital Market		**3,864.21**	**3,722.85**

iii. Risk Category-wise Country Exposure:

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table.

Sr. No.	Risk Category	As at 31.03.2023		As at 31.03.2022	
		Exposure (Net)	Provision held	Exposure (Net)	Provision held
1	Insignificant	74,144.61	65.21	58,765.95	42.04
2	Low	21,833.59	12.19	26,696.34	20.62
3	Moderate	1,392.11	0.00	3,954.94	0.00
4	High	176.39	0.00	588.80	0.00
5	Very High	5,597.18	0.00	1,576.27	0.00
6	Restricted	0.40	0.00	0.00	0.00
7	Off Credit	14.67	0.00	0.00	0.00
	Total	**1,03,158.95**	**77.40**	**91,582.30**	**62.66**

iv. Unsecured Advances

Particulars	2022-23	2021-22
Total Unsecured Advances	1,03,362.87	1,12,067.35
Out of which i) Amount of advances outstanding against charge over intangible securities such as rights, licenses, authorizations etc. charged to the Bank as collateral	5,066.63	2,713.69
ii) The estimated value of such intangible securities (as in (i) above)	20,424.97	17,353.22

v. Factoring exposures:

Bank has not taken any Export Factoring on non-recourse basis exposure during the financial year 2022-23.

vi. Intra-group exposures (As compiled by the management and relied upon by the Auditors):

Sr. No.	Particulars	2022-23	2021-22
A	Total amount of intra group exposures	4,278.71	6,860.37
B	Total amount of top 20 intra group exposure	4,278.71	6,860.37
C	% of Intra group Exposure to total exposure on Borrowers/Customers	0.58%	1.07%
D	Details of breach of limits on intra group exposures and regulatory action thereon, if any.	Nil	Nil

vii. Unhedged Foreign Currency Exposure

Sr. No.	Particulars	2022-23	2021-22
A	Opening balance provisions account	76.26	62.03
B	The quantum of provisions made in the accounting year	8.56	20.29
C	Amount Reverse during the accounting year	14.24	6.06
D	Closing balance in the provisions account	70.58	76.26

The bank has a policy with regard to capital and provisioning requirements for exposure to entities with unhedged foreign currency exposure (UFCE) which is based on RBI Circulars.

As on 31.03.2023, based on available data and declaration from the borrowers, wherever received in accordance with the policy, the additional RWA on this exposure is ₹ 134.46 (Previous Year ₹ 414.81). As against this, additional minimum capital requirement is ₹ 15.46 (Previous Year ₹ 47.70).

viii. Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the Bank:

The Bank had taken single borrower exposure and Group Borrower exposure within the prudential limit prescribed by RBI.

Sr. No.	Name of the Borrower	Exposure Ceiling	Limit Sanctioned	Outstanding as on 31.03.2022
1.	Single Borrower			
	None	NIL (NIL)	NIL (NIL)	NIL (NIL)
	Group Borrower			
2.	None	NIL (NIL)	NIL (NIL)	NIL (NIL)

6. Concentration of deposits, advances, exposures and NPAs

(a) Concentration of deposits:

Particulars	2022-23	2021-22
Total Deposits of twenty largest depositors	51,369.55	40,303.29
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	7.67%	6.42%

(b) Concentration of advances:

Particulars	2022-23	2021-22
Total Advances to twenty largest borrowers	92,152	83,288
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	16.38%	16.47%

(c) Concentration of exposures

Particulars	2022-23	2021-22
Total Exposure to twenty largest borrowers/customers	99,146	90,039
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	12.85%	13.14%

(d) Concentration of NPAs:

Particulars	2022-23	2021-22
Total Exposure to top twenty NPA accounts	14,816	15,169
Percentage of exposure to the twenty largest NPA exposure to total Gross NPAs	39.31%	33.26%

7. Derivatives

(a) Forward Rate Agreement/ Interest Rate Swap

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
i)	The notional principal of swap agreements	841.13	1,563.03
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	1.27	38.89
iii)	Collateral required by the bank upon entering into swaps	No collaterals were required for the swaps as	

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
		counterparties were either banks or premier corporate	
iv)	Concentration of Credit Risk arising from the swaps	There is no concentration of credit risk arising from the interest rate swaps undertaken during the year	
v)	The fair value of the swap book	1.80	(-)1.64

(b) Exchange Traded Interest Rate Derivatives

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	0.00	0.00
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March(instrument-wise)	0.00	0.00
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	0.00	0.00
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	0.00	0.00

There was no default and penalty imposed by Reserve Bank of India in Repo/Reverse Repo transactions and in RRC Account with RBI during the Financial year 2022-23.

(c) Disclosures on risk exposure in derivatives

i. *Qualitative Disclosure*

The Bank enters into derivative contracts such as interest rate derivatives, currency swaps and currency options to hedge on balance sheet assets and liabilities or to meet client requirements as well as for trading purpose as per policy approved by the Board. These products are used for hedging risk, reducing cost and increasing the yield. In such transactions, the types of risks to which the bank is exposed to, are credit risk, market risk, operational risk etc.

Risk management is an integral part of bank's business management. Bank has risk management policies designed to identify and analyse risks, to set appropriate risk limits and to monitor these risks and limits on an on-going basis by means of reliable and up to date management information systems. The risk management policies and major control limits are approved by the Board of Directors and they are monitored and reviewed regularly. The organization of the Bank is conducive to managing risks. There is sufficient awareness of the risks and the size of exposure of the trading activities in derivative operations.

The Bank has a Risk Management Committee of Directors presided over by the Chairman.

The hedge/non-hedge (market making) transactions are recorded separately. Income/expenditure on hedging derivatives is accounted on accrual basis.

Forex forward contracts are marked to market and the resultant gains and losses are recognized in the profit and loss account.

Interest rate derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit & Loss account. Net Profit, if any, is ignored.

Exchange traded derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit & Loss account.

Gains/losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

Option fees/premium is amortised over the tenor of the option contract.

Bank has a proper system of submitting periodical reports to Senior and Top Management and Board as well as regulatory authorities as required by RBI and/or as per operational requirements. Bank has clearly spelt derivative guidelines on various aspects approved by the Board of Director. The derivative transactions are subject to concurrent, internal, statutory and regulatory audits.

The counter parties to the transactions are banks, primary dealers and corporate entities. The deals are done under approved exposure limits. The Bank has adopted the Current Exposure method prescribed by Reserve Bank of India for measuring Credit Exposures arising on account of interest rate and foreign exchange derivative transactions. Current exposure method is the sum of current credit exposure and potential future exposure of these contracts.

The current credit exposure is the sum of positive mark to market value of these contracts i.e. when the Bank has to receive money from the counter party.

Potential future credit exposure is determined by multiplying the notional principal amount of these contracts irrespective of whether the contract has zero, positive or negative mark to market value by the relevant add-on factors as under according to the nature and residual maturity of the instrument.

Residual Maturity	Credit Conversion factor applied on Notional Principal Amount	
	Interest Rate Contract	Exchange Rate Contract
One year or less	0.50%	2.00%
Over one year to five years	1.00%	10.00%
Over five years	3.00%	15.00%

While computing the credit exposure, "sold options" are excluded wherever the entire premium/fee or any other form of income is received / realized.

As per the extant RBI guidelines, credit exposures computed as per the current Mark to Market value of the contracts, also attracts provisioning requirement as applicable to the loan assets in the "Standard" category, of the concerned counterparty. At present, the provision is to be maintained at 0.40% of the risk weighted assets. The Bank makes the requisite provision as aforesaid in the books.

ii. Quantitative Disclosures

Sr. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
1	Derivatives (Notional Principal Amount)	5,885.82	841.13
	a) For hedging	5,742.84	241.13
		(13,048.16)	(1,463.03)
	b) For trading	142.98	600.00
		(278.34)	(100.00)
2	Marked to Market Positions [1]		
	a) Asset (+)	4.47	1.80
		(158.32)	(0.36)
	b) Liability (-)	52.92	0.91
		(2.65)	(34.70)

Sr. No.	Particulars	Currency Derivatives		Interest Rate Derivatives	
3	Credit Exposure [2]	118.24		8.41	
		(421.12)		(15.99)	
4	Likely impact of one percentage change in interest rate (100*PV01)				
	a) On hedging derivatives	0.00		0.06	
		(0.00)		(11.81)	
	b) On trading derivatives	0.00		3.66	
		(0.00)		(4.37)	
5	Maximum & Minimum of 100*PV01 observed during the year	Max	Min	Max	Min
	a) On hedging	0.00	0.00	0.02	0.00
		(0.00)	(0.00)	(0.97)	(0.01)
	b) On trading	0.00	0.00	1.84	1.82
		(0.00)	(0.00)	(4.37)	(4.37)

(d) Credit Default Swaps

The bank has not dealt with any Credit Default Swap.

8. Disclosures relating to Securitisation

The Bank has not floated any Special purpose Vehicle (SPV) during the Financial Year 2022-23.

9. Off balance sheet SPVs sponsored

Name of the sponsored SPV	
Domestic	Overseas
NIL	NIL

10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

Particulars	2022-23	2021-22
Opening balance of amounts transferred to DEAF	1,756.66	1,488.26
Add : Amounts transferred to DEAF during year	887.06	291.16
Less : Amounts reimbursed by DEAF towards claims	44.72	22.76
Closing balance of amounts transferred to DEAF	**2,599.00**	**1,756.66**

11. Disclosure of Complaints

(a) Summary information on complaints received by the bank from customers and from the OBOs [Offices of the Banking Ombudsman]

Sr. No		Particulars	2022-23	2021-22
Complaints received by the bank from its customers				
1		Number of complaints pending at beginning of the year	2,724	13,188
2		Number of complaints received during the year	2,34,355	4,92,450
3		Number of complaints disposed during the year	2,35,562	5,02,914
	3.1	Of which, number of complaints rejected by the bank	11,252	10,124
4		Number of complaints pending at the end of the year	1,517	2,724
Maintainable complaints received by the bank from OBOs				
5		Number of maintainable complaints received by the bank from OBOs	4,636	4,634
	5.1	Of 5, number of complaints resolved in favour of the bank by BOs	1,435	1,355
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs	3,201*	3,279
	5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	0	0
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2006 and covered within the ambit of the Scheme

*** Out of this, one award was issued in one case against other bank**

(b) Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
ATM/ Debit Cards	2566 (12733)	194544 (456410)	(-)57.38 (+7.23)	1195 (2566)	0 (3)
Internet/ Mobile/ Electronic Banking	0 (67)	12158 (14497)	(-)16.13 (+65.11)	114 (0)	0 (0)
Account operation related	1 (141)	13120 (9444)	+38.92 (+46.81)	126 (1)	0 (0)
Advances/ Credit Related	4 (35)	2746 (1802)	+52.39 (+6.44)	36 (4)	0 (1)
Levy of charges	0 (52)	1976 (1726)	+14.48 (-2.92)	2 (0)	0 (0)
Others	153 (160)	9811 (8571)	+14.47 (+3.49)	44 (153)	0 (6)
Total	**2724 (13188)**	**234355 (492450)**	**(-)52.41 (+8.80)**	**1517 (2724)**	**0 (10)**

12. Disclosure of Penalties imposed by the Reserve Bank of India and other regulators

Particulars	2022-23	2021-22
Penalty imposed under Section 46(4) of The Banking-Regulation Act, 1949 and under other regulations	1.01	21.31

During the year ended March 31, 2023, out of the above, penalty of ₹ 1.01 has been imposed on the Bank by the Reserve Bank of India.

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LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

13. Disclosure on remuneration:

(Amount in ₹)

Sr. No	Particulars	2022-23	2021-22
1	Shri Atanu Kumar Das	28,89,579	32,62,233
2	Shri P. R. Rajagopal	38,99,430	34,40,568
3	Shri M Karthikeyan	30,32,883	27,25,869
4	Shri Swarup Dasgupta	30,32,833	27,25,869
5	Smt. Monika Kalia	18,93,147	28,00,774
6	Shri Subrat Kumar	11,55,336	NA

14. Other Disclosures

(a) **Business Ratios**

Sr. No.	Particulars	31.03.2023 (in %)	31.03.2022 (in %)
(i)	Interest Income as a percentage to average Working Funds	5.77	4.83
(ii)	Non-interest income as a percentage to average Working Funds	0.86	1.00
(iii)	Cost of Deposits	3.67	3.69
(iv)	Net Interest Margin	3.01	2.36
(v)	Operating Profit as a percentage to average Working Funds	1.80	1.64
(vi)	Return on Assets	0.49	0.43
(vii)	Business per employee (in ₹) (deposits plus advances including interbank deposits)	22.47	20.71
(viii)	Profit per employee (in ₹)	0.076	0.065

(b) **Fees, remuneration received from Bancassurance Business:**

Particulars	2022-23	2021-22
Life Insurance Business	140.36	99.01
Non-Life Insurance Business	21.75	21.22
Health Insurance Business	11.99	7.59
Total	**174.10**	**127.82**

(c) **Fees, remuneration received from Marketing and Distribution:**

Particulars	2022-23	2021-22
Mutual Funds	4.14	2.89
Total	**4.14**	**2.89**

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(d) **Disclosure of Priority Sector Lending Certificates (PSLCs) (As compiled by the Management):**

Purchased during the year	Sold During the Year
3,000.00 (2,000.00)	4,800.00 (0.00)

The Bank has purchased Priority Sector Lending Certificate (PSLCs) for Agriculture portfolio amounting to ₹ 3,000 during the year ended March 31, 2023 costing ₹ 23.73 to bridge the gap in Agriculture portfolio. The Bank also sold PSLCs for Small Farmer & Marginal Farmer portfolio amounting to ₹ 4,800 and earned commission of ₹ 64.76.

(e) **Provisions and Contingencies:**

The break-up of "Provisions and Contingencies" appearing in the Profit and Loss Account is as under:

Particulars	**2022-23**	**2021-22**
Provision for Non-Performing Investments	1,207.76	232.72
Provision for Investments	0.00	164.64
Provision towards NPA	3,601.85	2,942.95
Provision made towards Income Tax (including Deferred Tax)	2,206.37	2,162.05
Provision towards Standard Assets	1,654.56	901.38
Other Provision & Contingencies		
• Provision for Sacrifice in Restructured Accounts	(-)64.80	(-)69.23
• Provision for Country Risk	14.72	10.93
• Other Provisions	749.22	238.31
Total	**9,369.68**	**6,583.76**

(f) **Implementation of IFRS converged Indian Accounting Standards (Ind AS):**

RBI vide its circular DBR.BP.BC.No.29/21.07.001/2018-19 dated March 22, 2019, deferred implementation of Ind AS till further notice as the legislative amendments in Banking Regulation Act, 1949 as recommended by RBI are under consideration of the Government of India. However, RBI requires all banks to submit Proforma Ind AS Financial Statements (PFS) every half year. Accordingly, the Bank has been preparing and submitting to RBI Proforma Ind AS Financial Statements (PFS) half-yearly with effect from September-2021, after seeking approval of Steering Committee formed for monitoring of implementation of Ind-AS in the Bank. The PFS are also presented to Audit Committee of Board and Board for information and reporting.

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(g) **Payment of DICGC Insurance Premium:**

Sr. No.	Particulars	2022-23	2021-22
i)	Payment of DICGC Insurance Premium	770.64	628.41
ii)	Arrears in payment of DICGC premium	Nil	Nil

(h) **Facilities granted to Directors and their relatives:**
Applicable only to UCBs

(i) **Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks**
Reserve Bank of India vide its Circular No. RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 4, 2021, permitted Banks to amortise the additional liability on account of revision in family pension over a period not exceeding five years beginning with the financial year ending March 31, 2022, subject to a minimum of 1/5th of the total amount being expensed every year. The Bank recognised the additional liability on account of revision in family pension amounting to ₹ 612.09 and has opted to amortise the said liability over a period not exceeding five years, beginning financial year ending March 31, 2022.

Accordingly, Bank has recognised ₹ 306.04 (₹ 122.42) as an expense in the Profit and Loss account, for the year ended March 31, 2023 and the balance unamortised liability of ₹ 183.63 (₹489.67) has been carried forward. If the unamortised liability had been fully recognised in the Profit & Loss account by the Bank, the Net Profit (after tax) for the quarter and year ended March 31, 2023 would have been lower by ₹ 119.46 (₹ 318.56).

(j) In accordance with RBI circular no.DBRNo.BP.BC.18/21.04.048/2018-19 dated January 1, 2019, on "Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances", as amended from time to time, the details of MSME restructured accounts as on March 31, 2023 is as under:

(₹ in Crore except number of accounts)

No. of accounts restructured	Amount	Provision held
43,194 (64,725)	1,202.39 (1,761.85)	60.12 (88.09)

(k) Disclosure of Letters of Comfort (LoCs) issued by bank for Subsidiaries (As compiled by the management):

During the year 2022-23, the bank has not issued any Letter of Comfort on behalf of Subsidiaries.

During the year 2010-11, the bank had issued parental guarantee in favour of Royal Bank of New Zealand, for its wholly owned subsidiary, Bank of India (New Zealand) Ltd. to meet its financial obligations, if they fall due.

As on 31.03.2023, no financial obligations have arisen on the above commitments.

(l) **Income Tax:**

i. Claims against the Bank not acknowledged as debt under contingent liabilities (Schedule 12) include disputed income tax/interest tax liabilities of ₹ 355.86 (previous year ₹ 529.03) for which no provision is considered necessary based on various judicial decisions in respect of past assessments on such disputes. Payments/adjustments against the said disputed dues are included under Other Assets (Schedule 11).

ii. Provision for taxes has been arrived at after due consideration of the provisions of the applicable tax laws and relevant judicial decisions on certain disputed issues.

(m) The Bank has Details of Number of Investors complaints for the year ended March 31, 2023: Pending at Beginning: Nil; Received: 140; Disposed off: 140 and Pending at the end: Nil.

(n) Bank was holding 100% provision in a particular account, recovery of which is under dispute with another PSU Bank. The account has been reported as fraud to RBI. RBI vide its communication ref. no. DoS. Co. SSM (BOI)/6557/13.37.007/2019-20 dated April 13, 2020 permitted the Bank to maintain provision of 50% of the disputed amount on an ongoing basis subject to certain conditions. Accordingly, the Bank holds provision of ₹144.03 (being 50% of the outstanding amount) for the said disputed amount.

(o) In accordance with the RBI guidelines, during the year ended March 31, 2023, Bank has shifted Central Government securities with a book value of ₹ 2,887.84 and State Government securities with a book value of ₹ 5,054.58 from HTM to AFS category. Further, Bank has shifted from AFS to HTM category, Central Government securities with a book value of ₹ 656.41 after charging shifting loss of ₹ 21.62. Venture Capital Fund for an amount of ₹ 7.65 has been shifted from HTM to AFS category.

(p) In respect of RBI referred NCLT accounts (List 1 & 2) as on March 31, 2023, Bank holds 100% provision of the outstanding value of ₹ 3,403.66.

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(q) Bank has made provision of ₹ 268 for the year ended March 31, 2023 towards arrears of wages, on ad-hoc basis, due for revision with effect from November 1, 2022.

(r) **Impact of Covid-19:**

The COVID-19 virus, a global pandemic has affected the world economy over the last three years. The extent to which any new wave of COVID-19 will impact the Bank's operations and financial results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government- mandated or elected by us.

(s) Other Income includes commission and brokerage income, profit/loss on sale of assets, profit/loss on revaluation of investments (net) (including depreciation on performing investments), earnings from foreign exchange and derivative transactions, recoveries from accounts previously written off, dividend income, etc.

(t) The Board of Directors has recommended a dividend of ₹ 2.00 per equity share (20%) for the year ended March 31, 2023 subject to requisite approvals.

(u) Balancing of Subsidiary Ledger Accounts, confirmation/reconciliation of balances with foreign branches, Inter-office accounts, NOSTRO Accounts, Suspense, Draft Payable, Clearing Difference, other office accounts, etc. is in progress on an on-going basis. In the opinion of the management, the overall unadjusted impact on the financial statements, if any, of pending final clearance/adjustment of the above, is not likely to be significant.

(v) Advances covered by Bank / Government Guarantees under Schedule 9 – Advances includes advances guaranteed by CGTMSE amounting to ₹ 844.17.

(w) **Other Income / Expenditure exceeding 1% of total income**
Other Income: Other Income includes below income exceeding 1% of the total income of the Bank.

Particulars	2022-23	2021-22
Recovery in written off accounts	1,206.85	1,097.13

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Disclosure requirements as per Accounting Standards (AS):

6.1 Accounting Standard – 5 Net Profit / loss for the period, Prior Period Items and changes in accounting policies:

(i) Prior Period Items:

During the year, there were no material prior period income / expenditure items.

(ii) Change in accounting policy:

There is no change in the Significant Accounting Policies followed during the year ended March 31, 2023 as compared to those followed in the previous financial year ended March 31, 2022.

6.2 Accounting Standard 9 – Revenue recognition

Certain items of income are recognised on realisation basis as per Accounting Policy para 3 of Schedule 17: Significant Accounting Policies. However, the said income is not considered to be material.

6.3 Accounting Standard 15 – Employee Benefits:

Sr. No.	Particulars	FY 2022-2023		FY 2021-2022	
		Gratuity	Pension	Gratuity	Pension
(i)	**Principal actuarial assumptions used :**				
	Discount Rate	7.51%	7.39%	7.37%	6.84%
	Rate of Return on Plan Assets	6.87%	7.67%	6.42%	8.21%
	Salary Escalation Rate	5.50%	5.50%	5.50%	5.50%
	Attrition Rate Current	1.00%	1.00%	1.00%	1.00%
(ii)	**Table showing changes in Present value of Defined Benefit Obligation :**				
	Liability at the beginning of the year	1,898.52	17,889.53	1,935.32	16,837.05
	Interest Cost	129.68	1,159.60	121.82	775.14
	Current Service Cost	108.55	977.95	99.24	946.18
	Past Service Cost	-	122.42	-	-
	Benefit Paid	278.00	1,872.53	369.98	1,824.62
	Actuarial (gain)/ loss on Obligation	211.81	719.43	112.11	1,155.78
	Liability at the end of the year	2,070.55	18,996.40	1,898.52	17,889.53
	Unrecognised past service cost	-	183.62	-	489.67
	Total Defined Benefit obligation	**2,070.55**	**19,180.02**	**1,898.52**	**18,379.20**
(iii)	**Table showing changes in Fair value of Plan Assets :**				
	Fair Value of Plan Assets at the beginning of the year	1,887.32	17,604.64	1,930.62	16,531.02
	Expected return on Plan Assets	131.13	1,333.66	119.13	1,356.20
	Contributions	320.89	1,439.17	219.86	1,800.30
	Benefit Paid	278.00	1,872.53	369.98	1,824.62
	Actuarial gain/ (loss) on Plan Assets	(5.88)	(45.52)	(12.31)	(258.26)
	Fair Value of Plan Assets at the end of the year	**2,055.47**	**18,459.42**	**1,887.32**	**17,604.64**
	Total Actuarial Gain/(Loss) recognised	**(217.68)**	**(764.95)**	**(124.42)**	**(1,414.03)**

Sr. No.	Particulars	FY 2022-2023		FY 2021-2022	
		Gratuity	Pension	Gratuity	Pension
(iv)	**Actual return on Plan Assets :**				
	Expected Return on Plan Assets	131.13	1,333.66	119.13	1,356.20
	Actuarial gain/(loss) on Plan Assets	(5.88)	(45.52)	(12.31)	(258.26)
	Actual return on Plan Assets	**125.26**	**1,288.14**	**106.82**	**1,097.94**
(v)	**Amount recognised in the Balance Sheet :**				
	Liability at the end of the year	2,070.55	19,180.02	1,898.52	18,379.20
	Fair Value of Plan Assets at the end of the year	2,055.47	18,459.42	1,887.32	17,604.64
	Unrecognised past service cost	-	183.62	-	489.67
	Amount Recognised in the Balance Sheet	**15.09**	**536.98**	**11.20**	**284.88**
(vi)	**Expenses recognised in the Income-Statement :**				
	Current Service Cost	108.55	977.95	99.24	946.18
	Interest Cost	129.68	1,159.60	121.82	775.14
	Expected Return on Plan Assets	(131.13)	(1,333.66)	(119.13)	(1,356.20)
	Expenses recognized relating to prior years	-	-	-	-
	Past Service Cost	-	306.04	-	-
	Actuarial (Gain) or Loss	217.68	764.95	124.42	1,414.03
	Expense Recognised in P & L	**324.78**	**1,874.89**	**226.35**	**1,779.15**
(vii)	**Balance Sheet Reconciliation :**				
	Opening Net Liability (Last period's net amount recognized in the balance sheet)	11.20	284.88	4.70	306.03
	Expenses as above	324.78	1,874.89	226.35	1,779.15
	Employer's Contribution	(320.89)	(1,439.17)	(219.86)	(1,800.30)
	Additional Past Service Cost	-	(183.62)	-	-
	Amount Recognised in Balance Sheet	**15.09**	**536.98**	**11.20**	**284.88**
(viii)	**Category of Assets :**				
	Central Government of India Securities	15.30	2,329.69	71.50	2,288.50
	Equity	-	759.33	-	551.87
	Corporate Bonds	94.98	6,095.69	120.61	5,422.74
	State Government Securities	55.48	3,057.14	130.70	2,858.58
	Insurance	1852.39	5,810.69	1532.83	6089.16
	Other	37.32	406.88	31.68	393.79
	Total	**2,055.47**	**18,459.42**	**1,887.32**	**17,604.64**
(ix)	**Experience Adjustment :**				
	On Plan Liability (Gain)/Loss	240.77	843.92	152.27	1,092.69
	On Plan Asset (Loss)/Gain	(5.88)	(45.52)	(42.37)	(694.35)

Other long term employee benefits*:

Particulars	**31.03.2023**		**31.03.2022**	
	Liability	**Provisions made/ (w/back) during the year**	**Liability**	**Provisions made/(w/back) during the year**
Leave Encashment	1,201.04	17.28	1,183.77	(-)99.81
Leave Travel Concession	62.58	0.17	62.41	0.18
Resettlement Benefits	8.07	0.36	7.71	0.38
Milestone Awards	4.59	0.04	4.56	0.04
Sick Leave**	3.00	0.00	3.00	0.00

* The actuarial assumptions for other long term benefits are same which are used for Gratuity.

The bank has recognised contribution to employees' Provident Fund/Defined contribution scheme as an expense. During the year, the bank has contributed ₹ 391.94 (Previous Year ₹ 364.15) towards such fund which is a defined contribution plan.

** The bank has been recognising the liability of sick leave to full extent hitherto i.e. entire outstanding leave balance. In line with the Guidance Note on implementation of Employee Benefits (AS-15) - (revised 2005) in respect of Sick Leave, the liability in this regard is recognised based on probability of availing such leaves by employees.

The Bank's best estimate of contributions expected to be paid during the annual period beginning after the Balance sheet date, towards Pension is ₹ 2,215.86 (Previous Year ₹ 2,106.26) and towards Gratuity is ₹ 22.78 (Previous Year: ₹ 45.69).

Surplus /Deficit in the Plan:

	Gratuity Plan				
Particular	**FY2022-23**	**FY2021-22**	**FY2020-21**	**FY2019-20**	**FY2018-19**
Defined benefit obligation	2,070.55	1,898.52	1,935.33	1,747.81	1,683.78
Plan assets	2,055.47	1,887.32	1,930.63	1,649.47	1,592.38
Unrecognised Transitional liability	0.00	0.00	0.00	0.00	0.00
Surplus/(deficit)	(-)15.09	(-)11.20	(-)4.70	98.34	91.40
Experience Adjustment On Plan Liability (Gain)/Loss	240.77	152.27	315.39	(-)86.04	54.03
Experience Adjustment On Plan Asset (Loss)/Gain	(-)5.88	(-)42.37	86.25	100.21	14.29

	Pension Plan				
Particular	**FY2022-23**	**FY2021-22**	**FY2020-21**	**FY2019-20**	**FY2018-19**
Defined benefit obligation	19,180.02	18,379.20	16,837.05	16,065.92	14,709.20
Plan assets	18,459.42	17,604.64	16,531.02	15,827.60	14,314.88
Unrecognised Transitional liability	183.62	489.67	0.00	0.00	0.00
Surplus/(deficit)	(-)536.99	(-)284.88	(-)306.03	(-)238.32	(-)394.32
Experience Adjustment On Plan Liability (Gain)/Loss	843.92	1,092.69	791.71	808.90	546.91
Experience Adjustment On Plan Asset (Loss)/Gain	(-)45.52	(-)694.35	(-)620.28	155.64	37.73

6.4 Accounting Standard 17 - Segment Reporting

Part A: Business Segment

Business Segment	Treasury Operations (1)		Wholesale Banking Operations (2)		Retail Banking Operations (3)		Digital Banking (3) (i)		Other Retail Banking (3)(ii)		(*)Other Banking Operations (4)		Total (1+2+3+4)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue	16,465.87	15,606.42	17,648.87	14,372.71	20,731.92	15,716.53	0.00	0.00	20,731.92	15,716.53	0.00	0.00	54846.66	45,695.66
Unallocated revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					XXXX	XXXX	490.44	305.16
Less: Inter segment revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					XXXX	XXXX	589.49	46.26
Total Revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					XXXX	XXXX	54,747.61	45,954.56
Results	5,295.52	5,899.72	166.71	(-)2,366.40	2,392.35	3217.21	(-)0.38		2,392.73	3,217.21	0.00	0.00	7,854.58	6,750.53
Unallocated Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					XXXX	XXXX	(-)1,625.27	(-)1,183.78
Profit/(Loss) Before Tax	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					XXXX	XXXX	6,229.31	5,566.75
Income Tax	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					XXXX	XXXX	2,206.37	2,162.05
Extraordinary Profit/ (Loss)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					XXXX	XXXX	XXXX	XXXX
Net Profit/ (Loss)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					XXXX	XXXX	4,022.94	3,404.70
Other Information :														
Segment Assets	283,230.98	260,048.48	293,202.27	232,137.13	215,949.71	216,917.68	2.02		215,947.69	216,917.68	0.00	0.00	792,382.96	709,103.29
Unallocated Assets													23,172.65	25,510.72
Total Assets	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					XXXX	XXXX	815,555.61	734,614.01
Segment Liabilities	267,321.61	246,569.37	287,056.88	259,930.51	193,707.89	166,610.81	2.40		193,705.49	166,610.81	0.00	0.00	748,086.38	673,110.69
Unallocated Liabilities													8,498.62	6,372.08
Total Liabilities	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					XXXX	XXXX	756,585.00	679,482.77

(*) The Bank does not have any significant "Other Banking Operations".

Part B: Geographical Segment

Geographical Segments	Domestic		International		Total	
Particulars	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue	50,110.74	44,328.45	4,636.87	1,626.11	54,747.61	45,954.56
Assets	698,881.93	648,296.36	116,673.68	86,317.65	815,555.61	734,614.01

The Bank has recognised Business Segments as Primary reporting segment and Geographical Segments as Secondary segment in line with RBI guidelines in compliance with Accounting Standard 17.

Primary Segment: Business Segments

a) **Treasury**: 'Treasury' segment includes the entire investment portfolio i.e. dealing in Government and other Securities, Money Market Operations and Forex Operations including Derivative contracts.

b) **Wholesale Banking**: Wholesale Banking includes all lending activities which are not included under Retail Banking.

c) **Retail Banking**: Retail Banking segment comprises of Digital Banking and Other Retail Banking.

Digital Banking includes digital banking products acquired by DBUs.

Other Retail Banking includes all housing loan accounts and borrower accounts having exposure up to ₹ 7.50 crore.

Pricing of Inter-Segmental transfers

Retail Banking Segment is a Primary resource mobilising unit and Wholesale Segment and Treasury Segment compensates the Retail banking segment for funds lent by it to them taking into consideration the average cost of deposits and borrowings incurred by it.

Allocation of Costs:

a) Expenses directly attributed to particular segment are allocated to the relative segment.
b) Expenses not directly attributable to specific segment are allocated in proportion to number of employees/business managed.

Secondary Segment: Geographical Segments

a) Domestic Operations
b) International Operations

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6.5 Accounting Standard 18 - Related Party Transactions (As compiled by the management and relied upon by the Auditors):

I) List of Related Parties:

a. Key Managerial Personnel :

Managing Director & CEO :	Shri Atanu Kumar Das (superannuated on 19.01.2023) Shri Rajneesh Karnatak (from 29.04.2023)
Executive Directors :	Shri P R Rajagopal Shri Swarup Dasgupta Shri M. Karthikeyan Smt Monika Kalia (upto 15.11.2022) Shri Subrat Kumar (from 21.11.2022)

b. Subsidiaries:

i. BOI Shareholding Limited
ii. Bank of India Investment Managers Private Limited
iii. Bank of India Trustee Services Private Limited
iv. BOI Merchant Bankers Limited
v. PT Bank of India Indonesia Tbk
vi. Bank of India (Tanzania) Limited
vii. Bank of India (New Zealand) Limited
viii. Bank of India (Uganda) Limited

c. Associates:

i. STCI Finance Limited
ii. ASREC (India) Limited
iii. Indo Zambia Bank Limited

d. Regional Rural Banks sponsored by the Bank:

i. Madhya Pradesh Gramin Bank
ii. Vidharbha Konkan Gramin Bank
iii. Aryavart Bank

e. Joint Venture:

i. Star Union Dai-Ichi Life Insurance Co. Limited

Transactions with Related Parties (As compiled by Management and relied upon by the Auditors)

Particulars	With Subsidiaries/ Associates/Joint Ventures		Key Management Personnel & their relatives		TOTAL	
	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022
Transactions during the period						
Interest Received	-	-	-	-	-	-
Interest Paid	745.65	315.62	-	-	745.65	315.62
Dividend received	6.82	8.38	-	-	6.82	8.38
Other Income	150.67	113.15	-	-	150.67	113.15
Sale of Govt. Securities/Treasury Bills	-	-	-	-	-	-
Purchase of Govt. Securities/Treasury Bills	-	-	-	-	-	-
Puchase of Corporate Bonds and Other money market instruments	-	-	-	-	-	-
Deposits accepted	22.83	-	-	-	22.83	-
Matured Deposits	113.42	-	-	-	113.42	-
Loans Provided	-	-	-	-	-	-
Loans Repaid	-	-	-	-	-	-
Sale of NPA	-	-	-	-	-	-
Investments made	57.92	-	-	-	57.92	-
Equity shares issued under Employee's Stock Purchase Scheme	-	-	-	-	-	-
Outstanding	As on 31.03.2023	As on 31.03.2022	As on 31.03.2023	As on 31.03.2022	As on 31.03.2023	As on 31.03.2022
Payable	-	-	-	-	-	-
Deposits accepted	136.65	227.24	-	-	136.65	227.24
Borrowing	-	-	-	-	-	-
Loans given	10.00	10.00	-	-	10.00	10.00
Placement of the Deposits	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-
Receivables (Advances)	-	-	-	-	-	-
Investments	180.51	122.59	-	-	180.51	122.59
Non Funded Commitment	-	-	-	-	-	-
Leasing / HP arrangements availed	-	-	-	-	-	-
Leasing / HP arrangements provided	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
Other Assets	7.66	13.14	-	-	7.66	13.14

The transactions with wholly owned subsidiaries and regional rural banks being state controlled, have not been disclosed in view of Para 9 of AS - 18 on Related Party disclosure issued by ICAI exempting 'State Controlled Enterprises' from making any disclosure pertaining to their transactions with other related parties which are also 'State Controlled Enterprises'. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker - Customer relationship have not been disclosed including those with Key Management

Personnel and relatives of Key Management Personnel, since the disclosure would conflict with Bank's duties of confidentiality.

6.6 Accounting Standard 19 – Leases: - Operating leases are cancellable at the option of the Bank. The amount of lease expenses recognized in the Profit & Loss Account for such operating lease is ₹ 676.84 (Previous Year: ₹ 618.36).

6.7 Accounting Standard 20 - Earnings per Share in ₹:

Sr. No.	Particulars	2022-23	2021-22
1.	Basic EPS	9.80	8.84
2.	Diluted EPS	9.80	8.84

Calculation of Basic & Diluted E.P.S.:

Sr. No.	Particulars	2022-23	2021-22
(A)	Net Profit/(Loss) for the year attributable to Equity Shareholders	4,022.94	3,404.70
(B)	Weighted Average Number of Equity shares (in crore)	410.36	385.28
(C)	Basic Earnings per Share (A/B) (₹)	9.80	8.84
(D)	Weighted Average Number of Equity shares including dilutive potential equity shares (in crore)	410.36	385.28
(E)	Dilutive Earnings per Share (A/D) (₹)	9.80	8.84
(F)	Nominal Value per Share (₹)	10.00	10.00

6.8 Accounting Standard 22 – Accounting for Taxes on Income

6.8.1 The major components of Deferred Tax Assets and Deferred Tax Liabilities are as under:

Sr. No.	Particulars	31.03.2023	31.03.2022
	Deferred Tax Assets		
i)	On account of timing difference towards provision for doubtful debt and advances	7,735.86	9,788.61
ii)	On account of timing difference towards other provisions/items	165.61	93.79
iii)	On account of Foreign Currency Translation Reserve (FCTR)	271.00	218.57
iv)	Others	579.34	564.71
	Total Deferred Tax Assets	**8,751.81**	**10,665.68**
	Deferred Tax Liabilities		
i)	On account of Depreciation on fixed assets	96.26	154.77

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Sr. No.	Particulars	31.03.2023	31.03.2022
ii)	On account of interest accrued but not due on investments	1,102.14	887.51
iii)	On account of Deduction in respect of special reserve u/s 36(1)(viii) of the Income Tax Act 1961*	915.53	915.53
iv)	Others	0.00	0.48
	Total Deferred Tax Liabilities	**2,113.93**	**1,958.29**
	Net Deferred Tax Assets / (Liabilities)	**6,637.88**	**8,707.39**

* ₹ 431.67 out of past reserves and balance out of profit

6.8.2 Amount of Provisions made for Income-tax during the year

Particulars	2022-23	2021-22
Current Tax	136.86	(-)1,901.16
Deferred Tax	2,069.51	4063.22
Total Tax Expense	**2,206.37**	**2,162.05**

Government of India has pronounced section 115BAA of Income Tax Act 1961 through Taxation Laws (Amendment) Act, 2019. The Bank has evaluated the options available under section 115BAA of the Act and opted to continue to recognise the taxes on income for the year ended 31st March, 2022 as per the earlier provisions of Income-tax Act.

6.9 Accounting Standard 24 - Discontinuing Operations: Nil

6.10 Accounting Standard 27 – Investments in Joint Venture

Investments include ₹ 98.17 (Previous year ₹ 75) representing Bank's interest in the following jointly controlled entity:

Sr. No.	Name of the Company	Amount	Country of Residence	Holding %
1	Star Union Dai-Ichi Life Insurance Company Ltd.	98.17	India	28.96%

Aggregate amount of assets, liabilities, income and expenses related to the group's interest in jointly controlled entities:

Particulars	31.03.2023	31.03.2022
Liabilities		
Capital & Reserves	307.51	213.22
Deposits	-	-
Borrowings	-	-
Other Liabilities & Provisions	5,405.48	4,211.15

Particulars	31.03.2023	31.03.2022
Total	**5,712.99**	**4,424.37**
Assets		
Cash and Balances with Reserve Bank of India	90.85	41.15
Balances with Banks and Money at call and short notice	-	-
Investments	5,419.83	4,206.16
Advances	7.17	4.90
Fixed Assets	14.75	10.52
Other Assets	180.39	161.65
Total	**5,712.99**	**4,424.37**
Capital Commitments	-	-
Other Contingent Liabilities	33.69	31.56
Income		
Interest Earned	17.14	12.71
Other Income	38.23	76.62
Total	**55.37**	**89.34**
Expenditure		
Interest Expended		
Operating Expenses	18.34	89.37
Provisions & Contingencies	0.21	(6.63)
Total	**18.55**	**82.73**
Profit / (Loss)	**36.82**	**6.60**

6.11 Impairment of Assets (Accounting Standard 28): ₹ Nil

6.12 "Provisions, Contingent Liabilities and Contingent Assets" (Accounting Standard 29)

A. Movement of Provisions for contingent liabilities:

Particulars	Legal cases/contingencies*	
	2022-23	2021-22
Opening Balance	61.02	100.91
Provided during the year	4.07	2.67
Amounts used during the year	1.00	42.56
Closing Balance	64.09	61.02
Timing of outflow/uncertainties	Outflow on settlement / Crystallization	

*Excluding provisions for others

B. ***Contingent Liabilities:***

Such liabilities are dependent upon, the outcome of court order/arbitration/out of court settlement, disposal of appeals and the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be. No reimbursement is expected in such cases.

7. Figures of the previous period have been regrouped / reclassified, wherever considered necessary to conform to the current period's classification.

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V Sankar Aiyar & Co.	Laxmi Tripti & Associates	Mukund M Chitale & Co.
Chartered Accountants 2C Court Chambers, 35, New Marine Lines, Mumbai – 400 020.	Chartered Accountants 2/9, Shireen Complex. BDA Colony, KOH-E-FIZA, Bhopal - 462001	Chartered Accountants Second Floor, Kanpur House, Paranjape B Scheme Road No 1, Vile Parle East, Mumbai- 400057

Independent Auditors' Report on Audited Standalone Quarterly Financial Results and Year to Date Financial Results of the Bank of India Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) regulations,2015

To
The Board of Directors,
Bank of India,
Mumbai

Report on the Audit of the Standalone Financial Results

Opinion

1. We have audited the accompanying statement of Standalone Financial Results **of Bank of India** (the '**Bank**') for the quarter and the year ended March 31,2023 **("the Statement")**, being submitted by the Bank pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") except for the disclosures relating to Pillar 3 disclosure as at March 31, 2023, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Standalone Financial Results and have not been audited by us.

   The Standalone Financial Results includes the returns for the year ended on that date of:-
   (i) 20 Domestic branches, Treasury Branch and Digital Banking department audited by us;
   (ii) 3616 domestic branches and processing centres audited by respective Statutory Branch Auditors and
   (iii) 21 Foreign branches audited by respective local Auditors

   The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also included in the Balance Sheet, the Statement of Profit and Loss and Statement of Cash Flows are the returns from 1806 domestic branches and one foreign branch which have not been subjected to audit. These unaudited branches account for 4.70 % of advances, 13.43 % of deposits, 4.22 % of interest income and 12.38 % of interest expenses.

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid statement:

   (a) is presented in accordance with the requirements of Regulation 33 and 52 of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at March 31,2023, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Standalone Financial Results and have not been audited by us; and

   (b) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India, of the net profit and other financial information for the quarter and the year ended 31st March 2023.

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES CHARTERED ACCOUNTANTS 009189C

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

3. We draw attention to Note No. 9 of the audited financial results, regarding amortization of additional liability on account of revision in family pension amounting to Rs. 612.09 Crores. The Bank has charged an amount of Rs. 214.23 Crores and Rs. 306.04 Crores to the profit and loss account for the quarter and year ended March 31, 2023 respectively and balance unamortized expense of Rs. 183.63 Crores has been carried forward.

Our opinion is not modified in respect of these matters.

Board of Directors' Responsibility for the Standalone Financial Results

4. These Standalone Financial Results have been compiled from the audited Standalone Financial Statements. The Bank's Board of Directors is responsible for the preparation of these Standalone Financial Results that give a true and fair view of the financial position, financial performance, cash flows and other financial information in accordance with the recognition and measurement principles laid down in Accounting Standards issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Banking Regulations Act, 1949 for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the Standalone Financial Results, the Board of Directors is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

   The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

5. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Results. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES CHARTERED ACCOUNTANTS 009189C

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- Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. We are also responsible for expressing our opinion on whether the bank has adequate internal financial controls with reference to the standalone financial statements in place and operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

6. We did not audit the financial statements / financial information of 3637 branches and processing centres including 21 foreign branches included in the Standalone Financial Results of the Bank whose financial statements/financial information reflects total assets of Rs.3,79,885.63 Crore at March 31, 2023 and total revenue of Rs. 21,771.66 Crore for the year ended on that date as considered in the Standalone Financial Results. These branches and processing centres cover 57.31 % of advances, 84.62 % of deposits and 57.52 % of Non-performing assets as on 31st March 2023 and 42.35 % of revenue for the period 1st April 2022 to 31st March 2023.The Financial statements/financial information of these branches and processing centres have been audited by the branch auditors whose reports have been furnished to us, and in our opinion, in so far as it relates to the amounts and disclosures included in respect of these branches and processing centres, are solely based on the report of such branch auditors.

7. In conduct of our audit, we have taken note of the unaudited returns in respect of 1806 domestic branches and one foreign branch certified by the respective branch's management. These unaudited branches cover 4.70 % of advances, 13.43 % of deposits and 3.49 % of Non-performing assets as on 31st March 2023 and 4.92 % of revenue for the period 1st April 2022 to 31st March 2023.

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

8. The statement includes the results for the quarter ended 31st March, 2023 being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to 31st December 2022, which were subjected to limited review by us.

Our opinion on the Standalone Financial Results is not modified in respect of above matters.

For V Sankar Aiyar & Co. **Chartered Accountants** (FRN 109208W) **Asha Patel** **Partner** **M. No. 166048** **UDIN: 23166048BGUTEN4925**	**For Laxmi Tripti & Associates** **Chartered Accountants** (FRN 009189C) **Sunil Agarwal** **Partner** **M.No.103066** **UDIN: 23103066BGVYZA3251**	**For Mukund M Chitale & Co.** **Chartered Accountants** (FRN: 106655W) **Nilesh RS Joshi** **Partner** **M. No. 114749** **UDIN: 23114749BGSUJP3734**

Place: Mumbai
Date: May 6, 2023

BANK OF INDIA

CONSOLIDATED
BALANCE SHEET
AS AT 31ST MARCH, 2022

&

PROFIT AND LOSS ACCOUNT
FOR YEAR ENDED 31ST MARCH, 2022

Classification: Internal

BANK OF INDIA
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2022

(000's Omitted)

	Schedule No.	As at 31-03-2022 ₹	As at 31-03-2021 ₹
CAPITAL AND LIABILITIES			
Capital	1	4,10,43,052	3,27,76,625
Reserves & Surplus	2	52,41,75,455	43,70,25,656
Share Application Money, pending allotment		0	3,00,00,000
Minorities Interest	2A	12,94,950	15,93,141
Deposits	3	6,29,98,07,511	6,29,09,83,564
Borrowings	4	26,82,11,160	32,46,41,055
Other liabilities and provisions	5	29,67,81,186	21,08,80,934
TOTAL		7,43,13,13,314	7,32,79,00,975
ASSETS			
Cash and balances with Reserve Bank of India	6	40,53,03,244	60,93,03,760
Balances with Banks and money at call and short notice	7	51,17,85,657	65,76,32,490
Investments	8	1,80,27,39,526	1,91,69,30,102
Advances	9	4,23,00,11,355	3,67,66,73,463
Fixed Assets	10	9,85,61,127	9,00,13,980
Other Assets	11	38,29,12,405	37,73,47,180
TOTAL		7,43,13,13,314	7,32,79,00,975
Contingent Liabilities	12	4,23,31,89,026	4,53,79,41,768
Bills for collection		27,61,13,735	24,91,39,677

The schedules referred to above form an integral part of the Balance Sheet.
The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

Sankar Sen
General Manager &
Chief Financial Officer

Ashok Kumar Pathak
Chief General Manager

Monika Kalia
Executive Director

M. Karthikeyan
Executive Director

Swarup Dasgupta
Executive Director

P R Rajagopal
Executive Director

A.K.Das
Managing Director & CEO

DIRECTORS

Dr.Bhushan Kumar Sinha

Subrata Das

P N Prasad

Veni Thaper

Munish Kumar Ralhan

In terms of our report of even date attached

For V Sankar Aiyar & Co.
Chartered Accountants
(FRN:109208W)
S. Nagabushanam
Partner
M. No.197022

For Laxmi Tripti & Associates
Chartered Accountants
(FRN:009189C)
Rajesh Gupta
Partner
M. No.077204

For Mukund M Chitale & Co.
Chartered Accountants
(FRN: 106655W)
Nilesh RS Joshi
Partner
M. No. 114749

Place: Mumbai

Date : 24.05.2022

BANK OF INDIA

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2022

(000's Omitted)

	Schedule No.	Year ended 31-03-2022 ₹	Year ended 31-03-2021 ₹
I. INCOME			
Interest earned	13	38,28,09,149	40,85,38,263
Other income	14	8,01,05,431	6,89,65,513
TOTAL		46,29,14,580	47,75,03,776
II. EXPENDITURE			
Interest expended	15	24,08,34,340	26,42,09,496
Operating expenses	16	12,17,00,991	11,00,63,541
Provisions & Contingencies		6,63,18,041	8,12,42,898
TOTAL		42,88,53,372	45,55,15,935
Share of earnings/(loss) in Associates	15A	8,11,857	(11,82,214)
Consolidated Net Profit/(Loss) for the year before deducting Minorities' interest		3,48,73,065	2,08,05,627
Less: Minorities' interest		(52,659)	(21,874)
Consolidated Net Profit/(Loss) for the year attributable to the group		3,49,25,724	2,08,27,501
Add: Brought forward consolidated profit/(loss) attributable to the group		(8,87,876)	(23,78,79,282)
TOTAL		3,40,37,848	(21,70,51,781)
III APPROPRIATIONS			
Transfer to Statutory Reserve		85,20,000	54,10,000
Transfer to Investment Fluctuation Reserve		25,37,920	67,38,011
Transfer to/ (from) Revenue Reserve		-	56,990
Transfer to Capital Reserve		30,02,535	49,54,976
Interim Dividend (including dividend tax)		-	-23,78,23,882
Special Reserve u/s Sec 36(1) (viii) of Income Tax Act, 1961		-	45,00,000
Balance carried over to consolidated Balance sheet		1,99,77,393	(8,87,876)
TOTAL		3,40,37,848	(21,70,51,781)
Significant Accounting Policies	17		
Notes to Accounts	18		
Earnings Per Share (₹) (Basic)		9.07	6.36
Earnings Per Share (₹) (Diluted)		9.07	6.35

The schedules referred to above form an integral part of the Profit and Loss Account.
The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act, 1949.

Sankar Sen
General Manager &
Chief Financial Officer

Ashok Kumar Pathak
Chief General Manager

Monika Kalia
Executive Director

M. Karthikeyan
Executive Director

Swarup Dasgupta
Executive Director

P R Rajagopal
Executive Director

A.K.Das
Managing Director & CEO

DIRECTORS

Dr.Bhushan Kumar Sinha

Subrata Das

P N Prasad

Veni Thapar

Munish Kumar Ralhan

In terms of our report of even date attached

For V Sankar Aiyar & Co.
Chartered Accountants
(FRN:109208W)

S. Nagabushanam
Partner
M. No. 107022

For Laxmi Tripti & Associates
Chartered Accountants
(FRN:009189C)

Rajesh Gupta
Partner
M. No.077204

For Mukund M Chitale & Co.
Chartered Accountants
(FRN: 106655W)

Nilesh RS Joshi
Partner
M. No. 114749

Place: Mumbai
Date : 24.05.2022

Classification: Internal

BANK OF INDIA

Statement of Consolidated Cash Flow for the year ended 31st March, 2022

(₹ in '000)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
A. Cash Flow from Operating Activities:		
Net Profit before taxes	5,66,00,977	3,16,17,782
Adjustments for:		
Amortisation/Depreciation on Investments	61,66,144	56,30,305
Depreciation on Fixed Assets	37,16,786	38,00,935
Profit on sale of Fixed Assets	(7,938)	(6,02,064)
(Profit) / Loss on Revaluation of Investments (Incl depn performing inv)	35,22,575	59,96,235
Provision for NPA	2,99,27,109	6,64,79,528
Provision for Standard Assets	89,38,841	(7,08,940)
Provision for Other Items	18,03,226	19,91,745
Interest on AT I & Tier II bonds	70,38,868	65,38,394
Dividend received from Associates	(1,55,962)	(2,22,042)
Adjustments for:		
Increase / (Decrease) in Deposits	88,23,947	71,71,19,293
Increase/ (Decrease) in Borrowings	(4,94,29,895)	(7,34,03,604)
Increase / (Decrease) in Other Liabilities & Provisions	6,85,15,095	19,32,176
(Increase) / Decrease in Investments	10,53,13,714	(30,65,09,775)
(Increase) / Decrease in Advances	(58,32,65,001)	(3,67,12,143)
(Increase) / Decrease in Other Assets	(1,68,19,052)	(5,18,30,483)
Taxes (Paid) / Refund	(55,58,522)	75,62,696
Net Cash Flow from Operating Activities (A)	(35,48,69,088)	37,86,80,038
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(57,19,770)	(34,89,950)
Sale of Fixed Assets	2,34,912	1,90,732
Dividend received from Associates	1,55,962	2,22,042
Impact of Consolidation	(8,12,433)	11,82,214
Minority Interest	(2,98,191)	78,978
Net Cash Flow from Investing Activities (B)	(64,39,520)	(18,15,984)
C. Cash Flow from Financing Activities:		
Equity Share Capital	40,54,719	-
Share Premium	2,14,45,408	-
Share Application Money	-	3,00,00,000
Issue / (Redemption) of Tier I and Tier II Capital Bonds (Net)	(70,00,000)	5,20,000
Interest on AT I & Tier II bonds	(70,38,868)	(65,38,394)
Net Cash Flow from Financing Activities (C)	1,14,61,259	2,39,81,607
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	(34,98,47,349)	40,08,45,661
Cash and Cash Equivalents as at the beginning of the year	1,26,69,36,250	86,60,90,593
Cash and Cash Equivalents as at the end of the year	91,70,88,901	1,26,69,36,250

Contd...

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Reconciliation of Cash and Cash Equivalents as at the end of the year		
Cash and balances with Reserve Bank of India (Schedule 6)	40,53,03,244	60,93,03,760
Balances with Banks and money at call and short notice (Schedule 7)	51,17,85,657	65,76,32,490
Cash and Cash Equivalents as at the end of the year	**91,70,88,901**	**1,26,69,36,250**

Cash and cash equivalent as per cash flow statement comprises of cash in hand, in ATM, balances in current account with RBI and other Banks (including deposits) and money at call and short notice which can be readily convertible into cash.

Sankar Sen
General Manager &
Chief Financial Officer

Ashok Kumar Pathak
Chief General Manager

Monika Kalia
Executive Director

M. Karthikeyan
Executive Director

Swarup Dasgupta
Executive Director

P R Rajagopal
Executive Director

A.K.Das
Managing Director & CEO

DIRECTORS

Dr.Bhushan Kumar Sinha **Subrata Das** **P N Prasad** **Veni Thaper** **Munish Kumar Ralhan**

In terms of our report of even date attached

For V Sankar Aiyar & Co.
Chartered Accountants
(FRN 109208W)

S. Nagabushanam
Partner
M. No.107022

For Laxmi Tripti & Associates
Chartered Accountants
(FRN 009189C)

Rajesh Gupta
Partner
M. No.077204

For Mukund M Chitale & Co.
Chartered Accountants
(FRN: 106655W)

Nilesh RS Joshi
Partner
M. No. 114749

Place: Mumbai
Date : May 24, 2022

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

(000's Omitted)

	As at 31-03-2022 ₹	As at 31-03-2021 ₹
SCHEDULE - 1 : CAPITAL		
AUTHORISED CAPITAL		
600,00,00,000 (Previous year 600,00,00,000) Equity Shares of ₹ 10 each	6,00,00,000	6,00,00,000
ISSUED CAPITAL		
Equity Shares 410,47,43,170 (Previous year ended 327,81,00,450) of ₹ 10 each	4,10,47,432	3,27,81,004
TOTAL	4,10,47,432	3,27,81,004
SUBSCRIBED AND PAID-UP CAPITAL		
410,35,66,070 Equity Shares (Previous year 327,69,23,350) of ₹ 10 each fully paid-up.	4,10,35,661	3,27,69,234
Add: Amount of shares forfeited	7,391	7,391
TOTAL*	4,10,43,052	3,27,76,625

* Of the above, 334,08,61,720 Equity Shares (Previous year ended 291,96,90,866) of ₹ 10 each fully paid up amounting to ₹ 3340.86 crore (Previous year ended ₹ 2919.69 crore) is held by Central Government;

Classification: Internal

	As at 31-03-2022	(000's Omitted) As at 31-03-2021
	₹	₹
SCHEDULE -2 : RESERVES & SURPLUS		
I. Statutory Reserve :		
Opening Balance	7,64,56,452	7,10,69,103
Add: Additions/adjustments during the year	85,11,792	53,87,349
TOTAL (I)	8,49,68,244	7,64,56,452
II. Capital Reserves :		
A) Revaluation Reserve :		
Opening Balance	6,30,46,153	6,37,12,369
Add Addition during the year on Revaluation of Premises	73.38.808	0
Less: Adjustments during the year	(1,07,664)	(34,808)
Less: Depreciation / adjustments on account of revaluation	6,75,335	7,01,024
Total of (A)	6,98,17,290	6,30,46,153
B) Others		
i) Capital Redemption Reserve		
Opening Balance	5,000	5,000
Add /Less: Additions/deductions	-	-
Sub-total of (i)	5,000	5,000
ii) Profit on sale of Investments - "Held to Maturity"		
Opening Balance	3,05,18,144	2,55,63,168
Add: Additions during the year	30,02,535	49,54,976
Sub-total of (ii)	3,35,20,679	3,05,18,144
iii) Capital Reserve on Consolidation		
Opening Balance	6,90,111	7,35,961
Add: Adjustment during the year	1,96,623	(45,850)
Sub-total of (iii)	8,86,734	6,90,111
iv) Foreign Currency Translation Reserve		
Opening Balance	2,04,23,918	2,21,47,065
Add/ (Less) : Adjustments during the year (Net)	(7,19,068)	-17,23,147
Sub-total of (iv)	1,97,04,850	2,04,23,918
Total of (B)	5,41,17,263	5,16,37,173
TOTAL (II)	12,39,34,553	11,46,83,326
III. Share Premium :		
Opening Balance	12,12,09,003	35,90,32,884
Additions during the year	4,72,33,699	-
Less : Deductions / Utilization during the year	1,82,223	23,78,23,882
TOTAL (III)	16,82,60,479	12,12,09,002

Classification: Internal

	As at 31-03-2022 ₹	(000's Omitted) As at 31-03-2021 ₹
SCHEDULE - 2 : RESERVES & SURPLUS (contd.)		
IV. Revenue and Other Reserves :		
i) Revenue Reserve :		
Opening Balance	9,26,26,741	9,18,68,594
Add: Additions during the year	10,26,852	7,57,138
Add: Transfer from Capital Reserve-Surplus on Merger		
Add / (Less): Adjustments	(56,079)	(7,216)
Less: Deductions during the year	20,38,659	(8,224)
Sub-total of (i)	9,15,58,855	9,26,26,741
ii) Investment Reserve :		
Opening Balance	-	-
Add: Addition during the year	-	-
Less:Deduction during the year	-	-
Sub-total of (ii)	-	-
iii) Investment Fluctuation Reserve :		
Opening Balance	67,38,011	-
Add: Additions during the year	25,37,920	67,38,011
Less: Deductions during the year	-	-
Sub-total of (iii)	92,75,931	67,38,011
iv) Special Reserve u/s Sec 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	2,62,00,000	2,17,00,000
Add: Additions during the year	-	45,00,000
Sub-total of (iv)	2,62,00,000	2,62,00,000
TOTAL (IV)	12,70,34,786	12,55,64,752
V. Balance in Consolidated Profit and Loss Account	1,99,77,393	(8,87,876)
TOTAL (I TO V)	52,41,75,455	43,70,25,656

SCHEDULE - 2A : MINORITIES INTEREST

Minority interest at the date on which the parent-subsidiary relationship came into existence	4,71,356	4,71,356
Subsequent increase / (decrease)	8,23,594	11,21,785
Minority interest on the date of Balance sheet	12,94,950	15,93,141

SCHEDULE - 3 : DEPOSITS

A. I. Demand Deposits :		
i) From Banks	84,64,941	57,69,841
ii) From Others	34,25,10,753	32,21,73,966
TOTAL (I)	35,09,75,694	32,79,43,807
II. Savings Bank Deposits	2,16,84,94,565	1,97,65,81,142
III. Term Deposits :		
i) From Banks	36,55,53,753	44,09,25,602
ii) From Others	3,41,47,83,498	3,54,55,33,013
TOTAL (III)	3,78,03,37,251	3,98,64,58,615
TOTAL A (I to III)	6,29,98,07,510	6,29,09,83,564
B. i) Deposits of branches in India	5,50,76,88,125	5,51,07,94,794
ii) Deposits of branches outside India	79,21,19,386	78,01,88,770
TOTAL (B)	6,29,98,07,511	6,29,09,83,564

Classification: Internal

बैंक ऑफ इंडिया BANK OF INDIA वित्त विभाग FINANCE DEPT.

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

	As at 31-03-2022 ₹	(000's Omitted) As at 31-03-2021 ₹
SCHEDULE - 4 : BORROWINGS		
I. Borrowings in India :		
i) Reserve Bank of India	3,51,90,000	3,51,90,000
ii) Other Banks		
a. Tier I Capital	40,20,000	69,30,000
b. Tier II Capital	31,40,000	2,50,000
c. Others	5,21,400	1,39,300
Total (ii)	76,81,400	73,19,300
iii) Other Institutions and Agencies		
a. Tier I Capital	95,00,000	65,90,000
b. Tier II Capital	5,98,60,000	6,97,50,000
c. Others	15,28,12,119	20,30,22,679
Total (iii)	22,21,72,119	27,93,62,679
Total (I)	26,50,43,519	32,18,71,979
II. Borrowings outside India		
a. Tier I Capital	-	-
b. Tier II Capital	-	-
c. Others	31,67,641	27,69,076
Total (II)	31,67,641	27,69,076
Total (I & II)	26,82,11,160	32,46,41,055
Secured borrowings included in above	13,64,72,904	19,77,55,232
SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	1,71,44,822	1,41,77,590
II. Inter-office adjustments (net)	-	-
III. Interest Accrued	1,75,13,246	1,64,76,917
VI. Deferred Tax liability	4,669	38,497
VII. Others	26,21,18,449	18,01,87,930
TOTAL	29,67,81,186	21,08,80,934

* Includes provision for Standard Assets ₹ 3,67,54,096 (Previous Year ₹ 2,76,17,753)

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V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

Classification: Internal

	As at 31-03-2022 ₹	(000's Omitted) As at 31-03-2021 ₹
SCHEDULE - 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes & Gold)	2,44,68,919	3,32,00,389
II. Balances with Reserve Bank of India :*		
i) In Current Account	33,57,83,757	57,60,58,098
ii) In Other Accounts	4,50,50,568	45,273
TOTAL (II)	38,08,34,325	57,61,03,371
TOTAL (I & II)	**40,53,03,244**	**60,93,03,760**
* Including balances with Central Banks outside India		
SCHEDULE - 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE		
I. In India :		
i) Balances with Banks		
a) In Current Accounts	9,87,956	10,63,394
b) In Other Deposit Accounts	17,46,061	-90,266
ii) Money at call and short notice		
a) With Banks	10,00,000	2,54,540
b) With Other Institutions	50,33,499	9,59,98,088
TOTAL (I)	87,67,516	9,72,25,756
II. Outside India :		
i) In Current Accounts	2,16,02,341	2,45,22,943
ii) In Other Deposit Accounts	39,99,04,367	47,75,87,262
iii) Money at call and short notice	8,15,11,433	5,82,96,529
TOTAL (II)	50,30,18,141	56,04,06,734
TOTAL (I & II)	**51,17,85,657**	**65,76,32,490**

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V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

Classification: Internal

	As at 31-03-2022	As at 31-03-2021
	(000's Omitted)	
	₹	₹
SCHEDULE - 8 : INVESTMENTS		
I. Investments in India :		
i) Government Securities	1,54,65,40,540	1,66,91,02,278
ii) Other approved Securities	67,67,222	51,79,714
iii) Shares	1,17,62,589	1,11,47,022
iv) Debentures and Bonds	10,51,85,951	12,93,05,958
v) Investment in Associates	1,77,65,149	1,41,62,575
vi) Others	1,69,47,145	1,87,60,013
TOTAL (I)	1,70,49,68,596	1,84,76,57,560
II. Investments outside India :		
i) Government Securities (including local authorities)	7,49,03,627	5,01,26,739
ii) Debentures & Bonds	-	-
iii) Investment in Associates	17,84,232	16,08,948
iv) Others	2,10,83,071	1,75,36,855
TOTAL (II)	9,77,70,930	6,92,72,542
TOTAL (I & II)	**1,80,27,39,526**	**1,91,69,30,102**
III. Investments in India :		
i) Gross value of Investments	1,75,61,09,701	1,89,22,18,311
ii) Aggregate provisions for depreciation	5,11,41,105	4,45,60,751
iii) Net Investments	1,70,49,68,596	1,84,76,57,560
IV Investments outside India :		
i) Gross value of Investments	9,87,50,902	6,94,97,576
ii) Aggregate provisions for depreciation	9,79,972	2,25,034
iii) Net Investments	9,77,70,930	6,92,72,542
TOTAL (III & IV)	1,80,27,39,526	1,91,69,30,102

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V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

Classification: Internal

	As at 31-03-2022 ₹	(000's Omitted) As at 31-03-2021 ₹
SCHEDULE - 9 : ADVANCES		
A. i) Bills Purchased and Discounted	17,46,34,399	9,24,62,046
ii) Cash Credits, Overdrafts and Loans repayable on demand	1,66,07,78,457	1,52,30,37,652
iii) Term Loans	2,39,45,98,499	2,06,11,73,765
TOTAL (A)	4,23,00,11,355	3,67,66,73,463
B. Particulars of Advances :		
i) Secured by tangible assets (includes advances against Book Debts)	2,84,83,76,463	2,65,22,32,483
ii) Covered by Bank/Government Guarantees	26,09,43,520	19,10,42,206
iii) Unsecured	1,12,06,92,372	83,33,98,774
TOTAL (B)	4,23,00,11,355	3,67,66,73,463
C. Sectoral Classification of Advances :		
I. Advances in India		
i) Priority Sector	1,32,61,66,340	1,21,74,12,779
ii) Public Sector	1,05,72,94,505	85,91,60,292
iii) Banks	39	4,48,742
iv) Others	1,25,57,14,748	1,18,83,88,199
TOTAL (I)	3,63,91,75,632	3,26,54,10,012
II. Advances outside India :		
i) Due from Banks	23,04,30,196	11,20,91,012
ii) Due from others		
a) Bills Purchased and Discounted	6,49,23,607	2,42,48,314
b) Syndicated Loans	10,14,40,541	10,04,82,255
c) Others	19,40,41,379	17,44,41,870
TOTAL (II)	59,08,35,723	41,12,63,451
TOTAL (I & II)	4,23,00,11,355	3,67,66,73,463
SCHEDULE - 10 : FIXED ASSETS		
I. PREMISES :		
Opening Balance at cost	1,78,97,895	1,79,35,517
Add: Additions /Adjustments during the year	15,91,666	67,889
Less: Deductions/ Adjustments during the year	4,074	1,05,510
Sub-total	1,94,85,487	1,78,97,896
Addition to date on account of revaluation credited to revaluation reserve	6,97,50,574	6,39,76,932
Less : Depreciation to date (including on account of revaluation)	48,46,894	57,85,399
TOTAL (I)	8,43,89,167	7,60,89,429
II. OTHER FIXED ASSETS : (including Furniture and Fixtures)		
Opening Balance at cost	4,02,67,003	3,77,26,704
Add: Additions /Adjustments during the year	37,54,434	27,44,287
Less: Deductions/ Adjustments during the year	2,30,838	2,03,989
Sub-total	4,37,90,599	4,02,67,002
Less: Depreciation to date	3,24,78,692	2,99,85,564
TOTAL (II)	1,13,11,907	1,02,81,438
III. CAPITAL WORK IN PROGRESS	28,60,053	36,43,113
TOTAL (I to III)	9,85,61,127	9,00,13,980

Classification: Internal

	As at 31-03-2022 ₹	(000's Omitted) As at 31-03-2021 ₹
SCHEDULE - 11 : OTHER ASSETS		
I. Inter Office Adjustment (Net)	7,19,19,504	5,58,90,055
II Interest Accrued	2,86,02,134	2,98,12,027
III Tax paid in advance/tax deducted at source (Net)	7,37,23,973	4,88,28,360
IV Stationery and Stamps	98,276	77,997
V Deferred Tax Assets	8,72,14,354	12,82,60,526
VI Others	12,13,54,164	11,44,78,215
TOTAL	38,29,12,405	37,73,47,180

* Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹ 58,423,630 (Previous Year ₹ 54,141,048)

	As at 31-03-2022 ₹	As at 31-03-2021 ₹
SCHEDULE - 12 : CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	1,81,00,466	2,62,02,648
II. Liability for partly paid Investments	9,72,953	10,10,314
III. Liability on account of outstanding forward exchange contracts	3,69,18,75,457	4,04,69,03,334
IV. Guarantees given on behalf of Constituents :		
a) In India	20,78,57,659	21,81,23,054
b) Outside India	3,97,93,728	3,14,22,823
V. Acceptances, endorsements and other obligations	24,05,26,464	18,34,79,758
VI. Interest Rate Swaps	1,56,30,342	1,48,65,980
VII. Other items for which the Bank is contingently liable	1,84,31,957	1,59,33,857
TOTAL	4,23,31,89,026	4,53,79,41,768

Classification: Internal

SCHEDULES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

(000's Omitted)

	Year ended 31-03-2022 ₹	Year ended 31-03-2021 ₹
SCHEDULE - 13 : INTEREST AND DIVIDENDS EARNED		
I. Interest/Discount on advances/bills	25,98,74,446	27,54,75,311
II. Income on Investments	11,15,51,256	11,64,83,730
III. Interest on balances with Reserve Bank of India and other inter-bank funds	63,77,537	1,15,50,963
IV. Others	50,05,910	50,28,259
TOTAL	38,28,09,149	40,85,38,263
SCHEDULE - 14 : OTHER INCOME		
I. Commission, exchange and brokerage	1,21,06,619	1,11,85,735
II. Profit/(Loss) on sale of Investments	1,76,24,549	2,55,29,805
III. Profit /(Loss) on Revaluation of Investments - net	(35,22,575)	(59,96,235)
IV. Profit / (Loss) on sale of land, buildings and other assets	27,73,122	6,02,064
V. Profit / (Loss) on exchange transactions	2,56,47,353	1,89,16,355
VI. Income Earned by way of dividend etc. on subsidiaries/ companies and /or/ joint ventures	1,55,962	2,22,042
VII. Miscellaneous Income	2,53,20,401	1,85,05,747
TOTAL	8,01,05,431	6,89,65,513

* Includes Recoveries made in write-off accounts amounting to ₹ 1,09,71,079 (Previous Year ₹ 53,06,640)

(000's Omitted)

	Year ended 31-03-2022 ₹	Year ended 31-03-2021 ₹
SCHEDULE - 15 : INTEREST EXPENDED		
I. Interest on Deposits	22,69,77,650	24,57,32,509
II. Interest on Reserve Bank of India / inter-bank borrowings	62,29,014	1,15,62,760
III. Interest on Subordinated Debts, IRS etc.	76,27,676	69,14,227
TOTAL	24,08,34,340	26,42,09,496
SCHEDULE - 16 : OPERATING EXPENSES		
I. Payments to and provisions for employees	7,11,20,824	6,52,88,635
II. Rent, Taxes and Lighting	80,26,479	76,66,074
III. Printing and Stationery	7,79,477	6,53,777
IV. Advertisement and Publicity	1,72,548	79,969
V. Depreciation on Bank's property	37,16,786	38,00,935
VI. Directors' fees, allowances and expenses	43,146	46,425
VII. Auditors' fees and expenses (Including Branch Auditors' Fees & Expenses)	9,50,432	8,21,306
VIII. Law Charges	4,54,629	2,87,886
IX. Postage, Telegrams, Telephones, etc.	16,89,096	18,34,951
X. Repairs and Maintenance	6,88,216	6,17,339
XI. Insurance	75,22,746	70,27,333
XII. Other Expenditure	2,65,36,612	2,19,38,911
TOTAL	12,17,00,991	11,00,63,541
SCHEDULE - 16 A : SHARE OF EARNINGS / LOSSES IN ASSOCIATES		
I. Regional Rural Banks (RRBs)	(28,840)	(18,11,687)
II. Others	8,40,697	6,29,473
TOTAL	8,11,857	(11,82,214)

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SCHEDULE 17:

SIGNIFICANT ACCOUNTING POLICIES (Consolidated Financial Statements)

1) ACCOUNTING CONVENTION:

The accompanying consolidated financial statements (CFS) have been prepared following the going concern concept, on historical cost basis unless otherwise stated and conform in all material aspects to the Generally Accepted Accounting Principles (GAAP) in India, which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India, Insurance Regulatory and Development Authority of India (IRDAI), Companies Act 2013, Accounting Standards (AS), pronouncements issued by The Institute of Chartered Accountants of India (ICAI), Banking Regulation Act, 1949 and accounting practices prevailing in India. In respect of foreign offices/branches/subsidiaries/associates, statutory provisions and accounting practices prevailing in the respective foreign countries are complied with, except as specified elsewhere.

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. However actual results can differ from estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2) BASIS OF CONSOLIDATION:

Consolidated financial statements of the group have been prepared on the basis of:

a) The financial statements of Bank of India (the Parent bank) and its subsidiaries in accordance with Accounting Standard (AS) 21 “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India (ICAI), on a line by line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group transactions, balances, unrealised profit/loss and making necessary adjustments of material nature wherever required to conform to uniform accounting.

b) The difference between cost to the parent bank of its investment in the subsidiaries and parent bank’s share in the equity of the subsidiaries is

recognised as goodwill/capital reserve. Goodwill, if any, is written off immediately on its recognition.

c) Minority interest in the Consolidated Financial Statement consists of the share of the minority shareholders in the net equity of the subsidiaries.

d) Accounting for investment in Associate companies is done under Equity method in accordance with Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements", issued by ICAI.

e) Accounting for investments in Joint Venture are consolidated on "Proportionate basis" as prescribed in Accounting Standard (AS) 27, "Financial Reporting of Interests in Joint Ventures" issued by ICAI.

3) REVENUE RECOGNITION:

3.1 Banking entities:

(a) Income/Expenditure is recognised on accrual basis, unless otherwise stated. In respect of foreign offices, income/ expenditure is recognised as per local laws/standards of host country.

(b) Interest income is recognised on time proportion basis except interest on Non-performing Assets.

(c) Commission on issue of Bank Guarantee and Letter of Credit is recognised over the tenure of BG/LC.

(d) All other Commission and Exchange, Brokerage, Fees and other charges are recognised as income on realisation.

(e) Income (other than interest) on investments in "Held to Maturity" category acquired at a discount to the face value, is recognised as follows:

i. on interest bearing securities, it is recognised only at the time of sale/ redemption.

ii. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

(f) Profit or loss on sale of investments is recognised in the Profit and Loss account. As per RBI guidelines, in case of profit on sale of investments under 'Held to Maturity' category, an equivalent amount (net of taxes and amount required to be transferred to Statutory Reserves) is appropriated to 'Capital Reserve Account'.

(g) Dividend income is recognised when the right to receive the dividend is established.

(h) Interest income on Income-tax refund is recognised in the year of passing of assessment order.

(i) **Appropriation of recoveries in NPAs:**

In respect of NPAs, recoveries effected except through a.) compromise settlement /special OTS, b.) Judgement of a Court/DRT/NCLT and c.) Assignment to ARC's/SC's are to be made in the following order:-

- Charges debited to borrower's account
- Expenses/out of pocket expenses incurred but not debited
- Unrealised interest
- Uncharged interest
- Principal

In other cases, the recoveries made are appropriated as per the order of relevant authority.

3.2 Non-Banking entities- Insurance:

a) **Premium Income**:

Premium including rider premium for non-linked business is recognised as income when due from policyholders. Premium for linked business is recognised when the associated units are created. Premium is recognised net of Goods and Services Tax (GST) as applicable.

Premium on lapsed policies is recognised as income when such policies are reinstated.

Top up premium under linked business is considered as single premium and recognised as income when the associated units are created.
Premium in case of PMJJBY Scheme is recognised at Gross of administrative charges and reimbursement of expenses (as applicable) payable to intermediaries.

b) Interest on loans against policies is recognized on accrual basis.

c) Other income recognised when due, where the company is reasonably certain of ultimate collection.

d) Interest income on investments is recognised on accrual basis except interest income on non-performing investments, which is recognised upon receipt as specified in IRDAI guidelines.

e) **Amortised Income/Cost:**

Premium or discount on acquisition, as the case may be, in respect of debt securities/fixed income securities, pertaining to non-linked investments is amortized on straight line basis over the period of maturity/holding.

f) **Dividend:**

Dividend income for quoted shares is recognised on ex-dividend date, for non-quoted shares dividend income is recognised when the right to receive dividend is established.

g) **Income from linked funds**:

Income from linked funds which includes fund management charges, policy administrative charges, mortality charges, other charges, wherever applicable, are recovered from the linked funds in accordance with the terms and conditions of policy and recognised on due basis.

h) **Realized Gain/ (Loss) on Debt Securities for Linked Business:**

Realized gain/(loss) on debt securities for linked business is the difference between the sale consideration net of expenses and the book cost, which is computed on weighted average basis, as on the date of sale.

i) **Realized Gain/ (Loss) on Debt Securities for Non-Linked Business:**

Realized gain/(loss) on debt securities for other than linked business is the difference between the sale consideration net of expenses and the amortized cost, which is computed on a weighted average basis, as on the date of sale.

j) **Profit/ (Loss) on sale of Equity Shares/ Mutual Fund/ Exchange Traded Funds (ETFs)/ Additional Tier 1 Bonds (AT 1)/ Infrastructure Investment Trust (InvIT)/ Real Estate Investment Trust (REIT) :**

Profit/ (Loss) on sale of equity shares/ mutual fund units/ ETFs/ Additional Tier 1 Perpetual Bonds/ InvIT/ REIT is the difference between the sale consideration net of expenses and the book cost computed on weighted average basis as on the date of sale.

In respect of non-linked business the Profit/(Loss) includes the accumulated changes in the fair value previously recognized under "Fair Value Change Account".

k) **Unrealized Gain/ (Loss) for Linked Business:**

Unrealized gains and losses for Linked Business are recognized in the Revenue account of respective fund.

l) **Income from Security Lending and Borrowing:**

Fees received for lending of equity shares under Securities Lending and Borrowing (SLB) mechanism is amortized on a straight-line basis over the period of lending.

m) **Reinsurance Premium ceded:**

Reinsurance Premium ceded is accounted for on due basis at the time of recognition of premium income in accordance with the terms and conditions of the relevant treaties with the reinsurers. Profit/commission on reinsurance ceded is netted off against premium ceded on reinsurance.

3.3 Non-Banking entities – Mutual Fund and Trustee Services:

a) Management fees from the scheme of mutual fund are accounted on an accrual basis in accordance with the investment management agreement and are dependent on the net asset value as recorded by the schemes of BOI AXA Mutual fund.

b) Trustee fees is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably arrangement with the BOI AXA Mutual Fund. Interest and other income, if any, is accounted on accrual basis.

c) Profit or loss on sale of investment is recognised in the Profit & Loss Account on the trade date and determined on weighted average basis for individual security as per AS-13.

3.4 Non-Banking entities– Merchant Banking Services:

a) Devolvement of equity shares in respect of issues underwritten if any by the company shall be treated as investments. Underwriting income on these issues shall be credited to profit and loss account and shall not be netted against the value of investments.

b) Brokerage and commission earned on secondary market operations shall be recongnised on the basis of trade dates. Brokerage on online portal operations shall be recognised on the basis of trade dates. Brokerage and commission in respect of issue marketing and resource mobilization shall be accrued to the extent of availability of information. Depository, Portfolio Management, Investment Banking and other fees shall be accounted for on accrual basis.

4) NON BANKING ENTITIES – Insurance : Other Policies:

a) Benefits paid:

Benefits paid comprise of policy benefits & claim settlement costs, if any.

Death, rider, surrender & withdrawal claims are accounted for on receipt of intimation. Under linked Business, surrender also includes amount payable on lapsed/discontinued policies which are accounted for on expiry of lock in period. Surrenders and terminations are accounted net of charges.

Survival, maturity and annuity benefit claims are accounted for when due.

Reinsurance recoveries on claims are accounted for, in the same period as that of the related claims.

Claims disputed before judicial authorities are provided for on prudent basis as considered appropriate by management based on facts and circumstances in respect of each such claim.

b) Acquisition Costs:

Acquisition costs are costs that vary with and are primarily related to acquisition of new and renewal insurance contracts and consist of cost like commission to insurance intermediaries, rewards and incentives, sales staff costs, medical examination costs, policy printing expenses, stamp duty and other related expenses. These are expensed in the period in which they are incurred.

Claw back in future, if any, for the first year commission paid, is accounted for in the year in which it is recovered.

c) Policy Liabilities:

The valuation exercise is done to protect the interests of the existing policyholders. For With Profit policies the reasonable expectations of policyholders (PRE) are also considered. Adequate reserves are made for all the policyholder's benefits for various future scenarios. Adequate use of Margin for Adverse Deviation (MAD) is made to ensure that policyholders' benefits are protected even in some plausible adverse scenarios.

Actuarial liability for in force policies and for those in respect of which premium has been discontinued but a liability exists, is determined using the gross premium method and in case of group business (except for Credit Life Business and Reverse Mortgage Loan Enabled Annuity where gross premium method is used), the actuarial liabilities have been calculated on the basis of Unearned Premium Reserve method. Linked liabilities comprise unit liability representing the fund value of policies and non-unit liability for meeting insurance claims, expenses etc. The main governing guidelines considered for valuation are the Insurance Act 1938, the IRDA Act 1999, IRDAI (Actuarial Report & Abstract for Life Insurance Business) Regulations, 2016, IRDAI (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations 2016, Actuarial Practice Standards and Guidance notes issued by Institute of Actuaries of India, Circulars issued by IRDAI from time to time.

d) Loans:

Loans against policies are valued at the aggregate of book values (net of repayments) plus capitalized interest and are subject to impairment if any. Loans are classified as short term in case the maturity is less than 12 months from the date of balance sheet. Loans other than short term are classified as long term.

e) Funds for Future Appropriation:

The Funds for Future Appropriations (FFA), in the participating segment, represents surplus, which is not allocated to policyholders or to shareholders as at the Balance Sheet date. Transfers to and from the fund reflect the excess or deficit of income over expenses and appropriations in each accounting period arising in the Company's policyholders' funds. Any allocation to the participating policyholders would also give rise to a transfer to the shareholder's profit and loss account in the required proportion.

f) Discontinued Policies fund:

Discontinued policy fund means the segregated fund that is set aside on account of:

a) Non-payment of contracted premium

Classification: **Internal**			
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b) Upon the receipt of the information by the Company from the policyholder about the discontinuance of the policy.

Fund for discontinued policies is accounted in accordance with the Insurance Regulatory and Development Authority of India (Treatment of Discontinued Linked Insurance Policies) Regulations 2010 and circulars issued thereafter.

g) Unclaimed amount of policyholders:

Assets held for unclaimed amount of policyholders is created and maintained in accordance with the requirement of IRDAI circular No. IRDA/F&A/CIR/GLD/195/08/124 dated August 14, 2014, IRDA/F&A/CIR/CPM/134/07/2015 dated July 24, 2015, IRDA/F&A/CIR/CLD/114/05/2015 dated May 28, 2015, Master circular on Unclaimed Amount of Policyholders Ver 02 IRDA/F&A/CIR/Misc/282 /11/2020 dated November 17, 2020 and Investment Regulations, 2016 as amended from time to time:

i. Unclaimed amount of policyholders is invested in money market instruments, Liquid mutual funds and/ or fixed deposits of scheduled banks which is valued at historical cost, subject to amortisation of premium or accretion of discount over the period of maturity/holding on a straight line basis.
ii. Income on unclaimed amount of policyholders is accreted to respective unclaimed fund and is accounted for on an accrual basis, net of fund management charges.
iii. Unclaimed amount of policyholders' liability is determined on the basis of NAV of the units outstanding as at the valuation date

5) ADVANCES:

i. Advances are classified into “Performing” and “Non-Performing Advances” (NPAs) in accordance with the applicable regulatory guidelines.

ii. NPAs are further classified into Sub-Standard, Doubtful and Loss Assets in terms of applicable regulatory guidelines.

iii. In respect of domestic entities, NPA Provisions are made at the rates given as under:

Category of NPAs	Provision % on net outstanding advance
Sub Standard:*	
Exposures, which are unsecured ab-initio	25%
Unsecured exposure in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available (unsecured – infra)	20%
Others	15%
Doubtful:	
Secured portion (Period for which advance has remained in doubtful category)	
- Upto one year	25%
- One year to three years	40%
- More than three years	100%
Unsecured portion	100%
Loss	100%

*On the outstanding advance

iv. In respect of foreign entities, classification of advances as NPAs and provision in respect of NPAs is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to bank, whichever is stringent.

v. Provisions in respect of NPAs, unrealised interest, ECGC claims, etc., are deducted from total advances to arrive at net advances as per RBI norms.

vi. In respect of Rescheduled/Restructured advances, provision is made for the diminution in the fair value of restructured advances measured in present value terms as per RBI guidelines. The said provision is reduced to arrive at Net advances.

vii. In case of financial assets sold to Asset Reconstruction Company (ARC) / Securitisation Company (SC), if the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is debited to the Profit and Loss account as per the extant RBI guidelines issued from time to time. If the sale is at a price higher than the NBV, the excess provision on sale of NPAs may be reversed to profit and loss account in the year the amounts is received. However, any excess provision is reversed only when the cash received (by way of initial consideration only/or redemption of SR's/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset

viii. Provision for Standard assets, including restructured advances classified as standard, is made in accordance with RBI guidelines. In respect of foreign entities provision for Standard Assets is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to the Bank, whichever is stringent.

ix. Provision for net funded country exposures (Direct/Indirect) is made on a graded scale in accordance with the RBI guidelines.

6) FLOATING PROVISION:

The bank has framed a policy for creation and utilisation of floating provisions. The quantum of floating provisions to be created is assessed at the end of each financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India or on being specifically permitted by Reserve Bank of India for specific purposes. These provisions are netted off from gross NPAs to arrive at Net NPAs.

7) DEBIT/CREDIT CARD REWARD POINTS:

Provision for reward points in relation to debit cards is provided for on actuarial estimates and Provision for reward points on credit cards is made based on the accumulated outstanding points.

8) INVESTMENTS:

a) Transactions in Government Securities are recognised on settlement date and all other Investments are recognised on trade date.

b) Investments are classified under `Held to Maturity', 'Held for Trading' and 'Available for Sale' categories as per RBI guidelines. For the purpose of disclosure in the Balance Sheet in Schedule 8, (I) 'Investments in India' are classified under six categories viz. i.) Government Securities, ii.) Other Approved Securities, iii.) Shares, iv.) Debentures and Bonds, v.) Investment in Associates and vi.) Others and (II) 'Investments outside India' are classified under three categories viz. i.) Government Securities, ii) Investment in Associates abroad iii) Debentures and Bonds and iv.) Other Investments.

A. Basis of classification:

Classification of an investment is done at the time of its acquisition.

(i) **Held to Maturity:**
These comprise investments that the Bank intends to hold till maturity. Investments in equity of subsidiaries, joint ventures and associates are also categorised under Held to Maturity.

(ii) **Held for Trading:**
These comprise investments acquired with the intention to trade by taking advantage of short term price/interest rate movements. Securities are to be sold within 90 days from the purchase date.

(iii) **Available for Sale:**
These comprise investments which do not fall either under "Held to Maturity" or "Held for Trading" category.

B. Acquisition Cost of Investment:

(i) Brokerage, commission, securities transaction tax, etc. paid on acquisition of equity investments are included in cost.

(ii) Brokerage, commission, broken period interest paid/ received on debt investments is treated as expense/income and is excluded from cost/sale consideration.

(iii) Brokerage and commission, if any, received on subscription of investments is credited to Profit and Loss Account.

C. Method of valuation:

Investments in India are valued in accordance with the RBI guidelines and investments held at foreign branches are valued at lower of the value as per the statutory provisions prevailing at the respective foreign countries or as per RBI guidelines issued from time to time.

Treasury Bills and all others discounted instruments are valued at carrying cost (ie acquisition cost plus discount accrued at the rate prevailing at the time of acquisition)

(i) **Held to Maturity:**

1. Investments included in this category are carried at their acquisition cost, net of amortisation, if any. The excess of acquisition cost, if any, over the face value is amortised over the remaining period of maturity using constant yield method. Such amortisation of premium is adjusted against income under the head "interest on investments".

2. Investments in associates are valued as per equity method of accounting in accordance with Accounting Standard 23 issued by the ICAI. Suitable provision is made for diminution, other than of temporary nature, for each investment individually.

(ii) **Held for Trading / Available for Sale:**

1. Investments under these categories are individually valued at the market price or fair value determined as per Regulatory guidelines and only the net depreciation in each classification for each category is provided for and net appreciation is ignored. On provision for depreciation, the book value of the individual securities remains unchanged after marking to market.

For the purpose of valuation of quoted investments in "Held for Trading" and "Available for Sale" categories, the market rates / quotes on the Stock Exchanges, the rates declared by Fixed Income Money Market and Derivatives Association (FIMMDA)/ Financial Benchmark India Pvt. Ltd. (FBIL) are used. Investments for which such rates/quotes are not available are valued as per norms laid down by RBI, which are as under:

Classification	**Basis of Valuation**
Government Securities	on Yield to Maturity basis
Other Approved Securities	on Yield to Maturity basis
Equity Shares, PSU and Trustee shares	at break up value as per the latest Balance Sheet (not more than 18 months old), otherwise Re.1 per company.
Preference Shares	on Yield to Maturity basis
PSU/Corporate Bonds	on Yield to Maturity basis
Units of Mutual Funds	at the latest repurchase price/NAV declared by the fund in respect of each scheme
Units of Venture Capital Funds (VCF)	declared NAV or break up NAV as per audited financials which are not more than 18 months old. If NAV/audited financials are not available for more than 18 months then at Re. 1/- per VCF.
Security Receipts	at NAV as declared by Securitisation Companies which is not more than 6 months old.

D. Transfer of Securities between Categories:

i. HTM to AFS/HFT :

a. If the security was originally placed under the HTM category at a discount it is transferred at the acquisition price / book value. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

b. If the security was originally placed in the HTM category at a premium, it is transferred to the AFS / HFT category at the amortised cost. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

ii. **AFS/HFT TO HTM:** Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In cases where the market value is higher than the book value at the time of transfer, the appreciation is ignored. In cases where the market value is less than the book value, the provision against depreciation held against this security is adjusted to reduce the book value to the market value and the security is transferred at the market value.

iii. **AFS TO HFT AND VICE-VERSA :** In the case of transfer of securities from AFS to HFT category or vice-versa, the securities are not re-valued on the date of transfer and the provisions for the accumulated depreciation, if any, held are transferred to the provisions for depreciation against the HFT securities and vice-versa.

E. Non performing Investments (NPIs) and valuation thereof:

(i) Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in case of domestic offices and respective regulators in case of foreign offices.
(ii) In respect of non performing investments, income is not recognised and provision is made for depreciation in value of such securities as per RBI guidelines.
(iii) Matured NPIs are shown under 'Other Assets' Schedule11 (Net of Provision).

F. Repo / Reverse Repo:

The securities sold and purchased under Repo/ Reverse repo are accounted as Collateralised lending and borrowing transactions. However, securities are transferred as in case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo Account is classified as Borrowings and balance in Reverse Repo account is classified as Balance with Banks and Money at Call & Short Notice in the balance sheet.

G. Investment in Security Receipts (SRs) backed by assets:-

In terms of RBI guidelines issued vide circular no RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021, the bank has revised valuation methodology in respect of SRs under securitization,

a) Investments by banks in SRs / PTCs / other securities issued by ARCs shall be valued periodically by reckoning the Net Asset Value (NAV) declared by the ARC based on the recovery ratings received for such instruments.

Provided that when bank invest in the SRs/PTCs issued by ARCs in respect of the stressed loans transferred by them to the ARC, the bank shall carry the investment in their books on an ongoing basis, until its transfer or realization, at lower of the redemption value of SRs arrived based on the NAV as above, and the NBV of the transferred stressed loan at the time of bank.

Provided further that when the investment by bank in SRs backed by stressed loans transferred by it, is more than 10 percent of all SRs backed by its transferred loans and issued under that securitisation, the valuation of such SRs by the bank will be additionally subject to a floor of face value of the SRs reduced by the provisioning rate as applicable to the underlying loans, had the loans continued in the books of the bank.

b) SRs/PTCs which are not redeemed as at the end of the resolution period (i.e., five years or eight years as the case may be) shall be treated as loss asset in books of the bank and fully provided for.

c). The valuation, classification and other norms applicable to investment in non-SLR instruments prescribed by RBI from time to time shall be applicable to bank investment in debentures/ bonds/ SRs /PTCs issued by ARC. However, if any of the above instruments issued by ARC is limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the bank shall reckon the NAV obtained from ARC from time to time, for valuation of such investments.

Classification: **Internal**			
बैंक ऑफ इंडिया BANK OF INDIA प्र.का. वित्त विभाग FINANCE DEPT.	V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS	LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS	MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

9) DERIVATIVE

The Bank presently deals Forex Forward Contracts in interest rate and currency derivatives. The interest rate derivatives dealt with by the Bank are Rupee Interest Rate Swaps, Foreign Currency Interest Rate Swaps, Forward Rate Agreements and Interest Rate Futures. Currency Derivatives dealt with by the Bank are Options, Currency Swaps and Currency Futures. Based on RBI guidelines, Derivatives are valued as under:

(a) The hedge/non hedge (market making) transactions are recorded separately.

(b) Income/expenditure on hedging derivatives are accounted on accrual basis.

(c) Forex forward contracts are Marked to market and the resultant gains and losses are recognized in the Profit and Loss Account.

(d) MTM appreciation/ depreciation of hedging derivative is first set off with the depreciation / appreciation of the corresponding underlying and the resultant depreciation is recognized. Resultant appreciation, if any, is ignored.

(e) Interest Rate Derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit & Loss account. Net Profit if any, is ignored.

(f) Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

(g) Gains/ losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

(h) Option fees/premium is amortised over the tenor of the option contract.

10) PROPERTY, PLANT & EQUIPMENT

a. Fixed assets are stated at historic cost, except in the case of assets which have been revalued, which are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve.

b. Cost includes cost of purchase and all expenditure such as site preparation, installation costs, professional fees, etc. incurred on the asset before it is ready to use or capable of ready to use. Subsequent expenditure incurred on assets ready to use is capitalised only when it increases the future benefits from such assets or their functioning capability.

c. 5% residual value has been kept for all the assets except for the assets with estimated useful life less than 5 Years (e.g. Mobile Phones, Computers, Computer Software forming part of hardware), where the entire cost of the assets is amortised over the useful life.

d. The rates of depreciation and method of charging depreciation is given below-

Sr. No.	Particulars	Rate of Depreciation	Estimated useful life as determined by the Bank	Method of charging depreciation
1	**Land & Building:**			
1.a.	Land (Freehold)	NIL		
1.b.	Leasehold Land		Lease premium is amortised over the period of lease	
1.c.	Building (including cost of land if not ascertained separately)	1.58%	60 Years	Straight Line
2.	**Other Fixed Assets:-**			
a.	Furniture, Fixtures, Electrical fittings and Equipment's	9.50%	10 Years	Straight Line
b.	Electrical Fitting and Equipment's	9.50%	10 Years	Straight Line
c.	Air-conditioning plants, etc. and business machines	6.33%	15 Years	Straight Line
d.	Motor cars, Vans & Motor cycles	11.88%	8 Years	Straight Line
e.	Cycle	20.00%	5 Years	Straight Line
f.	Mobile Phones	33.33%	3 Years	Straight Line
g.	Computers and Computer Software forming integral part of hardware	33.33%	3 Years	Straight Line

Classification: **Internal**

h.	Servers	20%	5 Years	Straight Line
i.	Computer Software, which do not form integral part of computer hardware	20%	5 Years	Straight Line

e. In respect of additions/sale during the year, depreciation is provided on proportionate basis for the number of days the assets have been ready to use during the year.

f. The revalued portion is depreciated over the balance useful life of the assets as assessed at the time of revaluation. Such depreciation is charged to Profit & loss account and equivalent amount is transferred from Revaluation Reserve to Revenue Reserve.

g. Depreciation on fixed assets outside India is provided on Straight Line Method, except at the centres where different rates/method have been prescribed by the local statutory authorities.

11) TRANSACTIONS INVOLVING FOREIGN EXCHANGE:

Transactions involving foreign exchange are accounted for in accordance with AS 11, "The Effect of Changes in Foreign Exchange Rates" read with extant RBI guidelines:

a) Translation in respect of Integral Foreign operations:

Foreign currency transactions of Indian branches have been classified as integral foreign operations and foreign currency transactions of such operations are translated as under:

i) Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount, the daily closing rate as available from Cogencis/ Reuter's page on date of the transaction.

ii) Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing spot rates.

iii) Foreign currency non-monetary items, which are carried in terms of historical cost, are reported using the exchange rate at the date of the transaction.

iv) Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v) Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting notional profit or loss is recognised in the Profit and Loss account.

vi) Outstanding Foreign exchange forward contracts which are not intended for trading are valued at the closing spot rate as advised by FEDAI. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

vii) Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii) Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss account.

b) Translation in respect of Non-Integral Foreign operations:
Transactions and balances of foreign entities are classified as non-integral foreign operations and their financial statements are translated as follows:

i) Assets and Liabilities (monetary and non-monetary as well as contingent liabilities) are translated at the closing rates notified by FEDAI.

ii) Income and expenses are translated at the quarterly average closing rates notified by FEDAI.

iii) All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments by the bank in the respective foreign entities.

iv) The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country.

12) EMPLOYEE BENEFITS:

i. Short Term Employee Benefits:

The undiscounted amount of short-term employee benefits, such as medical benefits etc. which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

ii. Long Term Employee Benefits:

A. Defined Benefit Plan

a) Gratuity

The Bank provides gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to a maximum prescribed as per The Payment of Gratuity Act, 1972 or Bank of India Gratuity Fund Rules, 1975, whichever is higher. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by trustees based on an independent actuarial valuation carried out quarterly.

b) Pension

The Bank provides pension to all eligible employees. The benefit is in the form of monthly payments as per rules and payments to vested employees on retirement, on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the pension fund at 10% of pay in terms of Bank of India (Employees) Pension regulations, 1995. The pension liability is reckoned based on an independent actuarial valuation carried out quarterly and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

B. Defined Contribution Plan:

a. Provident Fund

The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a trust established for this purpose and are charged to Profit and Loss Account. The bank recognises such annual contributions as an expense in the year to which it relates.

b. Pension

All Employees of the bank, who have joined from 1st April, 2010 are eligible for contributory pension. Such employees contribute monthly at a predetermined rate to the pension scheme. The bank also contributes monthly at a predetermined rate to the said pension scheme. Bank recognises its contribution to such scheme as expenses in the year to which it relates. The contributions are remitted to National Pension System Trust. The obligation of bank is limited to such predetermined contribution.

c. Other Long term Employee Benefits:

All eligible employees are entitled to the following-

i.) Leave encashment benefit, which is a defined benefit obligation, is provided for on the basis of an actuarial valuation in accordance with AS 15 – "Employee Benefits".

ii.) Other employee benefits such as Leave Fare Concession, Milestone award, resettlement benefits, sick leave etc. which are defined benefit obligations are provided for on the basis of an actuarial valuation in accordance with AS 15 – "Employee Benefits".

iii.) In respect of overseas branches, offices and subsidiaries, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

13) SEGMENT REPORTING:

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

14) EARNINGS PER SHARE:

a) Basic and Diluted earnings per equity share are reported in accordance with AS 20 "Earnings per share". Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the period.

b) Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the period.

15) TAXES ON INCOME:

a) Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the BOI group. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - "Accounting for Taxes on Income" respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions.

b) Deferred Tax adjustments comprise changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

c) Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable income.

d) In Consolidated Financial Statements, income tax expenses are the aggregate of the amounts of tax expense appearing in the separate financial statements of the parent and its subsidiaries/joint ventures, as per their applicable laws.

16) IMPAIRMENT OF ASSETS:

Impairment losses, if any on Fixed Assets (including revalued assets) are recognised and charged to Profit and Loss account in accordance with AS 28 "Impairment of Assets". However, an impairment loss on revalued assets is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

17) PROVISIONS, CONTINGENT LIABLITIES AND CONTINGENT ASSETS:

As per AS 29 "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

Contingent Assets are not recognised in the financial statements.

18) SHARE ISSUE EXPENSES:

Share issue expenses are charged to Share Premium Account in the year of issue of shares.

SCHEDULE 18

All figures are in ₹ Crore unless specifically stated. Figures in Brackets relate to previous year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. Particulars of the subsidiaries whose financial statements are consolidated with the standalone financial statement of Bank of India (the Parent bank) are as under:

Name of Subsidiaries		Country of Incorporation	Proportion of Ownership by the Parent bank as on 31.03.2022	Proportion of Ownership by the Parent bank as on 31.03.2021
Domestic Subsidiaries:				
a)	BOI Shareholding Ltd.	India	100%	100%
b)	BOI Star Investment Managers Pvt Ltd.	India	100%	52.29%
c)	BOI Star Trustee Services Pvt Ltd.	India	100%	51%
d)	BOI Merchant Bankers Ltd	India	100%	100%
Overseas Subsidiaries:				
a)	PT Bank of India Indonesia Tbk	Indonesia	76%	76%
b)	Bank of India (Tanzania) Ltd.	Tanzania	100%	100%
c)	Bank of India (New Zealand) Ltd.	New Zealand	100%	100%
d)	Bank of India (Uganda) Ltd.	Uganda	100%	100%

2. Particulars of associates and joint venture considered in the Consolidated Financial Statements are as under :

(i) Associates:

	Name of Associates	Country of Incorporation	Proportion of Ownership by the Parent bank as on 31.03.2022	Proportion of Ownership by the Parent bank as on 31.03.2021
a)	Regional Rural Banks-			
	i) Madhya Pradesh Gramin Bank (erstwhile Narmada Jhabua Gramin Bank)	India	35%	35%
	ii) Vidharbha Konkan Gramin Bank	India	35%	35%
	iii) Aryavart Bank (erstwhile Gramin Bank of Aryavart)	India	35%	35%
b)	Indo Zambia Bank Limited	Zambia	20%	20%
c)	STCI Finance Ltd.	India	29.96%	29.96%
d)	ASREC (India) Ltd.	India	26.02%	26.02%

(ii) Joint Venture:

Name of Joint Venture	Country of Incorporation	Proportion of Ownership by the Parent bank as on 31.03.2022	Proportion of Ownership by the Parent bank as on 31.03.2021
Star Union Dai-ichi Life Insurance Company Limited	India	28.96%	28.96%

3. The financial statements of the subsidiaries, joint ventures and associates which are used in the consolidation have been drawn upto the same reporting date as that of the Parent Bank i.e. 31st March 2022 except for an associate Indo Zambia Bank Limited (IZBL). IZBL's financial statements are prepared upto 31st December 2021

and its management has reported no significant transactions for the quarter ended 31st March 2022.

4. In case of subsidiaries/joint venture/associates, accounting adjustments arising due to different accounting policies followed by them and the Parent Bank have been carried out on the basis of data provided by subsidiaries/joint venture/associates.

5. The Consolidated Financial Statements have been prepared on the basis of :

   (i) Financial statements of PT Bank of India Indonesia Tbk as on 31.03.2022 certified by the Management and reviewed by an independent reviewer as per the local requirements of the country of incorporation.

   (ii) Financial statements of Bank of India (Tanzania) Ltd. as on 31.03.2022 certified by the Management and reviewed by an independent reviewer as per the local requirements of the country of incorporation.

   (iii) Financial statements of Bank of India (New Zealand) Ltd. as on 31.03.2022 duly audited as per the local requirements of the country of incorporation.

   (iv) Financial statements of Bank of India (Uganda) Ltd. as on 31.03.2022 certified by the Management and reviewed by an independent reviewer as per the local requirements of the country of incorporation.

   (v) Audited financial statements of BOI Shareholding Ltd., BOI Star Investment Managers Pvt. Ltd., BOI Star Trustee Services Pvt. Ltd., BOI Merchant Bankers Ltd., Madhya Pradesh Gramin Bank, Vidharbha Konkan Gramin Bank, Aryavart Bank, STCI Finance Ltd. & Star Union Dai-ichi Life Insurance Company Ltd. for the financial year ended 31.03.2022 and Indo Zambia Bank Ltd. for the twelve months ended 31.12.2021.

   (vi) Unaudited financial statements of ASREC (India) Ltd., for the financial year ended 31.03.2022 certified by their management.

6. Government of India had infused ₹ 3,000 towards preferential allotment of equity shares on March 31, 2021 for which the Parent Bank has issued and allotted 42,11,70,854 equity shares of face value ₹ 10 each fully paid up at an issue price of ₹ 71.23 per share on June 11, 2021.

7. In respect of the Parent bank, balancing of Subsidiary Ledger Accounts, confirmation/reconciliation of balances with foreign branches, Inter-office accounts, NOSTRO Accounts, Suspense, Draft Payable, Clearing Difference, other office accounts, etc. is in progress on an on-going basis. In the opinion of the management, the overall impact on the financial statements, if any, of pending final clearance/adjustment of the above, is not likely to be significant.

CLASSIFICATION: CONFIDENTIAL SUB-CLASSIFICATION: FINANCE CONFIDENTIAL BANK OF INDIA H.O. FINANCE DEPT.	V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS	LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS	MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

8. The following information is disclosed in respect of consolidated financial statements in terms of guidelines issued by Reserve Bank of India:

(a) Composition of Regulatory Capital:

Sr. No.	Particulars	31.03.2022	31.03.2021
i)	Common Equity Tier 1 capital (CET 1)	46,825	37,032
ii)	Additional Tier 1 capital	1352	1,352
iii)	Tier 1 capital (i + ii)	48,177	38,384
iv)	Tier 2 capital	8,241	8,949
v)	Total capital (Tier 1+Tier 2)	56,418	47,332
vi)	Total Risk Weighted Assets (RWAs)	3,19,579	3,04,477
vii)	Common Equity Tier 1 Capital ratio (CET1) (%)	14.65%	12.16%
viii)	Tier I Capital ratio (%)	15.08%	12.61%
ix)	Tier II Capital ratio (%)	2.58%	2.94%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	17.65%	15.55%
xi)	Leverage Ratio	6.14%	4.99%
xii)	Percentage of the shareholding of Government of India	81.41%	89.10%
xiii)	Amount of paid-up equity capital raised	*5,550	0.00
xiv)	Share application money pending for	0.00	*3,000
xv)	Amount of non-equity Tier 1 capital raised during the year, *of which:*		
	a) PNCPS	0.00	0.00
	b) PDI	0.00	1,352
xvi)	Amount of Tier 2 capital raised during the year, *of which*		
	a) Debt capital instruments		0.00
	B) PCPS / RNCPS / RCPS	1,800	0.00

*Includes ₹ 3,000 received from Government of India on March 31, 2021 towards preferential allotment of equity shares for which the Parent Bank has issued and allotted 42,11,70,854 equity shares of ₹ 10 each fully paid up at an issue price of ₹ 71.23 per share on June 11, 2021. In terms of RBI communication reference no. DOR.CAP.S82/21.01/002/ 2021-22 dated April 30, 2021, the share application

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money of ₹ 3,000 has been considered for computation of CET 1 capital as on March 31, 2021.

The Parent Bank has raised Equity Share Capital of ₹ 2,550.01 through Qualified Institutional Placement on August 31, 2021. The Parent Bank has issued and allotted 40,54,71,866 equity shares of face value ₹ 10 each at a premium of ₹ 52.89 per share to the investors.

Pursuant to RBI Circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated March 1, 2016, the Parent Bank has considered revaluation reserve, foreign currency translation reserve and deferred tax assets in calculation of Capital Adequacy Ratios as on March 31, 2022.

Details of outstanding Additional Tier 1 (AT-1) bonds raised to augment Tier-1 Capital are as under:-

Raised during the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2020-21	Additional Tier 1	1,352.00	1,352.00
	Total	**1,352.00**	**1,352.00**

Details of outstanding Tier-II Instruments raised to augment Tier -II capital are as under:

Raised during the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2013-14	Tier-II	1,500.00	300.00
2015-16	Tier-II	3,000.00	1,800.00
2021-22	Tier-II	1,800.00	1,800.00
	Total	**6,300.00**	**3,900.00**

During the year ended 31st march, 2022, the Parent Bank has redeemed Tier – II Bonds Series XIII amounting to ₹ 1,500 by exercising call option on July 7, 2021. The Parent Bank has also redeemed Tier-II Bonds Series XIV amounting to ₹ 1,000 by exercising call option on March 25, 2022. Further, the Parent Bank has raised Tier II Bonds Series XV amounting to ₹ 1,800 on September 30, 2021.

(b) Draw down from Reserves

During the year ended March 31, 2022, as per RBI Circular DBR.No.BP.BC.92/21.04.048/ 2015-16 dated April 18, 2016, the Parent Bank has opted to provide the liability towards fraud declared during the quarter, amounting to ₹ 273.99 over a period of four quarters. Accordingly, an amount of ₹ 68.50 has been charged to Profit & Loss account during the quarter and the remaining unamortised amount of ₹ 205.49 has been debited to "Other Reserves" and will be amortised in the next financial year.

(c) During the year ended March 31, 2022 Parent Bank has acquired additional stake of 47.71% (for ₹ 7.79) in 'BOI Star Investment Managers Private Limited' (formerly known as BOI AXA Investment Managers Private Limited) and 49.00% (for ₹ Nil) in 'BOI Star Trustee Services Private Limited' (formerly known as BOI AXA Trustee Services Private Limited). Consequently, these subsidiaries have become wholly owned subsidiaries of the Parent Bank.

(d) The Parent Bank has infused capital (pending allotment) of ₹ 530.65 in one of its existing overseas subsidiary, namely PT Bank of Indonesia TBK.

(e) The Parent Bank has infused additional proportionate capital in FY 2021-22 in the following associate Regional Rural Banks:

i. ₹296.60 in Madhya Pradesh Gramin Bank
ii. ₹270.24 in Vidharbha Konkan Gramin Bank (pending allotment)
iii. ₹54.60 in Aryavrat Bank (pending allotment)

(f) Provisions and Contingencies:

Particulars	**2021-22**	**2020-21**
Provision for NPI	397.36	868.65
Provision towards NPA	2,992.71	6,647.95
Provision made towards Income Tax (including Deferred Tax)	2,167.53	1,079.03
Provision towards Standard Assets	893.88	(-)70.89
Other Provision & Contingencies		
• Provision for Sacrifice in Restructured Accounts	(-)69.23	190.70
• Provision for Country Risk	10.93	(-)5.53
• Other Provisions	238.62	14.00
Total	**6,631.80**	**8,723.91**

(g) Floating Provisions as on 31.03.2022 - (Parent Bank)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening Balance						232.22
Add: Additional provisions made during the year						0.00
Less: Amount drawn down[15] during the year						232.22
Closing balance of floating provisions						0.00

(h) Floating Provisions as on 31.03.2021 - (Parent Bank)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening Balance						232.22
Add: Additional provisions made during the year						0.00
Less: Amount drawn down[15] during the year						0.00
Closing balance of floating provisions						232.22

(i) Income-Tax – (Parent Bank)

Claims against the Bank not acknowledged as debt under contingent liabilities (Schedule 12) include disputed income tax/interest tax liabilities of ₹ 1,186.47 (previous year ₹ 581.40) for which no provision is considered necessary based on various judicial decisions in respect of past assessments on such disputes. Payments/adjustments against the said disputed dues are included under Other Assets (Schedule 11).

(j) Provision for taxes has been arrived at after due consideration of the provisions of the applicable tax laws and relevant judicial decisions on certain disputed issues.

(k) Disclosure of Letter of comfort issued by the Parent bank for subsidiaries (As compiled by Management)

During the year 2021-22, the Parent bank has not issued any letter of comforts on behalf of Subsidiaries.

In the Financial year 2010-11, the Parent Bank has issued parental guarantee in favour of Royal Bank of New Zealand, for its wholly owned subsidiary, BOI (New Zealand) Ltd. to meet its financial obligations, if they fall due.

As on 31.03.2022 no financial obligations have arisen on the above commitments.

9. Disclosures in terms of Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI):

A. AS - 5 Net Profit / loss for the period, Prior Period Items and changes in accounting policies:

(i) Prior Period Items:

There are no material prior period items during the year.

(ii) Change in Accounting Policy (AS-5):

There is no change in the Significant Accounting Policies followed during the quarter and year ended March 31, 2022 as compared to those followed in the previous financial year ended March 31, 2021 except for share issue expenses debited to Share premium account as permitted by RBI, which were earlier charged to Profit and Loss account. The change in accounting policy has resulted in increase in profit before tax by ₹ 18.22 for the year ended March 31, 2022.

B. AS-15 " Employee Benefits" (Parent Bank)

Sr. No.	Particulars	FY 2021-2022		FY 2020-2021	
		Gratuity	Pension	Gratuity	Pension
(i)	**Principal actuarial assumptions used :**				
	Discount Rate	7.37%	6.84%	6.96%	6.49%
	Rate of Return on Plan Assets	6.42%	8.21%	8.04%	10.85%
	Salary Escalation Rate	5.50%	5.50%	5.50%	5.50%
	Attrition Rate Current	1.00%	1.00%	1.00%	1.00%
(ii)	**Table showing change Present value of obligation :**				
	Liability at the beginning of the year	1,935.32	16,837.05	1,747.81	16,065.92
	Interest Cost	121.82	775.14	108.69	989.13
	Current Service Cost	99.24	946.18	166.37	873.16
	Benefit Paid	369.98	1,824.62	372.36	1,650.19
	Actuarial (gain)/loss on Obligation	112.11	1,155.78	284.81	559.03
	Liability at the end of the year	**1,898.52**	**17,889.53**	**1,935.32**	**16,837.05**
	Unrecognised past service cost	-	489.67	-	-
	Total Defined Benefit obligation	**1,898.52**	**18,379.20**	**1,935.32**	**16,837.05**

Sr. No.	Particulars	FY 2021-2022		FY 2020-2021	
		Gratuity	Pension	Gratuity	Pension
(iii)	**Table of Fair value of Plan Assets :**				
	Fair Value of Plan Assets at the beginning of the year	1,930.62	16,531.02	1,649.47	15,827.60
	Expected return on Plan Assets	119.13	1,356.20	132.62	1,717.29
	Contributions	219.86	1,800.30	444.70	903.63
	Benefit Paid	369.98	1,824.62	372.36	1,650.19
	Actuarial gain/(loss) on Plan Assets	(12.31)	(258.26)	76.19	(267.31)
	Fair Value of Plan Assets at the end of the year	1,887.32	17,604.64	1,930.62	16,531.02
	Total Actuarial Gain/(Loss) to be recognised	**(124.42)**	**(1,414.03)**	**(208.62)**	**(826.34)**
(iv)	**Actual return on Plan Assets :**				
	Expected Return on Plan Assets	119.13	1,356.20	132.62	1,717.29
	Actuarial gain/(loss) on Plan Assets	(12.31)	(258.26)	76.19	(267.31)
	Actual return on Plan Assets	**106.82**	**1,097.94**	**208.81**	**1,449.98**
(v)	**Amount recognised in the Balance Sheet :**				
	Liability at the end of the year	1,898.52	18,379.20	1,935.32	16,837.05
	Fair Value of Plan Assets at the end of the year	1,887.32	17,604.64	1,930.62	16,531.02
	Unrecognised past service cost	-	489.67	-	-
	Amount Recognised in the Balance Sheet	**11.20**	**284.88**	**4.70**	**306.03**
(vi)	**Expenses recognised in the Income-Statement :**				
	Current Service Cost	99.24	946.18	166.37	873.16
	Interest Cost	121.82	775.14	108.69	989.13
	Expected Return on Plan Assets	(119.13)	(1,356.20)	(132.62)	(1,717.29)
	Expenses recognized relating to prior years	-	-	-	-
	Actuarial (Gain) or Loss	124.42	1,414.03	208.62	826.34
	Expense Recognised in P & L	**226.35**	1,779.15	351.06	971.34
(vii)	**Balance Sheet Reconciliation :**				
	Opening Net Liability (Last period's net amount recognized in the balance sheet)	4.70	306.03	98.34	238.32
	Expenses as above	226.35	1,779.15	351.06	971.34
	Employer's Contribution	(219.86)	(1,800.30)	(444.70)	(903.63)
	Amount Recognised in Balance Sheet	**11.20**	**284.88**	**4.70**	**306.03**
(viii)	**Category of Assets** :**				
	Government of India Securities	71.50	2,288.50	73.81	2,198.78
	Equity	0.00	551.87	0.00	316.89
	Corporate Bonds	120.61	5,422.74	134.42	5,184.24
	State Government Securities	130.70	2,858.58	248.27	5,363.35
	Other	1,564.51	6,482.95	1,474.12	3,467.76
	Total	**1,887.32**	**17,604.64**	**1,930.62**	**16,531.02**
(ix)	**Experience Adjustment :**				
	On Plan Liability (Gain)/Loss	152.27	1,092.69	315.39	791.71
	On Plan Asset (Loss)/Gain	(42.37)	(694.35)	86.25	(620.28)

Other long term employee benefits*:

Particulars	31.03.2022		31.03.2021	
	Liability	Provisions made/ (w/back) during the year	Liability	Provisions made/(w/back) during the year
Leave Encashment	1,183.77	(-)99.81	1,283.57	437.52
Leave Travel Concession	62.41	0.18	62.23	0.14
Resettlement Benefits	7.71	0.38	7.33	(-)0.54
Milestone Awards	4.56	0.04	4.52	0.03
Sick Leave**	3.00	0.00	3.00	0.00

* The actuarial assumptions for other long term benefits are same which are used for Gratuity.

The Parent bank has recognised contribution to employees' Provident Fund/Defined contribution scheme as an expense. During the year, the Parent bank has contributed ₹ 364.15 (Previous Year ₹ 229.26) towards such fund which is a defined contribution plan.

** The Parent bank has been recognising the liability of sick leave to full extent hitherto i.e. entire outstanding leave balance. In line with the Guidance Note on implementation of Employee Benefits (AS-15) - (revised 2005) in respect of Sick Leave, the liability in this regard is recognised based on probability of availing such leaves by employees.

The Parent Bank's best estimate of contributions expected to be paid during the annual period beginning after the Balance sheet date, towards Pension is ₹ 2,106.26 (Previous Year ₹ 1,548.05) and towards Gratuity is ₹ 45.69 (Previous Year: ₹ 331.98).

Surplus /Deficit in the Plan:

	Gratuity Plan				
Particular	**FY2021-22**	**FY2020-21**	**FY2019-20**	**FY2018-19**	**FY2017-18**
Defined benefit obligation	1,898.52	1,935.33	1,747.81	1,683.78	1,754.54
Plan assets	1,887.32	1,930.62	1,649.47	1,592.38	1,319.42
Unrecognised Transitional liability	-	0.00	0.00	0.00	326.34
Surplus/(deficit)	(11.20)	(-)4.70	98.34	91.40	108.78
Experience Adjustment On Plan Liability (Gain)/Loss	152.27	315.39	(-)86.04	54.03	(-)22.79
Experience Adjustment On Plan Asset (Loss)/Gain	(42.37)	86.25	100.21	14.29	(-)4.76

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BANK OF INDIA वित्त विभाग FINANCE DEPT.

SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO. PAI

Particular	Pension Plan				
	FY2021-22	FY2020-21	FY2019-20	FY2018-19	FY2017-18
Defined benefit obligation	18,379.20	16,837.05	16,065.92	14,709.20	13,716.87
Plan assets	17,604.64	16,531.02	15,827.60	14,314.88	13,330.64
Unrecognised Transitional liability	489.67	0.00	0.00	0.00	0.00
Surplus/(deficit)	(284.88)	(-)306.03	(-)238.32	(-)394.32	(-)386.23
Experience Adjustment On Plan Liability (Gain)/Loss	1,092.69	791.71	808.90	546.91	(-)66.62
Experience Adjustment On Plan Asset (Loss)/Gain	(694.35)	(-)620.28	155.64	37.73	33.27

C. AS-17 "Segment Reporting"

Part A: Business Segment

Business Segment	Treasury Operations		Wholesale Banking Operations		Retail Banking Operations		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue	15,603.57	17,155.41	14,607.48	15,760.37	15,716.53	15,100.47	45,927.58	48,016.25
Unallocated Revenue	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	410.14	366.39
Inter Segment Revenue	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	46.26	32.64
Total Revenue	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	46291.46	48,350.00
Results	6,050.61	5,349.02	(-)2,144.06	(-)1,438.25	2,945.16	(-)15.67	6,851.71	3,895.10
Unallocated Expenses	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	(-)1,191.61	(-)733.32
Profit/(Loss) Before Tax	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	5,660.10	3,161.78
Income Tax	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	2,167.53	1,079.03
Extraordinary profit/loss	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	0.00	0.00
Net Profit	**XXXXX**	**XXXXX**	**XXXXX**	**XXXXX**	**XXXXX**	**XXXXX**	**3,492.57**	**2,082.75**
Other Information:								
Segment Assets	2,61,226.84	2,78,786.05	2,35,168.66	2,40,300.78	2,16,917.68	1,85,138.74	7,13,313.18	7,04,225.56
Unallocated Assets	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	29,818.15	28,564.53

Business Segment	Treasury Operations		Wholesale Banking Operations		Retail Banking Operations		Total	
Total Assets	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	**7,43,131.33**	**7,32,790.10**
Segment Liabilities	2,46,522.16	2,66,000.92	2,62,928.72	2,56,872.42	1,66,631.03	1,51,080.44	6,76,081.91	6,73,953.78
Unallocated Liabilities	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	10,527.57	8,856.09
Total Liabilities	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	**6,86,609.48**	**6,82,809.87**

Note: Information in respect of Non-Banking subsidiaries/joint venture has been included under unallocated segment.

Part B: Geographical Segment

Geographical Segments	Domestic		International		Total	
Particulars	**2021-22**	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Revenue	44,430.58	45,894.58	1,860.88	2,455.42	46,291.46	48,350.00
Assets	6,53,651.33	6,45,772.68	89,480.00	87,017.42	7,43,131.33	7,32,790.10

The BOI group has recognised Business Segments as Primary reporting segment and Geographical Segments as Secondary segment in line with RBI guidelines in compliance with AS-17.

I. **Primary Segment: Business Segments**

a) **Treasury Operations:** 'Treasury' for the purpose of Segment Reporting includes the entire investment portfolio i.e. dealing in Government and other Securities, Money Market Operations and Forex Operations.

b) **Wholesale Banking**: Wholesale Banking includes all advances which are not included under Retail Banking.

c) **Retail Banking** : Retail Banking includes exposures which fulfil following two criteria:

i) Exposure – The maximum aggregate exposure up to ₹ 5

ii) The total annual turnover is less than ₹ 50 i.e. the average turnover of the last three years in case of existing entities and projected turnover in case of new entities.

Pricing of Inter-Segmental transfers

Retail Banking Segment is a Primary resource mobilising unit and Wholesale Segment and Treasury Segment compensates the Retail banking segment for funds lent by it to them taking into consideration the average cost of deposits incurred by it.

Allocation of Costs

-Expenses directly attributed to particular segment are allocated to the relative segment

-Expenses not directly attributable to specific segment are allocated in proportion to number of employees / business managed.

II. **Secondary Segment: Geographical Segments**

a) Domestic Operations

b) International Operations

D. AS-18 "Related Party Transactions" (Parent Bank):

Key Managerial Personnel:

Managing Director & CEO: Shri Atanu Kumar Das

Executive Directors:

Shri P. R. Rajagopal
Shri Swarup Dasgupta
Shri M. Karthikeyan
Monika Kalia

Remuneration paid : (in ₹)

Sr No	Name	2021-22	2020-21
1	Shri Atanu Kumar Das	32,62,233	30,02,820
2	Shri P. R. Rajagopal	34,40,568	31,52,053
3	Shri M. Karthikeyan	27,25,869	1,46,801
4	Shri Swarup Dasgupta	27,25,869	1,46,801
5	Smt. Monika Kalia	28,00,774	1,46,801
6.	Shri C. G. Chaitanya	0	47,68,776

In terms of paragraph 5 of AS 18, transactions in the nature of Banker - Customer relationship, including those with Key Management Personnel and relatives of Key Management Personnel have not been disclosed, since the disclosure would conflict with Parent Bank's duties of confidentiality.

E. AS19 "Lease Financing" (Parent Bank): Nil

F. AS20 "Earnings per Share" in ₹:

Calculation of Basic & Diluted E.P.S.:

S.No.	Particulars	2021-22	2020-21
(A)	Net Profit/(Loss) for the year attributable to Equity Shareholders	3,492.57	2,082.75
(B)	Weighted Average Number of Equity shares (in crore)	385.28	327.69
(C)	Basic Earnings per Share (A/B) (₹)	9.07	6.36
(D)	Weighted Average number of Equity shares including dilutive potential equity shares (in crore)	385.28	327.81
(E)	Dilutive Earnings per share (A/D) (₹)	9.07	6.35
(F)	Nominal Value per Equity Share (₹)	10.00	10.00

G. AS-22 "Accounting for Taxes on Income":
The Major components of Deferred Tax Assets and Deferred Tax Liabilities are as under:

Particulars	31.03.2022	31.03.2021
Deferred Tax Assets		
On account of timing difference towards provisions	9,895.77	14,304.04
Others	783.28	659.88
Total Deferred Tax Assets	**10,679.05**	**14,963.92**
Deferred Tax Liabilities		
On account of depreciation on fixed assets	154.67	279.04
On account of depreciation on investment	0.00	0.00
On account of interest accrued but not due	887.51	943.32
Others	915.91	919.35
Total Deferred Tax Liabilities	**1,958.09**	**2,141.71**
Net Deferred Tax Assets / (Liabilities)	**8,720.96**	**12,822.21**

H. Accounting Standard 24 - Discontinuing Operations: In consonance with the Government of India directives and as a part of strategic initiatives for rationalisation of Overseas Operations, in Financial year 2019-20, the Parent Bank has sold its overseas subsidiary i.e. Bank of India (Botswana) Ltd. for consideration of ₹ 14.64 and remaining cost of investment of ₹ 19.18 has been fully provided.

I. AS-27 "Financial Reporting of Interests in Joint Ventures":

Investments include ₹ 75 (Previous year ₹ 75) representing Parent Bank's interest in the following jointly controlled entity:

Sr. No.	Name of the Company	Amount	Country of incorporation	Holding %
1	Star Union Dai-Ichi Life Insurance Company Ltd.	75	India	28.96%

Aggregate amount of assets, liabilities, income and expenses related to the group's interest in jointly controlled entities:

Particulars	31.03.2022	31.03.2021
Liabilities		
Capital & Reserves	213.22	208.63
Deposits	-	-
Borrowings	-	-
Other Liabilities & Provisions	4,211.15	3,390.38
Total	**4,424.37**	**3,599.02**
Assets		
Cash and Balances with Reserve Bank of India	41.15	54.56
Balances with Banks and Money at call and short notice	-	-
Investments	4206.16	3,386.41
Advances	4.90	3.74
Fixed Assets	10.52	7.51
Other Assets	161.65	146.80
Total	**4,424.37**	**3,599.02**
Capital Commitments	-	-
Other Contingent Liabilities	31.56	27.13
Income		
Interest Earned	12.71	11.30
Other Income	76.62	50.56
Total	**89.34**	**61.86**
Expenditure		
Interest Expended	-	-
Operating Expenses	89.37	37.77
Provisions & Contingencies	(6.63)	5.14
Total	**82.73**	**42.91**
Profit / (Loss)	6.60	18.95

J. AS-29 "Provisions, Contingent Liabilities and Contingent Assets": (Parent Bank)

A. Movement of Provisions for contingent liabilities

Particulars	Legal cases/contingencies*	
	2021-22	2020-21
Opening Balance	100.91	99.19
Provided during the year	2.67	11.01
Amounts used during the year	42.56	9.29
Closing Balance	61.02	100.91
Timing of outflow/uncertainties	Outflow on settlement / crystallization	

*Excluding provisions for others

B. Contingent Liabilities

Such liabilities are dependent upon the outcome of court order/arbitration/out of court settlement, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be. No reimbursement is expected in such cases.

10. Other Notes:

a) The investments of life insurance joint venture have been accounted for in accordance with the IRDAI guidelines instead of restating the same in accordance with the accounting policy followed by the Parent Bank. The investments of the insurance joint venture constitute approximately 2.33% (previous year 1.77%) of the total investments as on 31st March, 2022.

b) In terms of Parent Bank's approved revaluation policy, during the year ended March 31, 2022 the immovable properties are revalued based on the revaluation reports of Parent Bank's approved valuers and the net surplus arising from revaluation amounts to ₹ 667.71 has been added to "Revaluation Reserve".

c) Parent Bank was holding 100% provision in a particular account, recovery of which is under dispute with another PSU Bank. The account has been reported as fraud to RBI. RBI vide its communication ref. no. DoS.Co.SSM(BOI)/6557/13.37.007/2019-20 dated April 13, 2020 permitted the Parent Bank to maintain provision of 50% of the disputed amount on an ongoing basis subject to certain conditions. Accordingly, the Parent Bank holds provision of ₹145.82 (being 50% of the outstanding amount) for the said disputed amount.

d) **Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks**
Reserve Bank of India vide its Circular No. RBI/2021-22/105 DOR. ACC. REC. 57/21.04.018/2021-22 dated October 4, 2021, permitted Banks to amortise the additional liability on account of revision in family pension over a period not exceeding five years beginning with the financial year ending March 31, 2022, subject to a minimum of 1/5th of the total amount being expensed every year. The Bank has recognised additional liability on account of revision in family pension amounting to ₹ 612.09 and has opted to amortise the said liability over a period not exceeding five years, beginning financial year ending March 31, 2022. Accordingly, Bank has recognised ₹ 61.21 and ₹ 122.42 as an expense in the Profit and Loss account, for the quarter and year ended March 31, 2022 respectively and the balance unamortised liability of ₹ 489.67 has been carried forward. If the unamortised liability had been fully recognised in the Profit & Loss account by the Bank, the Net Profit (after tax) for the quarter and year ended March 31, 2022 would have been lower by ₹ 318.56.

e) In accordance with the RBI guidelines, during the year ended March 31, 2022, the Parent Bank has shifted Central Government securities with a book value of ₹ 8,109.09 and State Government securities with a book value of ₹ 7,495.41 from HTM to AFS category. Further, the Parent Bank has shifted from AFS to HTM category, Central Government securities with a book value of ₹ 2,640.87 after providing for shifting loss of ₹ 80.84. Venture Capital Fund for an amount of ₹ 12.53 has been shifted from HTM to AFS category.

f) In respect of RBI referred NCLT accounts (List 1 & 2) as on March 31, 2022, the Parent Bank holds 100% provision of the outstanding value of ₹ 3,533.75.

g) As per RBI Circular No.DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, as on March 31, 2022 the Parent Bank holds additional Provision of ₹ 717.86 in respect of 14 borrower accounts (o/s exposure ₹ 3,476.22), where the viable Resolution Plan has not been implemented within 180 days / 365 days of review period.

h) In accordance with RBI circular No. DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 & RBI Circular No. DOR.STR.REC.21/21.04.048/2021-22 dated June 4, 2021 on Resolution Framework 2.0 -Resolution of COVID-19 related stress of Micro, Small and Medium Enterprises (MSMEs), the details of accounts restructured is as under:

(₹ in Crore except number of accounts)

No. of Accounts	Amount as on 31.03.2022	Provision Held
1,20,443	3,433.04	343.30

CLASSIFICATION: CONFIDENTIAL SUB-CLASSIFICATION: FINANCE CONFIDENTIAL BANK OF INDIA H.O. वित्त विभाग FINANCE DEPT.	V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS	LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS	MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

i) In accordance with RBI Circular No. DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 on "Resolution Framework- 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses", the number of borrower accounts where modification were sanctioned and implemented and the aggregate exposure to such borrowers are as under:

No. of accounts restructured	Aggregate Exposure as on 31.03.2022 (₹ in Crore)
28,815	670.99

j) As per RBI notification RBI/2021-22/28 DOR.STR.REC.10/21.04.048/2021-22 dated May 5, 2021, the Parent Banks are permitted to utilize 100 percent of Floating Provisions/ Counter Cyclical Provisioning Buffer held by them on December 31, 2020 for making specific provisions for non-performing assets with the approval of their respective Boards. The Parent Bank has obtained requisite prior approval from its Board of Directors and has utilized floating provision amounting to ₹ 232.22 against the requirement for specific provision for non-performing assets during the quarter and year ended March 31, 2022.]

k) The Parent Bank has migrated the existing CBS system from "Finacle 7" to an improved version of CBS i.e. "Finacle 10". The Parent Bank does not expect any material impact on account of such migration on the financial statements.

l) **Impact of Covid 19 :**

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The disruptions following the outbreak, impacted loan originations and the efficiency in collection efforts resulting in increase in the number of customer defaults and consequently an increase in provisions there against. India is emerging from the COVID-19 pandemic. The extent to which any new wave of COVID-19 will impact the Parent Bank's operations and financial results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government- mandated or elected by us.

m) Other Income includes commission and brokerage income, profit/loss on sale of assets, profit/loss on revaluation of investments (net) (including depreciation on performing investments), earnings from foreign exchange and derivative transactions, recoveries from accounts previously written off, dividend income, etc.

n) The Board of Directors has recommended a dividend of ₹ 2.00 per equity share (20%) for the year ended March 31, 2022 subject to requisite approvals.

o) Previous Year's figures have been regrouped/rearranged wherever considered necessary.

V Sankar Aiyar & Co.	Laxmi Tripti & Associates	Mukund M Chitale & Co.
Chartered Accountants 2C Court Chambers, 35, New Marine Lines, Mumbai – 400 020.	Chartered Accountants 2/9, Shireen Complex. BDA Colony, KOH-E-FIZA, Bhopal - 462001	Chartered Accountants Second Floor, Kanpur House, Paranjape B Scheme Road No 1, Vile Parle East, Mumbai- 400057

INDEPENDENT AUDITORS' REPORT

To
The President of India / The Members of Bank of India

Report on Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Bank of India** ('the Holding Bank") and its subsidiaries (collectively hereinafter referred to as **"the Group"**), associates and joint venture, which comprise the consolidated Balance Sheet as at 31 March 2022, the consolidated Statement of Profit and Loss and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information which includes:

   a) Audited Financial Statements of the Holding bank which have been audited by us, vide our report dated May 24, 2022;
   b) Audited Financial Statements of 5 Subsidiaries, 1 Joint Venture and 5 Associates (including 3 Regional Rural Banks) audited by other auditors and financial statements of 3 overseas subsidiaries prepared by the management as on 31st March, 2022 and reviewed by the other auditors specifically for consolidation purpose; and
   c) Un-audited financial statements of 1 Associate prepared by the management.

2. In our opinion and to the best of our information and according to the explanations given to us and based on our consideration of the audit / review reports of other auditors on separate financial statements of the Subsidiaries, Joint Venture and Associates and the unaudited financial statements of Associates as furnished by the management, the aforesaid consolidated financial statements are in conformity with accounting principles generally accepted in India and give:

   a) true and fair view in case of the Consolidated Balance sheet, of the state of affairs of the Group, its associates and Joint venture as at 31st March, 2022
   b) true balance of profit in case of statement of Consolidated Profit / Loss account, for the year ended on that date; and
   c) true and fair view in case of Consolidated Cash flow statement, for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint venture in accordance with the code of ethics issued by the Institute of

Chartered Accountants of India together with ethical requirements that are relevant to our audit of the consolidated financial statements in India, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidences obtained by us and the audit evidences obtained by the other auditors in terms of their reports referred to in paragraph 10 below, is sufficient and appropriate to provide the basis for audit opinion on the consolidated financial statements.

Emphasis of Matter

4. We draw attention to Note No. 10(d) of Schedule 18 of the consolidated financial statements, regarding amortization of additional liability on account of revision in family pension amounting to Rs. 612.09 Crores. The Bank has charged an amount of Rs. 61.21 Crores and Rs. 122.42 Crores to the profit and loss account for the quarter and year ended March 31, 2022 and balance unamortized expense of Rs. 489.67 Crores has been carried forward.

   Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters of the Bank to be communicated in our report:

Sl. No.	Key Audit Matters	Audit Procedure followed to address the Key Audit Matters
1)	**<u>Compliance of Income Recognition, Asset Classification and Provisioning Norms on advances and investments as per guidelines issued by Reserve Bank of India (IRAC Norms)</u>** <u>Advances</u> The Holding Bank has to classify the accounts as performing advances or non performing advances based on the guidelines/circulars and directives issued by Reserve Bank of India. The guidelines issued by Reserve Bank of India is for all credit facilities given by the bank and is to be mandatorily followed for the purpose of Income Recognition, Asset Classification and Provisioning. Identification of performing and non performing advances is system driven. The software used by the Holding Bank identifies the accounts for classification and provisioning as per the guidelines issued by Reserve Bank of India. The Income recognition, asset classification and provisioning if not done properly as per the IRAC norms issued by Reserve Bank of India may materially impact the financial statements of the Holding Bank.	We have carried out the audit of the advances and Investments based on the IRAC Norms/Circulars and directives issued by Reserve Bank of India and the policy of the Holding Bank. <u>Advances</u>: Our audit procedure included: a) Communication to the branch statutory auditors to verify the compliance of IRAC Norms and procedures and the policies adopted by the Holding Bank and reliance on the audit reports furnished by the branch statutory auditors. b) Understanding the IT system and controls put in place and logic and validations built in the system by the Holding Bank for identification, classification and provisioning in case of advances. c) Testing on sample basis whether the classification of advances as performing or non-performing and provisioning have been carried out as per the guidelines of Reserve Bank of India. d) Carrying out substantive test on major advances including Specially Mentioned Accounts (SMA) and also verification of security by checking the valuation reports in respect of the audit of branches conducted by us. e) Reliance on the internal audit reports, concurrent audit reports, credit audit, system audit and special audits conducted by the Holding Bank.

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	The bank has implemented IRAC Automation software for identification and classifying of NPA accounts through the software. **Investments :** The Holding Bank has to classify the investments as performing or non performing based on the guidelines/circulars and directives issued by Reserve Bank of India. Identification of performing and non performing investments is generally system driven. The valuation is done as per the guidelines issued by Reserve Bank of India and the valuations are done based on the price quoted on BSE/NSE, FIMDA /FBIL rates etc. The income recognition, asset classification and provisioning if not done properly as per the IRAC norms issued by Reserve Bank of India may materially impact the financial statements of the bank. Advances and Investments constitute 57.29% and 23.75% respectively of total assets of the Holding Bank. As advances and investments form part of a major portion of the business of the Holding Bank and the regulatory compliances are involved, we have considered this aspect as Key Audit Matter.	f) The bank has appointed an independent external agency to carry out systems audit of IRAC Automation software. As per the report submitted by the agency, all observations are complied / being complied with and the same has been relied upon by us. **Investments:** Our audit procedure included: a) Understanding the IT system and controls put in place and logic and validations built in the system by the Holding Bank for identification, classification and provisioning in case of investments. b) Testing on sample basis whether the classification and valuation of investments is carried out as per the guidelines of Reserve Bank of India. c) Verification on sample basis whether proper provision for depreciation in the value of investments is made as per RBI guidelines. d) Reliance made on the internal audit reports, concurrent audit reports and system audit conducted by the Holding Bank.
2)	**Evaluation of uncertain tax litigations and contingent liabilities** The Holding Bank has various litigations including tax litigations. The Holding Bank has also disputes regarding availability of input credits/applicability of Reverse Charge Mechanism on certain payments under Indirect Tax. This is a key audit matter due to uncertainty of the outcome which involves significant judgment to determine the possible outcome of these disputes.	Our audit approach involved: a) Understanding the current status of the litigations/tax assessments; b) Review of the latest orders, communication received from various tax authorities and the appeals filed; c) Reliance on the opinion of legal and tax consultants, where available.
3)	**Assessment of Information Technology (IT):** a. IT controls with respect to recording of transactions, generating various reports in compliance with RBI guidelines including IRAC	Our audit procedure includes:- a) Understanding and testing of operative effectiveness of the system.

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	norms, preparing financial statements and reporting of compliances to regulators etc. is an important part of the process. Such reporting is highly dependent on the effective working of Core Banking Software and other allied systems. We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management and regulators.	b) Understanding the coding system adopted by the Holding Bank for various categories of customers. c) Understanding and testing of different validations available in the system d) Checking the user requirements for any changes in the regulations/policy of the bank e) Testing of logic used for extracting the data. f) On sample basis reviewing the reports generated. g) Reliance on the system audit report of the Holding Bank.
	b. The Bank has migrated the existing CBS system from Finacle 7 to Finacle 10.	The Bank has carried out migration audit through an external agency which has confirmed that they have completed the compliance activity for the CRM and Core observations identified in Go-Live and Post migration. They have also confirmed that there are no open items and we have relied on the same. Also, the management has confirmed that there is no material financial impact on account of such migration.
4)	**Recognition of Deferred Tax Assets:** As per Significant Accounting Policy of the Holding Bank, which is in accordance with AS 22 Accounting for Taxes on Income issued by The Institute of Chartered Accountants of India Deferred tax assets should be recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. We identified the recognition of deferred tax assets as a key audit matter involves judgement by management as to the likelihood of the realization of these deferred tax assets, which is based on a number of factors including whether there will be sufficient taxable profits in future periods to support recognition.	Our audit procedure included evaluating management assessment on the sufficiency of the future taxable profits in support of the recognition of deferred tax assets such as assumptions and other parameters used for recognition of deferred tax asset.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding bank's Board of Directors are responsible for the other information. The other information comprises the information included in the Management report and Chairman's Statement, but does not include the Consolidated Financial Statements and our auditor's report thereon which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the financial statements does not cover the other information and Pillar 3 disclosures under Basel III Disclosure and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

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consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Director's Report of the Bank, including annexures in annual report, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Bank's Board of Directors is responsible with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, its associates and Joint venture in accordance with the accounting principles generally accepted in India including the Accounting Standards specified by the Institute of Chartered Accountants of India (ICAI) as applicable to banks, provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. The respective Board of Directors of the banks within the Group, its associates and Joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group, its associates and Joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the consolidated financial statements, the respective Board of Directors of the Group Entities are responsible for assessing the ability of the Group, its associates and Joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group, its associates and Joint venture or to cease operations, or has no realistic alternative but to do so.

   The respective Board of Directors of the banks included in the Group, its associates and Joint venture are responsible for overseeing the financial reporting process of the Group, its associates and Joint venture financial reporting processes.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

   As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the Holding Bank in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's, its associates and Joint venture ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the bank within the Group, its associates and Joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the bank included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

9. The accompanying consolidated financial statements include the audited financial statements and other financial information in respect of:

   a) The financial statements of 5 Subsidiaries whose financial statements reflect total assets of Rs. 907.31 crore as at March 31, 2022, total revenues of Rs. 64.86 crore and total net profit after tax of Rs. 9.81 crore for the

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year ended on that date, and net cash inflows of Rs 167.66 crore as considered in the consolidated financial statements, have been audited by other auditors.

b) The financial statements of 1 Joint Venture whose financial statements reflect total assets of Rs. 4424.60 crore as at March 31, 2022, total revenues of Rs. 89.34 crore and total net loss after tax of Rs. 8.11 crore for the year ended on that date, and net cash outflows of Rs.13.42 crore, as considered in the consolidated financial statements, have been audited by other auditors.

c) The financial statements of 5 Associates whose financial statements include Group's share of net profit after tax of Rs. 91.42 crore for the year ended March 31, 2022, as considered in the consolidated financial statements, have been audited by other auditors.

The independent auditor's reports on the financial statements of these entities have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associates, is based solely on the reports of the other auditors.

In respect of one foreign associate, the financial information has been prepared in accordance with accounting principles generally accepted in the country in which it is situated and has been audited by the other auditors under generally accepted auditing standards as applicable in the country in which it is situated. The Holding Bank management has converted the financial information of such associate from accounting principles generally accepted in in the country in which it is situated to accounting principles generally accepted in India. Our opinion in so far as it relates to the amounts and disclosures of such associate located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Bank.

10. The accompanying consolidated financial statements includes the unaudited/reviewed financial statements and other financial information in respect of:

a) The financial statements of 3 Subsidiaries, whose financial statements reflect total assets of Rs. 3732.37 crore as at March 31, 2022, total revenues of Rs. 215.79 crore and total net profit after tax of Rs.8.40 crore for the year ended on that date, and net cash inflows of Rs 43.54 crore as considered in the consolidated financial statements, have been reviewed by other auditors.

b) The financial statements of 1 Associate whose financial statements reflect Group's share of net profit after tax of Rs. 5.35 crore for the year ended as on 31st March, 2022, as considered in the consolidated financial statements have not been audited by any auditor.

These financial statements are reviewed/unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of above matters with respect to our reliance on the work done and the reports of the other auditors and the un-audited financial statements/financial information certified by the management.

Report on Other Legal and Regulatory Requirements

11. The Consolidated Balance Sheet, the Consolidated Profit & Loss account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;

12. Subject to the limitations of the audit indicated in paragraphs 5, 8 and 9 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also to the limitations of disclosure required therein, we report that:

    a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit of the consolidated financial statements and have found them to be satisfactory;

    b) The transactions of the banks within the Group, which have come to our notice, have been within the powers of the respective banks within the Group, and

    c) The returns received from the banks within the Group have been found adequate for the purposes of our audit of the consolidated financial statements.

13. We further report that:

    a) In our opinion, proper books of account as required by law have been kept by the Holding Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

    b) The Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of accounts maintained for the purpose of the preparation of the consolidated financial statements;

    c) The reports on the accounts of the domestic and overseas subsidiaries, associates and joint venture reviewed/audited by other auditors and the reports of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been provided to us and have been properly dealt with by us in preparing this report; and

    d) In our opinion, The Consolidated Balance Sheet, the Consolidated Profit & Loss account and the Consolidated Statement of Cash Flows comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

14. As required by letter No. DOS.ARG.No.6270/08.91.001/2019- 20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks–Reporting obligations for SCAs from FY: 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

    a) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

Mukund M Chitale & Co. Mumbai

Laxmi Tripti & Associates 009189C Chartered Accountants

V. Sankar Aiyar & Co. Mumbai Chartered Accountants

b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Holding Bank.

c) On the basis of the written representations received from the directors as on March 31, 2022, none of the directors of the bank is disqualified as on March 31, 2022 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.

d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.

For V Sankar Aiyar & Co. **Chartered Accountants** (FRN 109208W) S Nagabushana **S Nagabushanam** **Partner** **M. No. 107022** **UDIN: 22107022AJMARD1758**	**For Laxmi Tripti & Associates** **Chartered Accountants** (FRN 009189C) **Rajesh Gupta** **Partner** **M.No.077204** **UDIN: 22077204AJMFGI5603**	**For Mukund M Chitale & Co.** **Chartered Accountants** (FRN: 106655W) **Nilesh RS Joshi** **Partner** **M. No. 114749** **UDIN: 22114749AJMAYM1516**

Place- Mumbai
Date- 24th May, 2022

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BANK OF INDIA

BALANCE SHEET

AS ON 31st MARCH, 2022

&

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH, 2022

Bank of India

BALANCE SHEET AS ON 31st MARCH 2022

(000's Omitted)

	Schedule No	As on 31-03-2022 ₹	As on 31-03-2021 ₹
CAPITAL AND LIABILITIES			
Capital	1	4,10,43,052	3,27,76,625
Reserves & Surplus	2	51,02,69,339	42,40,79,259
Share Application Money, pending allotment		0	3,00,00,000
Deposits	3	6,27,89,59,591	6,27,11,35,601
Borrowings	4	26,76,03,666	32,46,41,055
Other Liabilities and Provisions	5	24,82,64,475	17,59,31,916
TOTAL		7,34,61,40,123	7,25,85,64,456
ASSETS			
Cash and balances with Reserve Bank of India	6	40,28,05,778	60,69,75,678
Balances with Banks and money at call and short notice	7	51,27,70,611	65,88,31,007
Investments	8	1,74,44,84,066	1,87,25,28,456
Advances	9	4,20,84,17,907	3,65,68,65,239
Fixed Assets	10	9,77,49,535	8,91,41,309
Other Assets	11	37,99,12,226	37,42,22,767
TOTAL		7,34,61,40,123	7,25,85,64,456
Contingent Liabilities	12	4,23,19,82,122	4,53,63,48,516
Bills for Collection		27,60,09,290	24,90,69,223

The Schedules referred to above form an integral part of the Balance Sheet.

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

Sankar Sen
General Manager & Chief Financial Officer

Ashok Kumar Pathak
Chief General Manager

Monika Kalia
Executive Director

M. Karthikeyan
Executive Director

Swarup Dasgupta
Executive Director

P R Rajagopal
Executive Director

A K.Das
Managing Director & CEO

DIRECTORS

Dr.Bhushan Kumar Sinha | Subrata Das | P N Prasad | Veni Thaper | Munish Kumar Ralhan

In terms of our report of even date attached

For V Sankar Aiyar & Co.
Chartered Accountants
(FRN:109208W)
S. Nagabushanam
Partner
M. No.107022

For Laxmi Tripti & Associates
Chartered Accountants
(FRN:009189C)
Rajesh Gupta
Partner
M. No.077204

For Mukund M Chitale & Co.
Chartered Accountants
(FRN: 106655W)
Nilesh RS Joshi
Partner
M. No. 114749

Place: Mumbai
Date : May 24, 2022

Classification: Sub-Classification:

Bank of India

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2022

(000's Omitted)

		Schedule No.	Year ended on 31-03-2022 ₹	Year ended on 31-03-2021 ₹
I.	**INCOME**			
	Interest earned	13	38,07,58,259	40,59,94,385
	Other income	14	7,87,87,317	6,84,18,656
	TOTAL		45,95,45,576	47,44,13,041
II.	**EXPENDITURE**			
	Interest expended	15	24,01,37,287	26,32,96,031
	Operating expenses	16	11,95,23,743	10,83,91,063
	Provisions and Contingencies		6,58,37,588	8,11,22,960
	TOTAL		42,54,98,618	45,28,10,054
III.	**PROFIT/(LOSS)**			
	Net Profit/(Loss) for the Year		3,40,46,958	2,16,02,987
	Add: Profit/(Loss) brought forward		-	(23,78,23,882)
	TOTAL		3,40,46,958	(21,62,20,895)
IV.	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		85,20,000	54,10,000
	Transfer to Investment Fluctuation Reserve		25,37,920	67,38,011
	Transfer to Revenue Reserve		-	-
	Transfer to Capital Reserve		30,02,535	49,54,976
	Transfer from Share Premium (for Setoff of brought forward loss)		-	-23,78,23,882
	Transfer to Special Reserve u/s Sec 36(1) (viii) of Income Tax Act,1961		-	45,00,000.00
	Balance in Profit and Loss Account		1,99,86,503	-
	TOTAL		3,40,46,958	(21,62,20,895)
	Significant accounting policies	17		
	Notes to Accounts	18		
	Earnings Per Share (Basic and Diluted)		8.84	6.59

The schedules referred to above form an integral part of the Profit and Loss Account.

The Profit and Loss Account has been prepared in conformity with Form `B' of the Third Schedule to the Banking Regulation Act, 1949.

Sankar Sen
General Manager &
Chief Financial Officer

Ashok Kumar Pathak
Chief General Manager

Monika Kalia
Executive Director

M. Karthikeyan
Executive Director

Swarup Dasgupta
Executive Director

P R Rajagopal
Executive Director

A K Das
Managing Director & CEO

DIRECTORS

Dr.Bhushan Kumar Sinha

Subrata Das

P N Prasad

Veni Thaper

Munish Kumar Ralhan

In terms of our report of even date attached

For V Sankar Aiyar & Co.
Chartered Accountants
(FRN:109208W)

S. Nagabushanam
Partner
M. No.107022
Place: Mumbai
Date : May 24, 2022

For Laxmi Tripti & Associates
Chartered Accountants
(FRN:009189C)

Rajesh Gupta
Partner
M. No.077205

For Mukund M Chitale & Co.
Chartered Accountants
(FRN: 106655W)

Nilesh RS Joshi
Partner
M. No. 114749

Classification: Sub-Classification:

BANK OF INDIA

Statement of Standalone Cash Flow for the year ended 31st March, 2022

(₹ in '000)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
A. Cash Flow from Operating Activities:		
Net Profit before taxes	**5,56,67,484**	**3,23,67,150**
Adjustments for:		
Amortisation/Depreciation on Investments	61,66,144	56,30,305
(Profit)/Loss on Revaluation of investments (including depreciation on performing investments)	35,22,575	59,96,235
Depreciation on Fixed Assets	36,35,111	37,22,039
(Profit)/Loss on sale of Fixed Asset	(7,938)	(6,00,494)
Provision for NPAs	2,94,29,505	6,61,25,359
Provision for Standard Assets	90,13,825	(4,07,398)
Provision for Other items	18,00,120	19,50,551
Interest on AT 1 & Tier II Bonds (treated separately)	70,38,868	65,38,394
Dividend received from Subsidaries/Joint Ventures/Associates	(1,84,462)	(2,52,042)
Adjustments for:		
Increase /(Decrease) in Deposits	78,23,990	71,60,85,815
Increase /(Decrease) in Borrowings	(5,00,37,389)	(7,34,03,604)
Increase / (Decrease) in Other Liabilities and Provisions	5,47,15,621	(65,48,545)
(Increase) / Decrease in Investments	12,13,99,571	(29,79,52,966)
(Increase)/ Decrease in Advances	(58,09,82,173)	(3,41,57,557)
(Increase) / Decrease in Other Assets	(1,65,53,919)	(5,15,52,652)
Direct Taxes (Paid)/Refund	(56,09,666)	70,90,040
Net Cash Flow from Operating Activities (A)	**(35,31,62,733)**	**38,06,30,631**
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(56,91,277)	(32,75,928)
Sale of Fixed Assets	2,04,117	1,27,436
Sale / Redemption / (Additional) investment in Subsidiaries/Jt Ventures/Associates (Net)	(30,43,900)	(4,72,156)
Dividend received from Subsidiaries, Joint Venture & Associates	1,84,462	2,52,042
Net Cash Flow from Investing Activities (B)	**(83,46,599)**	**(33,68,606)**
C. Cash Flow from Financing Activities:		
Share Capital	40,54,719	--
Share Premium	2,12,63,185	--
Share Application	--	3,00,00,000
Issue/(redemption) of Tier II Capital bonds (Net)	(70,00,000)	5,20,000
Interest on AT 1 & Tier II Bonds	(70,38,868)	(65,38,394)
Net Cash Flow from Financing Activities (C)	**1,12,79,036**	**2,39,81,606**
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**(35,02,30,296)**	**40,12,43,631**
Cash and Cash Equivalents as at the beginning of the year	**1,26,58,06,685**	**86,45,63,054**
Cash and Cash Equivalents as at the end of the year	**91,55,76,389**	**1,26,58,06,685**

Contd...

(₹ in '000)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Reconciliation of Cash and Cash Equivalents as at the end of the year		
Cash and balances with Reserve Bank of India (Schedule 6)	40,28,05,778	60,69,75,678
Balances with Banks and money at call and short notice (Schedule 7)	51,27,70,611	65,88,31,007
Cash and Cash Equivalents as at the end of the year	**91,55,76,389**	**1,26,58,06,685**

Cash and cash equivalent as per cash flow statement comprises of cash in hand, in ATM, balances in current account with RBI and other Banks (including deposits) and money at call and short notice which can be readily convertible into cash.

Sankar Sen
General Manager &
Chief Financial Officer

Ashok Kumar Pathak
Chief General Manager

Monika Kalia
Executive Director

M. Karthikeyan
Executive Director

Swarup Dasgupta
Executive Director

P R Rajagopal
Executive Director

A.K.Das
Managing Director & CEO

BANK OF INDIA
H.O.
FINANCE DEPT.

DIRECTORS

Dr.Bhushan Kumar Sinha **Subrata Das** **P N Prasad** **Veni Thaper** **Munish Kumar Ralhan**

In terms of our report of even date attached

For V Sankar Aiyar & Co.
Chartered Accountants
(FRN:109208W)

S. Nagabushanam
Partner
M. No.107022

For Laxmi Tripti & Associates
Chartered Accountants
(FRN:009189C)

Rajesh Gupta
Partner
M. No.077204

For Mukund M Chitale & Co.
Chartered Accountants
(FRN: 106655W)

Nilesh RS Joshi
Partner
M. No. 114749

Place: Mumbai

Date : May 24, 2022

	As on 31-03-2022 ₹	(000's Omitted) As on 31-03-2021 ₹
SCHEDULE - 1 : CAPITAL		
AUTHORISED CAPITAL		
600,00,00,000 (Previous year ended 600,00,00,000) Equity Shares of ₹10 each	60,000,000	60,000,000
ISSUED CAPITAL		
Equity Shares 410,47,43,170 (Previous year ended 327,81,00,450) of ₹10 each	41,047,432	32,781,004
TOTAL	41,047,432	32,781,004
SUBSCRIBED & PAID-UP CAPITAL		
410,35,66,070 Equity Shares (Previous year ended 327,69,23,350) of ₹10 each	41,035,661	32,769,234
Add: Amount of shares forfeited	7,391	7,391
TOTAL *	41,043,052	32,776,625

* Of the above, 334,08,61,720 Equity Shares (Previous year ended 291,96,90,866) of ₹10 each fully paid up amounting to ₹3340.86 crore (Previous year ended ₹2919.69 crore) is held by Central Government;

	As on 31-03-2022 ₹	As on 31-03-2021 ₹
SCHEDULE 2 : RESERVES & SURPLUS		
I. Statutory Reserve :		
Opening Balance	76,278,842	70,868,842
Additions during the year	8,520,000	5,410,000
TOTAL (I)	84,798,842	76,278,842
II. Capital Reserves :		
A) Revaluation Reserve :		
Opening Balance	62,517,920	63,223,557
Add: Addition during the period on Revaluation of Premises	7,338,808	0
Less: Adjustments during the year	-84,766	4,613
Less: Depreciation on revalued Fixed Assets transferred to Revenue reserve	675,335	701,024
Total of (A)	69,266,159	62,517,920
B) Others		
i) Profit on sale of Investments - "Held to Maturity"		
Opening Balance	30,518,144	25,563,168
Additions during the period	3,002,535	4,954,976
Sub-total of (i)	33,520,679	30,518,144
ii) Foreign Currency Translation Reserve		
Opening Balance	20,485,971	23,390,751
Add/ (Less) : Additions / adjustments during the year (Net)	(628,578)	-2,904,780
Sub-total of (ii)	19,857,393	20,485,971
Total of (B)	53,378,072	51,004,115
TOTAL (II)	122,644,231	113,522,035
III. Share Premium :		
Opening Balance	115,493,848	353,317,730
Add : Additions during the year	47,233,699	
Less : Deductions/(Utilization) during the year	182,223	237,823,882
TOTAL (III)	162,545,324	115,493,848

Classification: Sub-Classification:

	As on 31-03-2022	(000's Omitted) As on 31-03-2021
SCHEDULE - 2 : RESERVES & SURPLUS (contd.)		
IV. Revenue and Other Reserves :		
i) Revenue Reserve :		
Opening Balance	8,58,46,523	8,51,46,374
Add: Additions during the year	10,26,852	7,00,149
Deductions during the year	20,54,867	-
Sub-total of IV(i)	8,48,18,508	8,58,46,523
ii) Investment Reserve Account :		
Opening Balance	-	-
Add: Additions during the year	-	-
Deductions during the year	-	-
Sub-total of IV(ii)	-	-
iii) Investment Fluctuation Reserve :		
Opening Balance	67,38,011	-
Add: Additions during the year	25,37,920	67,38,011
Deductions during the year	-	-
Sub-total of IV(iii)	92,75,931	67,38,011
iv) Special Reserve u/s Sec 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	2,62,00,000	2,17,00,000
Additions during the year	-	45,00,000
Sub-total of IV(iv)	2,62,00,000	2,62,00,000
TOTAL (IV)	12,02,94,439	11,87,84,534
V. Balance in Profit and Loss Account :	1,99,86,503	-
TOTAL (I TO V)	51,02,69,339	42,40,79,259
SCHEDULE - 3 : DEPOSITS		
A. I. Demand Deposits :		
i) From Banks	84,53,986	57,46,377
ii) From Others	34,13,72,366	32,00,88,663
TOTAL (I)	34,98,26,352	32,58,35,040
II. Savings Bank Deposits	2,16,68,13,869	1,97,50,15,678
III. Term Deposits :		
i) From Banks	36,22,97,362	43,82,16,135
ii) From Others	3,40,00,22,008	3,53,20,68,748
TOTAL (III)	3,76,23,19,370	3,97,02,84,883
TOTAL A(I, II, III)	6,27,89,59,591	6,27,11,35,601
B. i) Deposits of branches in India	5,50,83,27,657	5,51,13,51,725
ii) Deposits of branches outside India	77,06,31,934	75,97,83,876
TOTAL (B)	6,27,89,59,591	6,27,11,35,601

	As on 31-03-2022 ₹	(000's Omitted) As on 31-03-2021 ₹
SCHEDULE - 4 : BORROWINGS		
I. Borrowings in India :		
i) Reserve Bank of India	35,190,000	35,190,000
ii) Other Banks		
a. Tier I Capital	4,020,000	6,930,000
b. Tier II Capital	3,140,000	250,000
c. Others	521,400	139,300
Total (ii)	7,681,400	7,319,300
iii) Other Institutions and Agencies		
a. Tier I Capital	9,500,000	6,590,000
b. Tier II Capital	59,860,000	69,750,000
c. Others	152,812,119	203,022,679
Total (iii)	222,172,119	279,362,679
Total (I)	265,043,519	321,871,979
II. Borrowings outside India		
a. Tier I Capital	-	-
b. Upper Tier II Capital	-	-
c. Others	2,560,147	2,769,076
Total (II)	2,560,147	2,769,076
Total (I, II)	267,603,666	324,641,055
Secured borrowings included in I & II above	136,472,904	197,755,232

	As on 31-03-2022 ₹	As on 31-03-2021 ₹
SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	17,110,211	14,158,433
II. Inter-office adjustments (net)	-	-
III. Interest accrued	17,395,308	16,366,851
IV. Deferred Tax Liabilities	4,669	38,497
V. Others (including Provisions)*	213,754,287	145,368,135
TOTAL	248,264,475	175,931,916

* Includes provision for Standard Assets ₹ 3,63,81,717 (Previous Year ₹ 2,72,31,029)

BANK OF INDIA H.O. FINANCE DEPT

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

Classification: Sub-Classification:

(000's Omitted)

SCHEDULE - 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA

	As on 31-03-2022 ₹	As on 31-03-2021 ₹
I. Cash in hand (including foreign currency notes)	24,244,922	32,955,084
II. Balances with Reserve Bank of India :*		
i) In Current Account	333,560,856	574,020,594
ii) In Other Accounts	45,000,000	-
TOTAL (II)	378,560,856	574,020,594
TOTAL (I, II)	402,805,778	606,975,678

* Including balances with Central Banks outside India

SCHEDULE - 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE

	As on 31-03-2022 ₹	As on 31-03-2021 ₹
I. In India :		
i) Balances with Banks		
a) in Current Accounts	1,002,318	1,020,987
b) in Other Deposit Accounts	1,894,813	-
ii) Money at call and short notice		
a) With Banks	1,000,000	254,540
b) With Other Institutions	5,033,499	95,998,088
TOTAL (i and ii)	8,930,630	97,273,615
II. Outside India :		
i) In Current Accounts	22,050,717	24,482,120
ii) In Other Deposit Accounts	399,114,307	477,779,920
iii) Money at call and short notice	82,674,957	59,295,352
TOTAL (i, ii and iii)	503,839,981	561,557,392
TOTAL (I, II)	512,770,611	658,831,007

SCHEDULE - 8 : INVESTMENTS

	As on 31-03-2022 ₹	As on 31-03-2021 ₹
I. Investments in India :		
i) Government Securities	1,527,475,165	1,656,373,300
ii) Other approved Securities	-	-
iii) Shares	8,486,760	7,579,872
iv) Debentures and Bonds	101,909,798	126,463,086
v) Subsidiaries and/or Joint ventures (including Associates)	8,715,451	5,497,440
vi) Others (Commercial Papers, Units of Mutual Funds, Pass Through Certificates, Security Receipts, Venture Fund, Gold etc.)	6,941,855	8,850,980
TOTAL (I)	1,653,529,029	1,804,764,678
Gross	1,704,670,134	1,849,325,429
Less: Depreciation and Amortisation	51,141,105	44,560,751
Net	1,653,529,029	1,804,764,678
II. Investments outside India :		
i) Government Securities (including local authorities)	65,840,383	41,080,665
ii) In Subsidiaries and/or joint ventures abroad	9,422,633	9,422,633
iii) Other Investments (Debentures, Bonds etc.)	15,692,021	17,260,480
TOTAL (II)	90,955,037	67,763,778
Gross	91,935,009	67,988,812
Less: Depreciation and Amortisation	979,972	225,034
Net	90,955,037	67,763,778
TOTAL (I, II)	1,744,484,066	1,872,528,456

Classification: Sub-Classification:

	As on 31-03-2022 ₹	(000's Omitted) As on 31-03-2021 ₹
SCHEDULE - 9 : ADVANCES		
A. i) Bills Purchased and Discounted	174,634,399	92,462,046
ii) Cash Credits, Overdrafts and Loans repayable on demand	1,649,278,767	1,512,567,085
iii) Term Loans	2,384,504,741	2,051,836,108
TOTAL (A)	4,208,417,907	3,656,865,239
B. Particulars of Advances :		
i) Secured by tangible assets (includes advances against Book Debts)	2,826,923,683	2,632,585,554
ii) Covered by Bank/Government Guarantees	260,820,700	190,902,259
iii) Unsecured	1,120,673,524	833,377,426
TOTAL (B)	4,208,417,907	3,656,865,239
C. Sectoral Classification of Advances :		
I. Advances in India		
i) Priority Sector	1,326,166,340	1,217,412,779
ii) Public Sector	1,057,294,505	859,160,292
iii) Banks	39	448,742
iv) Others	1,255,665,795	1,188,350,817
TOTAL (C-I)	3,639,126,679	3,265,372,630
II. Advances outside India :		
i) Due from Banks	230,430,196	112,091,012
ii) Due from others		
a) Bills Purchased and Discounted	64,923,607	24,248,314
b) Syndicated Loans	101,440,541	100,482,255
c) Others	172,496,884	154,671,028
TOTAL (C-II)	569,291,228	391,492,609
TOTAL (C - I, C - II)	4,208,417,907	3,656,865,239

	As on 31-03-2022 ₹	As on 31-03-2021 ₹
SCHEDULE - 10 : FIXED ASSETS		
I. PREMISES :		
Opening Balance, at cost	17,163,960	17,249,734
Additions / Adjustments during the year	1,535,644	11,287
Less:Deductions / Adjustments during the year	0	97,061
Sub-total	18,699,604	17,163,960
Addition to date on account of revaluation	69,750,574	63,976,932
Less : Depreciation to date (including on account of revaluation)	4,701,077	5,660,008
TOTAL -(I)	83,749,101	75,480,884
II. OTHER FIXED ASSETS : (Including Furniture and Fixtures)		
Opening Balance at cost	39,325,380	36,959,513
Additions / Adjustments during the year	3,815,730	2,542,358
Less:Deductions / Adjustments during the year	196,179	176,491
Sub-total	42,944,931	39,325,380
Less: Depreciation to date	31,798,468	29,303,552
TOTAL (II)	11,146,463	10,021,828
III. CAPITAL WORK IN PROGRESS	2,853,971	3,638,597
TOTAL (I, II, III)	97,749,535	89,141,309

Classification: Sub-Classification:

	As on 31-03-2022 ₹	(000's Omitted) As on 31-03-2021 ₹
SCHEDULE - 11 : OTHER ASSETS		
I. Inter-office adjustments (net)	71,919,504	55,890,055
II. Interest accrued	27,505,683	28,904,785
III. Tax paid in advance/tax deducted at source	73,700,345	48,795,537
IV. Stationery and Stamps	97,356	77,622
V. Deferred Tax Assets (Net)	87,078,619	127,744,620
VI. Others *	119,610,719	112,810,148
TOTAL	379,912,226	374,222,767

* Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹ 58,423,630 (Previous Year ₹ 54,141,048)

	As on 31-03-2022 ₹	As on 31-03-2021 ₹
SCHEDULE - 12 : CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	18,100,466	26,202,648
II. Liability for partly paid investments	972,953	1,010,314
III. Liability on account of outstanding forward exchange contracts	3,691,798,145	4,046,620,870
IV. Guarantees given on behalf of Constituents :		
a) In India	207,749,624	218,030,102
b) Outside India	39,140,541	30,852,421
V. Acceptances, endorsements and other obligations	240,477,714	183,047,143
VI. Derivative contracts other than listed at III above	15,630,342	14,865,980
VII. Other items for which the Bank is contingently liable	18,112,337	15,719,038
TOTAL	4,231,982,122	4,536,348,516

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

Classification: Sub-Classification:

SCHEDULES TO PROFIT AND LOSS ACCOUNT

(000's Omitted)

SCHEDULE - 13 : INTEREST EARNED

	For the Year ended 31-03-2022 ₹	For the Year ended 31-03-2021 ₹
I. Interest/Discount on advances/bills	258,415,093	274,067,419
II. Income on Investments	111,162,588	115,477,834
III. Interest on balances with Reserve Bank of India and other inter-bank funds	6,233,916	11,420,907
IV. Others	4,946,662	5,028,225
TOTAL	380,758,259	405,994,385

SCHEDULE - 14 : OTHER INCOME

		For the Year ended 31-03-2022 ₹		For the Year ended 31-03-2021 ₹
I. Commission, exchange and brokerage		11,975,488		11,064,271
II. Profit on sale of Investments	17,601,913		25,470,833	
Less : Loss on sale of Investments	(7,505)	17,594,408	(178)	25,470,655
III. Profit on revaluation of Investments	435		172,495	
Less : Loss on revaluation of Investments	(3,523,010)	(3,522,575)	(6,168,187)	(5,995,692)
IV. Profit on sale of land, buildings and other assets	2,780,903		600,494	
Less : Loss on sale of land, buildings and other assets	(7,781)	2,773,122	-	600,494
V Profit on exchange transactions	25,612,617		18,888,583	
Less : Loss on Exchange Transactions	(8,359)	25,604,258	(24,176)	18,864,407
VI Income earned by way of dividends etc., from subsidiaries/ companies and/or joint ventures abroad/in India		184,462		252,042
VII Miscellaneous Income *		24,178,154		18,162,479
TOTAL		78,787,317		68,418,656

* Includes Recoveries made in write-off accounts amounting to ₹ 1,09,71,278 (Previous Year ₹ 52,96,460)

Classification. Sub-Classification:

	For the Year ended 31-03-2022 ₹	(000's Omitted) For the Year ended 31-03-2021 ₹
SCHEDULE - 15 : INTEREST EXPENDED		
I. Interest on Deposits	226,294,933	244,822,894
II. Interest on Reserve Bank of India / Inter-bank borrowings	6,224,865	11,558,910
III. Others:	7,617,489	6,914,227
TOTAL	240,137,287	263,296,031
SCHEDULE - 16 : OPERATING EXPENSES		
I. Payments to and provisions for employees	70,555,291	64,729,900
II. Rent, Taxes and Lighting	7,868,853	7,518,229
III. Printing and Stationery	770,845	646,682
IV. Advertisement and Publicity	166,003	75,439
V. Depreciation on Bank's property	3,635,111	3,722,039
VI. Directors' fees, allowances and expenses	4,055	4,295
VII. Auditors' fees and expenses (Including branch Auditors' fees & expenses)	932,798	802,916
VIII. Law Charges	435,100	274,646
IX. Postage, Telegrams, Telephones, etc.	1,607,582	1,776,218
X. Repairs and Maintenance	675,525	600,363
XI. Insurance	7,490,347	6,994,167
XII. Other Expenditure	25,382,233	21,246,169
TOTAL	119,523,743	108,391,063

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र. का. वित्त विभाग FINANCE DEPT

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

Classification: Sub-Classification:

SCHEDULE-17

SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF PREPARATION:

The financial statements are prepared following the going concern concept, on historical cost basis unless otherwise stated and conform, in all material aspects, to the Generally Accepted Accounting Principles (GAAP) in India, which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI), Accounting Standards (AS), pronouncements issued by The Institute of Chartered Accountants of India (ICAI), Banking Regulation Act, 1949 and accounting practices prevalent in the banking industry in India. In respect of foreign offices/branches, statutory provisions and accounting practices prevailing in the respective foreign countries are complied with, except as specified elsewhere.

2. USE OF ESTIMATES:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. However, actual results can differ from estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. REVENUE RECOGNITION:

a. Income/Expenditure is recognised on accrual basis, unless otherwise stated. In respect of foreign offices, income/expenditure is recognised as per local laws/standards of host country.

b. Interest income is recognised on time proportion basis except interest on non-performing assets.

c. Commission on issue of Bank Guarantee and Letter of Credit is recognised over the tenure of BG/LC.

d. All other Commission and Exchange, Brokerage, Fees and other charges are recognised as income on realisation.

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e. Income (other than interest) on investments in "Held to Maturity" category acquired at a discount to the face value, is recognised as follows:

i. On Interest bearing securities, it is recognised only at the time of sale/ redemption.
ii. On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

f. Profit or loss on sale of investments is recognised in the Profit and Loss account. As per RBI Guidelines, in case of profit on sale of investments under 'Held to Maturity' category, an equivalent amount (net of taxes and amount required to be transferred to Statutory Reserves) is appropriated to 'Capital Reserve Account'.

g. Dividend Income is recognised when the right to receive the dividend is established.

h. Interest Income on Income-tax refund is recognised in the year of passing of assessment order.

i. **Appropriation of recoveries in NPAs:**

In respect of NPAs, recoveries effected except through a.) compromise settlement /special OTS, b.) Judgement of a Court/DRT/NCLT and c.) Assignment to ARC's/SC's. are to be made in the following order:-

- Charges debited to borrower's account,
- Expenses/out of pocket expenses incurred but not debited,
- Unrealised interest,
- Uncharged interest,
- Principal

In other cases, the recoveries made are appropriated as per the order of relevant authority.

4. ADVANCES:

a. Advances are classified into "Performing" and "Non-Performing Advances" (NPAs) in accordance with the applicable regulatory guidelines.

b. NPAs are further classified into Sub-Standard, Doubtful and Loss Assets in terms of applicable regulatory guidelines.

Classification: **Internal**

c. In respect of domestic branches, NPA Provisions are made at the rates given as under:

Category of NPAs	Provision % on net outstanding advance
Sub Standard:*	
Exposures, which are unsecured ab initio	25%
Unsecured exposure in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available (unsecured – infra)	20%
Others	15%
Doubtful:	
Secured portion (Period for which advance has remained in doubtful category)	
- Upto one year	25%
- One year to three years	40%
- More than three years	100%
Unsecured portion	100%
Loss	100%

* On the outstanding advance

d. In respect of foreign branches, classification of advances as NPAs and provision in respect of NPAs is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

e. Provisions in respect of NPAs, unrealised interest, ECGC claims, etc. are deducted from total advances to arrive at net advances as per RBI norms.

f. In respect of Rescheduled/Restructured advances, provision is made for the diminution in the fair value of restructured advances measured in present value terms as per RBI guidelines. The said provision is reduced to arrive at Net advances.

g. In case of financial assets sold to Asset Reconstruction Company (ARC) / Securitisation Company (SC), if the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is debited to the Profit and Loss account as per the extant RBI guidelines issued from time to time. If the sale is at a price higher than the NBV, the excess provision on sale of NPAs may be reversed to profit and loss account in the year the amounts is received. However, any excess provision is reversed only when the cash received (by way of initial consideration only/or redemption of SR's/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

Classification: Internal

h. Provision for Standard assets, including restructured advances classified as standard, is made in accordance with RBI guidelines. In respect of foreign branches provision for Standard Assets is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

i. Provision for net funded country exposures (Direct/Indirect) is made on a graded scale in accordance with the RBI guidelines.

5. FLOATING PROVISION:

The bank has framed a policy for creation and utilisation of floating provisions. The quantum of floating provisions to be created is assessed at the end of each financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India or on being specifically permitted by Reserve Bank of India for specific purposes. These provisions are netted off from gross NPAs to arrive at Net NPAs.

6. DEBIT/CREDIT CARDS REWARD POINTS:

Provision for reward points in relation to the debit cards is provided for on actuarial estimates and Provision for Reward Points on Credit cards is made based on the accumulated outstanding points.

7. INVESTMENTS:

a. Transactions in Government Securities are recognised on Settlement Date and all other Investments are recognised on trade date.

b. Investments are classified under 'Held to Maturity', 'Held for Trading' and 'Available for Sale' categories as per RBI guidelines. For the purpose of disclosure in the Balance Sheet in Schedule 8, (I) 'Investments in India' are classified under six categories viz. i.) Government Securities, ii.) Other Approved Securities, iii.) Shares, iv.) Debentures and Bonds, v.) Subsidiaries and Joint Ventures and vi.) Others and (II) 'Investments outside India' are classified under three categories viz. i.) Government Securities, ii.) Subsidiaries and Joint Ventures abroad and iii.) Other Investments.

A. <u>Basis of classification</u>

Classification of an investment is done at the time of its acquisition.

(i) Held to Maturity

These comprise investments that the Bank intends to hold till maturity. Investments in equity of subsidiaries, joint ventures and associates are also categorised under Held to Maturity.

Classification: Internal			

(ii) Held for Trading

These comprise investments acquired with the intention to trade by taking advantage of short term price/interest rate movements. Securities are to be sold within 90 days from the purchase date.

(iii) Available for Sale:

These comprise investments which do not fall either under "Held to Maturity" or "Held for Trading" category.

B. <u>Acquisition Cost of Investment:</u>

(i) Brokerage, commission, securities transaction tax, etc. paid on acquisition of equity investments are included in cost.

(ii) Brokerage, commission, broken period interest paid/ received on debt investments is treated as expense/income and is excluded from cost/sale consideration.

(iii) Brokerage and Commission, if any, received on subscription of investments is credited to Profit and Loss Account.

C. <u>Method of valuation:</u>

Investments in India are valued in accordance with the RBI guidelines and investments held at foreign branches are valued at lower of the value as per the statutory provisions prevailing at the respective foreign countries or as per RBI guidelines issued from time to time.

Treasury Bills and all other discounted instruments are valued at carrying cost (ie acquisition cost plus discount accrued at the rate prevailing at the time of acquisition)

(i) **Held to Maturity:**

1. Investments included in this category are carried at their acquisition cost, net of amortisation, if any. The excess of acquisition cost, if any, over the face value is amortised over the remaining period of maturity using constant yield method. Such amortisation of premium is adjusted against income under the head "interest on investments".

2. Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost except for investments in Regional Rural Banks, which are valued at carrying cost (i.e. book value). Suitable provision is made for diminution, other than of temporary nature, for each investment individually.

(ii) **Held for Trading / Available for Sale:**

1. Investments under these categories are individually valued at the market price or fair value determined as per Regulatory guidelines and only the net depreciation in each classification for each category is provided for and net appreciation is ignored. On provision for depreciation, the book value of the individual securities remains unchanged after marking to market.

For the purpose of valuation of quoted investments in "Held for Trading" and "Available for Sale" categories, the market rates / quotes on the Stock Exchanges, the rates declared by Fixed Income Money Market and Derivatives Association (FIMMDA)/ Financial Benchmark India Pvt. Ltd. (FBIL) are used. Investments for which such rates/quotes are not available are valued as per norms laid down by RBI, which are as under:

Classification	Basis of Valuation
Government Securities	on Yield to Maturity basis
Other Approved Securities	on Yield to Maturity basis
Equity Shares, PSU and Trustee shares	at break-up value as per the latest Balance Sheet (not more than 18 months old), otherwise Re.1 per company.
Preference Shares	on Yield to Maturity basis
PSU/Corporate Bonds	on Yield to Maturity basis
Units of Mutual Funds	at the latest repurchase price/NAV declared by the fund in respect of each scheme
Units of Venture Capital Funds (VCF)	declared NAV or break-up NAV as per audited financials which are not more than 18 months old. If NAV/audited financials are not available for more than 18 months then at Re. 1/- per VCF.
Security Receipts	at NAV as declared by Securitisation Companies which is not more than 6 months old.

D. Transfer of Securities between Categories:

A) HTM to AFS/HFT –

i) If the security was originally placed under the HTM category at a discount it is transferred at the acquisition price / book value. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

ii) If the security was originally placed in the HTM category at a premium, it is transferred to the AFS / HFT category at the amortised cost. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

B) AFS/HFT TO HTM- Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In cases where the market value is higher than the book value at the time of transfer, the appreciation is ignored. In cases where the market value is less than the book value, the provision against depreciation held against this security is adjusted to reduce the book value to the market value and the security is transferred at the market value.

C) AFS TO HFT AND VICE-VERSA - In the case of transfer of securities from AFS to HFT category or vice-versa, the securities are not re-valued on the date of transfer and the provisions for the accumulated depreciation, if any, held are transferred to the provisions for depreciation against the HFT securities and vice-versa.

E. Non-performing Investments (NPIs) and valuation thereof:

(i) Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in case of domestic offices and respective regulators in case of foreign offices.

(ii) In respect of non-performing investments, income is not recognised and provision is made for depreciation in value of such securities as per RBI guidelines.

(iii) Matured NPIs are shown under 'Other Assets' Schedule11 (Net of Provision).

F. Repo / Reverse Repo:

The securities sold and purchased under Repo/ Reverse repo are accounted as Collateralised lending and borrowing transactions. However, securities are transferred as in case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo Account is classified as Borrowings and balance in Reverse Repo account is classified as Balance with Banks and Money at Call & Short Notice in the Balance sheet.

Classification: Internal बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र. का. वित्त विभाग FINANCE DEPT	V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS	LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS	MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

G. Investment in Security Receipts (SRs) backed by assets:-

In terms of RBI guidelines issued vide circular no RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021, the bank has revised valuation methodology in respect of SRs under securitization,

a) Investments by banks in SRs / PTCs / other securities issued by ARCs shall be valued periodically by reckoning the Net Asset Value (NAV) declared by the ARC based on the recovery ratings received for such instruments.

Provided that when bank invest in the SRs/PTCs issued by ARCs in respect of the stressed loans transferred by them to the ARC, the bank shall carry the investment in their books on an ongoing basis, until its transfer or realization, at lower of the redemption value of SRs arrived based on the NAV as above, and the NBV of the transferred stressed loan at the time of bank.

Provided further that when the investment by bank in SRs backed by stressed loans transferred by it, is more than 10 percent of all SRs backed by its transferred loans and issued under that securitisation, the valuation of such SRs by the bank will be additionally subject to a floor of face value of the SRs reduced by the provisioning rate as applicable to the underlying loans, had the loans continued in the books of the bank.

b) SRs/PTCs which are not redeemed as at the end of the resolution period (i.e., five years or eight years as the case may be) shall be treated as loss asset in books of the bank and fully provided for.

c). The valuation, classification and other norms applicable to investment in non-SLR instruments prescribed by RBI from time to time shall be applicable to bank investment in debentures/ bonds/ SRs /PTCs issued by ARC. However, if any of the above instruments issued by ARC is limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the bank shall reckon the NAV obtained from ARC from time to time, for valuation of such investments.

8. DERIVATIVES:

The Bank presently deals in Forex Forward Contracts, interest rate, and currency derivatives. The interest rate derivatives dealt with by the Bank are Rupee Interest Rate Swaps, Foreign Currency Interest Rate Swaps, Forward Rate Agreements and Interest Rate Futures. Currency Derivatives dealt with by the Bank are Options, Currency Swaps and Currency Futures. Based on RBI guidelines, Derivatives are valued as under:

a. The hedge/non hedge (market making) transactions are recorded separately.

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b. Income/expenditure on hedging derivatives are accounted on accrual basis.

c. Forex forward contracts are marked to market and the resultant gains and losses are recognized in the profit and loss account

d. MTM appreciation/ depreciation of hedging derivative is first set off with the depreciation / appreciation of the corresponding underlying and the resultant depreciation is recognized. Resultant appreciation, if any, is ignored.

e. Interest Rate Derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit & Loss account. Net Profit if any, is ignored.

f. Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

g. Gains/ losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

h. Option fees/premium is amortised over the tenor of the option contract.

9. PROPERTY, PLANT & EQUIPMENT:

a. Fixed assets are stated at historic cost, except in the case of assets which have been revalued, which are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve.

b. Cost includes cost of purchase and all expenditure such as site preparation, installation costs, professional fees, etc. incurred on the asset before it is ready to use or capable of ready to use. Subsequent expenditure incurred on assets ready to use is capitalised only when it increases the future benefits from such assets or their functioning capability.

c. 5% residual value has been kept for all the assets except for the assets with estimated useful life less than 5 Years (eg. Mobile Phones, Computers and Computer Software forming integral part of hardware), where the entire cost of the assets is amortised over the useful life.

d. The rates of depreciation and method of charging depreciation is given below:

Sr. No.	Particulars	Rate of Depreciation	Estimated useful life as determined by the Bank	Method of charging depreciation
1	**Land & Building:**			
1.a.	Land (Freehold)	NIL		
1.b.	Leasehold Land		Lease premium is amortised over the period of lease	
1.c.	Building (including cost of land if not ascertained separately)	1.58%	60 Years	Straight Line
2.	**Other Fixed Assets:-**			
a.	Furniture, Fixtures, Electrical fittings and Equipment's	9.50%	10 Years	Straight Line
b.	Electrical Fitting and Equipment's	9.50%	10 Years	Straight Line
c.	Air-conditioning plants, etc. and business machines	6.33%	15 Years	Straight Line
d.	Motor cars, Vans & Motor cycles	11.88%	8 Years	Straight Line
e.	Cycle	20.00%	5 Years	Straight Line
f.	Mobile phones	33.33%	3 Years	Straight Line
g.	Computers and Computer Software forming integral part of hardware	33.33%	3 Years	Straight Line
h.	Servers	20%	5 Years	Straight Line
i.	Computer Software, which do not form integral part of computer hardware	20%	5 Years	Straight Line

e. In respect of additions/sale during the year, depreciation is provided on proportionate basis for the number of days the assets have been ready to use during the year.

f. The revalued portion is depreciated over the balance useful life of the assets as assessed at the time of revaluation. Such depreciation is charged to Profit & loss and equivalent amount is transferred from Revaluation Reserve to Revenue Reserve.

g. Depreciation on fixed assets outside India is provided on Straight Line Method, except at the centres where different rates/method have been prescribed by the local statutory authorities.

Classification: Internal

10. TRANSACTION INVOLVING FOREIGN EXCHANGE:

Transactions involving foreign exchange are accounted for in accordance with AS 11, "The Effect of Changes in Foreign Exchange Rates" read with extant RBI guidelines:

A. Translation in respect of Integral Foreign operations: Foreign currency transactions of Indian branches have been classified as integral foreign operations and foreign currency transactions of such operations are translated as under:

i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount, the daily closing rate as available from Cogencis/ Reuter's page on date of the transaction.

ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing spot rates.

iii. Foreign currency non-monetary items, which are carried in terms of historical cost, are reported using the exchange rate at the date of the transaction.

iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting notional profit or loss is recognised in the Profit and Loss account.

vi. Outstanding Foreign exchange forward contracts which are not intended for trading are valued at the closing spot rate as advised by FEDAI. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii. Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss account.

B. Translation in respect of Non-Integral Foreign operations: Transactions and balances of foreign branches are classified as non-integral foreign operations and their financial statements are translated as follows:

i. Assets and Liabilities (monetary and non-monetary as well as contingent liabilities) are translated at the closing rates notified by FEDAI.

ii. Income and expenses are translated at the quarterly average closing rates notified by FEDAI.

iii. All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments by the bank in the respective foreign branches.

iv. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country.

11. EMPLOYEE BENEFITS:

A. Short Term Employee Benefits:
The undiscounted amount of short-term employee benefits, such as medical benefits etc. which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

B. Long Term Employee Benefits:

a. Defined Benefit Plan:-

i.) Gratuity:
The Bank provides gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to a maximum prescribed as per The Payment of Gratuity Act, 1972 or Bank of India Gratuity Fund Rules,1975, whichever is higher. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by trustees based on an independent actuarial valuation carried out quarterly.

ii.) Pension:
The Bank provides pension to all eligible employees. The benefit is in the form of monthly payments as per rules and payments to vested employees on retirement, on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the pension fund at 10% of pay in terms of Bank of India Pension Regulations, 1995. The pension liability is reckoned based on an independent actuarial valuation carried out quarterly and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

Classification: Internal

b. **Defined Contribution Plan:**

i.) Provident Fund:

The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a trust established for this purpose and are charged to Profit and Loss Account. The bank recognises such annual contributions as an expense in the year to which it relates.

ii.) Pension:

All Employees of the bank, who have joined from 1st April, 2010 are eligible for contributory pension. Such employees contribute monthly at a predetermined rate to the pension scheme. The bank also contributes monthly at a predetermined rate to the said pension scheme. Bank recognises its contribution to such scheme as expenses in the year to which it relates. The contributions are remitted to National Pension System Trust. The obligation of bank is limited to such predetermined contribution.

C. Other Long term Employee Benefit:

All eligible employees are entitled to the following-

i.) Leave encashment benefit, which is a defined benefit obligation, is provided for on the basis of an actuarial valuation in accordance with AS 15 - Employee Benefits.

ii.) Other employee benefits such as Leave Fare Concession, Milestone award, resettlement benefits, Sick leave etc. which are defined benefit obligations are provided for on the basis of an actuarial valuation in accordance with AS 15 - Employee Benefits.

iii.) In respect of overseas branches and offices, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

12. SEGMENT REPORTING:

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

13. EARNINGS PER SHARE:

Basic and Diluted earnings per equity share are reported in accordance with AS 20 "Earnings per share". Basic earnings per equity share are computed by dividing net

Classification: Internal

profit after tax by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the period.

14. TAXES ON INCOME:

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - "Accounting for Taxes on Income" respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions.

Deferred Tax adjustments comprise changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable income.

15. IMPAIRMENT OF ASSETS:

"Impairment losses, if any on Fixed Assets (including revalued assets) are recognised and charged to Profit and Loss account in accordance with AS 28 "Impairment of Assets". However, an impairment loss on a revalued asset is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset."

16. PROVISIONS, CONTINGENT LIABLITIES AND CONTINGENT ASSETS:

As per AS 29 "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be

Classification: Internal

required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

Contingent Assets are not recognised in the financial statements.

17. SHARE ISSUE EXPENSES:

Share issue expenses are charged to Share Premium Account in the year of issue of shares.

SCHEDULE 18

All figures are in ₹ crore unless specifically stated, figures in brackets relate to previous year.

NOTES FORMING PART OF ACCOUNTS

The following information is disclosed in terms of guidelines issued by RBI:

1. Capital (As per BASEL-III):

(a) Composition of Regulatory Capital:

Sr. No.	Particulars	31.03.2022	31.03.2021
i)	Common Equity Tier 1 capital (CET 1)	44,347.01	34,689.55
ii)	Additional Tier 1 capital	1,352.00	1,352.00
iii)	Tier 1 capital (i + ii)	45,699.01	36,041.55
iv)	Tier 2 capital	8,205.57	8,948.64
v)	Total capital (Tier 1+Tier 2)	53,904.58	44,990.19
vi)	Total Risk Weighted Assets (RWAs)	3,16,395	3,01,305
vii)	Common Equity Tier 1 Capital ratio (CET1) (%)	14.02%	11.51%
viii)	Tier I Capital ratio (%)	14.44%	11.96%
ix)	Tier II Capital ratio (%)	2.59%	2.97%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	17.04%	14.93%
xi)	Leverage Ratio	5.90%	4.74%
xii)	Percentage of the shareholding of Government of India	81.41%	89.10%
xiii)	Amount of paid up equity capital raised during the year	* 5,550.01	0.00
xiv)	Share application money pending for allotment	0.00	3,000.00*
xv)	Amount of non-equity Tier 1 capital raised during the year, *of which:*		
	a) Basel III compliant Perpetual Non-Cumulative Preference Shares	0.00	0.00
	b) Basel III complaint Perpetual Additional Tier-I Debt Instruments (Series VI & VII)	0.00	1,352.00
xvi)	Amount of Tier 2 capital raised during the year, *of which*		

Sr. No.	Particulars	31.03.2022	31.03.2021
	a) Perpetual Cumulative Preference Shares	0.00	0.00
	b) Basel III Compliant redeemable Tier-II Bond	1,800.00	0.00

*Includes ₹ 3,000 received from Government of India on March 31, 2021 towards preferential allotment of equity shares for which the Bank has issued and allotted 42,11,70,854 equity shares of ₹ 10 each fully paid up at an issue price of ₹ 71.23 per share on June 11, 2021. In terms of RBI communication reference no. DOR.CAP.S82/21.01/002/ 2021-22 dated April 30, 2021, the share application money of ₹ 3,000 has been considered for computation of CET 1 capital as on March 31, 2021.

The Bank has raised Equity Share Capital of ₹ 2,550.01 through Qualified Institutional Placement on August 31, 2021. The Bank has issued and allotted 40,54,71,866 equity shares of face value ₹ 10 each at a premium of ₹ 52.89 per share to the investors.

Pursuant to RBI Circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated March 1, 2016, the Bank has considered revaluation reserve, foreign currency translation reserve and deferred tax assets in calculation of Capital Adequacy Ratios as on March 31, 2022.

Details of outstanding Additional Tier 1 (AT-1) bonds raised to augment Tier-1 Capital are as under:-

Raised during the year	**Nature**	**Amount**	**Reckoned for the purpose of CRAR computation (Basel III)**
2020-21	Additional Tier 1	1,352.00	1,352.00
	Total	**1,352.00**	**1,352.00**

Details of outstanding Tier-II Instruments raised to augment Tier -II capital are as under:

Raised during the year	**Nature**	**Amount**	**Reckoned for the purpose of CRAR computation (Basel III)**
2013-14	Tier-II	1,500.00	300.00
2015-16	Tier-II	3,000.00	1,800.00
2021-22	Tier-II	1,800.00	1,800.00
	Total	**6,300.00**	**3,900.00**

During the year ended 31st march, 2022, the Bank has redeemed Tier – II Bonds Series XIII amounting to ₹ 1,500 by exercising call option on July 7, 2021. The Bank has also redeemed Tier-II Bonds Series XIV amounting to ₹ 1,000 by exercising call option on March 25, 2022. Further, Bank has raised Tier II Bonds Series XV amounting to ₹ 1,800 on September 30, 2021.

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.	V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS	LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS	MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

(b) Draw down from Reserves

During the year ended March 31, 2022, as per RBI Circular DBR.No.BP.BC.92/21.04.048/2015-16 dated April 18, 2016, the Bank has opted to provide the liability towards fraud declared during the quarter ended 31.03.2022, amounting to ₹ 273.99 over a period of four quarters. Accordingly, an amount of ₹ 68.50 has been charged to Profit & Loss account during the quarter ended 31.03.2022 and the remaining unamortised amount of ₹ 205.49 has been debited to "Other Reserves" and will be amortised in the next financial year.

2. **Asset Liability Management**

(a) **Maturity pattern of certain items of assets and liabilities as on 31st March, 2022**

Details	Day 1	2to 7 days	8 to 14 days	15 to 30 Days	31 Days to 2 months	Over 2 months and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and uptc 3 years	Over 3 years and up to 5years	Over 5 years	TOTAL (1 TO 10)
Deposits	15,778.19	25,256.04	14,681.74	16,177.77	28,355.06	24,764.49	27,677.63	27,107.98	1,40,429.91	1,10,530.66	1,97,136.49	6,27,895.96
	(17,083.61)	(26,879.61)	(14,132.55)	(20,450.70)	(17,701.00)	(23,213.67)	(22,093.67)	(16,050.26)	(1,53,562.56)	(1,05,156.51)	(2,10,789.43)	(6,27,113.56)
Advances	11,781.62	4,498.53	4,830.48	7,301.23	10,805.37	8,012.25	14,073.59	18,277.18	1,71,230.15	51,766.34	1,18,265.05	4,20,841.79
	(17,301.50)	(6,654.55)	(6,901.82)	(6,513.82)	(6,657.11)	(9,362.30)	(11,523.67)	(18,142.69)	(1,59,972.93)	(34,387.93)	(88,268.22)	(3,65,686.52)
Investments	250.24	2,883.23	1,460.81	1,775.55	3,107.11	6,478.85	13,115.29	4,252.39	10,360.06	20,017.10	1,10,747.78	1,74,448.41
	(129.53)	(618.01)	(469.84)	(279.77)	(41.41)	(815.59)	(10,891.04)	(7,603.22)	(24,775.16)	(18,780.34)	(1,22,848.95)	(1,87,252.85)
Borrowings	1,157.55	10,198.07	0.00	2.14	0.00	557.03	0.00	4,501.58	4,192.00	6,152.00	0.00	26,760.37
	(5.81)	(16,494.36)	(154.54)	(154.54)	(87.06)	(0.00)	(0.00)	(463.62)	(8,252.18)	(3,000.00)	(3,852.00)	(32,464.11)
Foreign Currency Assets	1,880.39	2,375.27	1,669.62	21,949.17	10,559.67	21,334.74	11,396.46	12,448.23	25,450.21	15,950.10	8,332.83	1,33,346.70
	(3,639.63)	(11,756.73)	(1,540.71)	(8,453.90)	(4,441.37)	(8,698.81)	(6,838.28)	(7,831.55)	(14,422.27)	(7,540.31)	(12,171.47)	(87,335.03)
Foreign Currency Liabilities	4,772.88	12,840.33	2,907.49	4,392.19	13,883.90	9,194.81	11,943.11	7,847.08	12,845.90	6,021.09	154.30	86,803.09
	(5,957.14)	(15,181.40)	(3,897.11)	(8,855.61)	(19,225.60)	(18,761.41)	(23,801.82)	(10,906.35)	(9,111.30)	(654.29)	(482.01)	(1,16,834.03)

(b) Liquidity Coverage Ratio: As compiled by the management

Quantitative Disclosure:

		FY 2021-22*		FY 2020-21*	
	AMOUNT IN RS CRS	Total Unweighted Value (average) @	Total Weighted Value(average) @	Total Unweighted Value (average) @	Total Weighted Value(average) @
HIGH QUALITY LIQUID ASSETS					
1	Total High Quality Assets(HQLA)		152,978.82		142,882.62
CASH OUTFLOW					
2	Retail deposits and deposits from small business customers, of which:	481,892.84	42,040.18	422,053.05	38,301.74
(i)	Stable deposits	122,982.07	6,149.10	77,198.78	3,814.62
(ii)	Less stable deposits	358,910.77	35,891.08	344,854.27	34,487.12
3	Unsecured wholesale funding of which:	79,063.20	43,190.90	78,645.06	42,663.37
(i)	Operational deposits (all counterparties)	179.42	44.85	70.41	17.62
(ii)	Non -operational deposits (all counterparties)	59,562.89	23,825.16	59,026.50	23,501.40
(iii)	unsecured debts	19,320.89	19,320.89	19,548.15	19,144.35
4	Secured wholesale funding		9.47		78.51
5	Additional requirements, of which	23,506.27	7,852.73	22,320.24	7,081.92
(i)	Outflows related to derivative exposures and other collateral requirement	3,133.31	3,133.31	3,057.01	3,046.87
(ii)	Outflows related to loss of funding on debt products	-	-	228.50	91.40
(iii)	Credit and liquidity facilities	20,372.95	4,719.42	19,034.72	3,943.65
6	Other contractual funding obligations	19,509.66	19,509.66	14,596.73	14,534.23
7	Other contingent funding obligations	37,416.21	1,125.66	33,118.98	1,050.29
8	TOTAL CASH OUTFLOWS		113,728.60		103,710.05
CASH INFLOW					
9	Secured lending(e.g. reverse repos)	9,036.03	6,766.98	10,992.44	8,867.75
10	Inflows from fully performing exposurs	29,487.00	20,462.70	23,154.33	15,306.84
11	Other cash inflows	15,390.67	14,621.87	18,424.21	17,353.96
12	TOTAL CASH INFLOWS	53,913.71	41,851.55	52,570.98	41,528.56
21	TOTAL HQLA		152,978.82		142,882.62
22	TOTAL NET CASH OUTFLOWS		71,877.05		62,181.50
23	LIQUIDITY COVERAGE RATIO(%)		212.83		229.78

Note:-

*On consolidated basis (including domestic operations , overseas centres and overseas subsidiaries)

@ Disclosure as on 31.03.2022 as well as 31.03.2021 has been done by taking simple averages of daily observations over previous 4 quarters (i.e. average for the FY 2020-21 & FY 2021-22). This is as per RBI guidelines ref. no. DBR.No.BP.BC.80 /21.06.201/2014-15 dated March 31, 2015.

Qualitative disclosures with regard to LCR

W.e.f. 1st January 2015, the Bank has implemented guidelines on Liquidity Coverage Ratio (LCR) as directed by Reserve Bank of India.

The LCR standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until next 30 calendar days under a severe liquidity stress scenario.

$$\text{LCR} = \frac{\text{High Quality Liquid Assets (HQLA)}}{\text{Total net cash outflows over the next 30 calendar days}}$$

Here,

- HQLA comprises of level 1 and level 2 assets, in other words these are cash or near to cash items which can be easily used / discounted in the market in case of need.
- Net cash outflows are excess of total inflows over total outflows under stressed situation as defined by Basel / RBI. While arriving at the net cash outflow, the inflows are taken with pre-defined hair-cuts and the outflows are taken at pre-defined run-off factors.
- In case stressed inflows are more than the stressed outflows, 25% of total outflows shall be taken as total net cash outflows to arrive at the LCR.
- With effect from 01.01.2015, Banks are required to maintain minimum 60% LCR on an ongoing basis. The same shall reach 100% as on 01.01.2019 with incremental increase of 10% each year.

	01.01.2015	01.01.2016	01.01.2017	01.01.2018	01.01.2019	01.04.2020	01.10.2020
Minimum LCR	60%	70%	80%	90%	100%	80%	90%

However , in order to accommodate the burden on bank's cash flow on account of Covid 19 pandemic , RBI vide circular no DOR.BP.BC.No.65/21.04.098/2019-20, dated April 17,2020 permitted Banks to maintain LCR as under:

From date of Circular to September 30, 2020	80%
Oct 1, 2020 to March 31, 2021	90%
April 1, 2021 onwards	100%

Main Drivers of LCR: The main drivers of the LCR are adequacy of High Quality Liquid Assets (HQLA) and lower net cash outflow on account of higher funding sources from retail customers. Sufficient stock of HQLA helped the Bank to maintain adequate LCR.

Composition of HQLA: The composition of High Quality Liquid Assets (HQLA) mainly consists of cash balances, excess SLR, excess CRR and FALLCR (Facility to Avail Liquidity for Liquidity Coverage Ratio).

The composition of HQLA as on date of disclosure is given below:

Cash in hand	2.00%
Excess CRR balance	7.48%
Government securities in excess of minimum SLR Requirement	19.02%
Government securities within the mandatory SLR Requirement, to the extent allowed by RBI under MSF including FALLCR (presently to the extent of 15 percent of NDTL as allowed for MSF)	10.14%
Marketable securities issued or guaranteed by foreign sovereigns having 0% risk weight under Basel II standardized approach and other securities adjustments on account of Repo/Reverse Repo transactions	3.97%
Facility to Avail Liquidity for Liquidity Coverage Ratio	54.97%
Level 2 Assets	2.42%

Concentration of funding sources: Majority of Bank's funding sources are from retail customers (about 60%) therefore the stressed outflows are comparatively lower. However, in absence of any non-callable option for term deposits, the Bank has considered almost all deposits under outflow section as per RBI guidelines. Bank also does not have funding concentration from any significant counterparty. A significant counterparty is defined as a single counterparty or group of connected or affiliated counter parties accounting in aggregate for more than 1% of the bank's total liabilities.

Derivative Exposures and potential collateral calls: Bank has very little exposure in derivative business which is not very significant.

Currency mismatch in the LCR: In terms of RBI guidelines, a significant currency is one where aggregate liabilities denominated in that currency amount to 5 per cent or more of the bank's total liabilities.

Description of the degree of centralization of liquidity management and interaction between the group's units: The liquidity management of the Bank at enterprise level is a Board level function and a separate sub-committee of the Board (R.Com.) keeps close watch on that. The periodical monitoring of the liquidity management is being monitored by the

ALCO on regular intervals. The entire liquidity management process of the Bank is being governed by ALM Policy of the Bank.

The liquidity management for domestic operations is the central function, being managed at Head Office level. The overseas liquidity management is being handled at each centre, jurisdiction wise to keep close monitoring and control and also to comply with the local regulatory requirements as well. International Division of the Bank keeps watch on the overseas liquidity position and the overall liquidity monitoring is done at Head Office level centrally.

(c) Net Stable Funding Ratio

	Rs. (in crore)	Unweighted value by residual maturity				Weighted value
		No maturity#	< 6 months	6 months to < 1 yr	≥ 1 yr	
ASF Item						
1	Capital (2+3)	0	0	0	60,862	60,862
2	Regulatory Capital	0	0	0	60,862	60,862
3	*Other Capital Instruments*	0	0	0	0	0
4	Retail Deposits and deposits from small business customers: (5+6)	220,660	55,280	21,318	253,284	524,537
5	*Stable Deposits*	55,258	13,843	5,339	63,428	134,146
6	*Less Stable Deposits*	165,402	41,436	15,980	189,856	390,392
7	Wholesale Funding (8+9)	31,004	13,317	2,995	39,299	62,958
8	*Operational Deposits*	77	19	7	89	141
9	*Other wholesale funding*	30,927	13,298	2,988	39,210	62,817
10	Other Liabilities: (11+12)	0	15,753	26,646	0	0
11	*NSFR Derivative Liabilities*		0	0	0	
12	*All other liabilities and equity not included in the above categories*	0	15,753	26,646	0	0
13	Total ASF (1+4+7+10)					648,357
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					7,988
15	Deposits held at other financial institutions for operational purposes	0	2,660	0	25	1,342
16	Performing Loans and securities (17+18+19+21+23)	0	180,252	10,929	195,253	277,368
17	Performing loans to financial institutions secured by Level 1 HQLA	0	0	0	0	0
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	6,666	2,629	46,973	49,288
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0	170,623	6,970	124,522	210,491
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	170,623	6,970	124,522	210,491
21	Performing residential mortgages, of which:		2,962	1,330	23,759	17,589
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	2,962	1,330	23,759	17,589
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0	0	0	0	
24	Other assets: (sum of rows 25 to 29)	35,960	94,150	14,832	90,143	150,064
25	Physical traded commodities, including gold					
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	0	0	0	0	0
27	NSFR derivative assets	0	15627	0	0	15,627
28	NSFR derivative liabilities before deduction of variation margin posted	0	236	0	0	236
29	All other assets not included in the above categories	35960	78,286	14,832	90,143	134,200
30	Off-balance sheet items		79,782	0	0	3,139
31	Total RSF (14+15+16+24+30)					439,901
32	Net Stable Funding Ratio (%)					147.39%

\# Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

The objective of the Net Stable Funding Ratio (NSFR) is to promote the resilience of bank's liquidity risk profiles and to incentivize a more resilient banking sector over a longer time horizon. The NSFR will require banks to maintain a stable funding profile in the form of Capital & liabilities in relation to the composition of their assets and off-balance sheet activities.

NSFR is defined as the amount of available stable funding relative to the amount of required stable funding.

$$NSFR = \frac{Available\ Amount\ of\ Stable\ Funding\ (ASF)}{Required\ Amount\ of\ Stable\ Funding\ (RSF)} \geq 100\%$$

RBI issued the regulations on the implementation of the Net Stable Funding Ratio in May 2018 with minimum requirement of equal to at least 100%. The implementation is effective from 1st October, 2021. NSFR is applicable to Bank's domestic operations as well as overseas operations and computed at standalone and consolidated level.

Available Stable Funding (ASF) is defined as the portion of capital and liabilities expected to be reliable which is determined by various factor weights according to the nature and maturity of liabilities with liabilities having maturity of 1 year or more receiving 100 weight.

Required Stable Funding (RSF) is defined as the portion of on balance sheet and off-balance sheet exposures which requires to be funded on an ongoing basis. The amount of such stable funding required is a function of the liquidity characteristics and residual maturities of the various assets held.

Brief about NSFR of the Bank

The main drivers of the Available Stable Funding (ASF) are the capital base, retail deposit base, and funding from non-financial companies and long-term funding from institutional clients. The capital base formed around 9%, retail deposits (including deposits from small sized business customers) formed 81% and wholesale funding formed 10% of the total Available Stable Funding, after applying the relevant weights.

The Required Stable Funding primarily comprised lending to corporates, retail clients and financial institutions which constituted 68% of the total RSF after applying the relevant weights. The stock of High-Quality Liquid Assets which majorly includes cash and reserve balances with the RBI, government debt issuances attracted no or low amount of stable funding due to their high quality and liquid characteristic. Accordingly, the HQLA constituted only 2% of the Required Stable Funding after applying the relevant weights. Other assets and Contingent funding obligations, such as committed credit facilities, guarantees and letters of credit constituted 32% of the Required Stable Funding.

Bank has maintained comfortable stable funding buffers with Available Stable Funding at consolidated level of ₹ 6,48,357 against ₹ 4,39,901 of Required Stable Funding, resulting in a consolidated NSFR of 147.39% as on 31st March, 2022.

3. Investments

(a) Composition of Investment Portfolio

Investments as at 31.03.2022

	Investments in India							Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	1,26,901.15	0.00	1.11	4,490.60	894.91	48.97	1,32,336.73	0.00	944.13	0.00	944.13	1,33,280.86
Less: Provision for nonperforming	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.87	0.00	1.87	1.87
Net	1,26,901.15	0.00	1.11	4,490.60	894.91	48.97	1,32,336.73	0.00	942.26	0.00	942.26	1,33,278.99
Available for Sale												
Gross	26,363.38	0.00	2,596.44	6,822.02	0.00	2,722.50	38,504.33	6,637.30	0.00	1,612.07	8,249.37	46,753.70
Less: Provision for depreciation and NPI	0.00	0.00	1,667.51	546.70	0.00	0.00	2,214.21	53.27	0.00	42.87	96.14	2,310.35
Net	26,363.38	0.00	928.93	6,275.32	0.00	2,722.50	36,290.12	6,584.03	0.00	1,569.20	8,153.23	44,443.35
Held for Trading												
Gross	(-)375.07	0.00	1.02	0.00	0.00	0.00	-374.06	0.00	0.00	0.00	0.00	(-)374.06
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	(-)375.07	0.00	0.00	0.00	0.00	0.00	-375.07	0.00	0.00	0.00	0.00	(-)375.07
Total Investments	1,52,889.46	0.00	2,598.56	11,312.62	894.91	2,771.46	1,70,467.01	6,637.30	944.13	1,612.07	9,193.50	1,79,660.51
Less: Provision for nonperforming	0.00	0.00	1,667.51	546.70	0.00	0.00	2,214.21	0.00	1.87	0.00	1.87	2,216.08
Less: Provision for depreciation and NPI	141.93	0.00	82.37	574.94	23.36	2,077.28	2,899.88	53.27	0.00	42.87	96.14	2,996.02
Net	1,52,747.53	0.00	848.68	10,190.98	871.55	694.18	1,65,352.92	6,584.03	942.26	1,569.20	9,095.49	1,74,448.41

Investments as at 31.03.2021

	Investments in India							Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	1,25,625.49	0.00	1.11	5,872.15	590.51	36.28	1,32,125.54	0.00	944.13	0.00	944.13	1,33,069.67
Less: Provision for non-performing	0.00	0.00	0.00	7.68	0.00	0.00	7.68	0.00	1.87	0.00	1.87	9.55
Net	1,25,625.49	0.00	1.11	5,864.47	590.51	36.28	1,32,117.86	0.00	942.26	0.00	942.26	1,33,060.12
Available for Sale												
Gross	40,242.01	0.00	2,508.11	7,248.61	0.00	2,804.05	52,802.78	4,122.33	0.00	1,732.42	5,854.75	58,657.53
Less: Provision for depreciation and NPI	0.00	0.00	1,636.36	354.32	0.00	0.00	1,990.68	14.26	0.00	6.37	20.63	2,011.31
Net	40,242.01	0.00	871.75	6,894.29	0.00	2,804.05	50,812.10	4,108.07	0.00	1,726.05	5,834.12	56,646.22
Held for Trading												
Gross	-23.91	0.00	28.13	0.00	0.00	0.00	4.22	0.00	0.00	0.00	0.00	4.22
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	-23.91	0.00	28.13	0.00	0.00	0.00	4.22	0.00	0.00	0.00	0.00	4.22
Total Investments	1,65,843.59	0.00	2,537.35	13,120.76	590.51	2,840.33	1,84,932.54	4,122.33	944.13	1,732.42	6,798.88	1,91,731.42
Less: Provision for non-performing	0.00	0.00	1,636.36	362.00	0.00	0.00	1,998.36	0.00	1.87	0.00	1.87	2,000.23
Less: Provision for depreciation and NPI	206.27	0.00	143.00	112.44	40.77	1,955.23	2,457.71	14.26	0.00	6.37	20.63	2,478.34
Net	1,65,637.32	0.00	757.99	12,646.32	549.74	885.10	1,80,476.47	4,108.07	942.26	1,726.05	6,776.38	1,87,252.85

(i) Government Securities (Face Value) amounting to ₹ 24,555.27 (previous year ₹ 36,705.27) are kept as margin with RBI, CCIL, Clearing House and Exchange towards margin/security settlement.

(ii) During the year ended March 31, 2022 Bank has acquired additional stake of 47.71% (for ₹ 7.79) in 'BOI Star Investment Managers Private Limited' (formerly known as BOI AXA Investment Managers Private Limited) and 49.00% (for ₹ Nil) in 'BOI Star Trustee Services Private Limited' (formerly known as BOI AXA Trustee Services Private Limited). Consequently, these subsidiaries have become wholly owned subsidiaries of the Bank.

(iii) Bank has infused capital (pending allotment) of ₹ 530.65 in one of its existing overseas subsidiary, namely PT Bank of Indonesia TBK.

(iv) Bank has infused additional proportionate capital in FY 2021-22 in the following associate Regional Rural Banks:

a. ₹296.60 in Madhya Pradesh Gramin Bank

b. ₹270.24 in Vidharbha Konkan Gramin Bank (pending allotment)

c. ₹54.60 in Aryavrat Bank (pending allotment)

(b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

Particulars	As at 31.03.2022	As at 31.03.2021
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	4,478.58	3,609.51
b) Add: Provisions made during the year	1,300.52	1,086.35
c) Less: Write off / write back of excess provisions during the year	567.80	217.69
d) Add/(Less): Adjustments on account of exchange difference	0.81	0.41
e) Closing balance	5,212.11	4,478.58
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	673.80	0.00
b) Add: Amount transferred during the year	253.79	673.80
c) Less: Drawdown	0.00	0.00
d) Closing balance	927.59	673.80
iii) Closing balance in IFR as a percentage of closing balance of investments[13] in AFS and HFT/Current category	2.00%	1.15%

CLASSIFICATION:

SUB-CLASSIFICATION:

(c) Sale and transfers to/from HTM category during the financial year 2021-22:

The total value of sale and transfers of securities from HTM category during April 1, 2021 to March 31, 2022 has not exceeded 5% of the book value of investments held in HTM category as on March 31, 2021. The 5 per cent threshold referred to above will exclude:

(a) The one-time transfer of securities to/from HTM category with the approval of Board of Director permitted to be undertaken by banks at the beginning of the accounting year.

(b) Sale to the Reserve Bank of India under pre-announced OMO auctions.

(c) Repurchase of Government Securities by Government of India from banks.

(d) Sale of securities or transfer to AFS/HFT consequent to the reduction of ceiling on SLR securities under HTM, in addition to the shifting permitted at the beginning of the accounting year.

Sale of Securities from HTM during FY 2021-22 (Other than one time Shifting & sale under OMO)	4,797.50	Sale in % (<5%) =4.43%
Securities held in HTM Category as on 31.03.2021	1,08,370.68	

(d) Non-SLR investment portfolio

i. Non-performing non-SLR investments

Sr. No.	Particulars	2021-22	2020-21
(a)	Opening balance	2,975.61	2,268.59
(b)	Additions during the year since 1st April	490.39	783.34
(c)	Reductions during the above period	738.22	67.20
(d)	Exchange difference	11.87	(-)9.12
(e)	Closing balance	**2,739.65**	**2,975.61**
(f)	Total provisions held	2,727.73	2,455.80

ii. Issuer Composition of non-SLR Investments

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities*	Extent of 'Unrated' Securities*	Extent of 'Un-listed' Securities*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	PSUs	2281.92	1737.35	0.00	586.96	0.00
		(2,561.83)	(1,944.05)	(0.00)	(616.25)	(0.00)
ii.	FIs	1448.30	1344.16	0.00	0.00	0.00
		(2,593.84)	(2,593.84)	(0.00)	(0.00)	(337.40)
iii.	Banks	1159.94	365.60	0.00	0.00	0.00
		(520.29)	(340.00)	(0.00)	(0.00)	(0.00)
iv.	Private Corporates	5332.71	4225.36	1426.40	56.35	0.00
		(4,216.25)	(3,206.52)	(1,590.56)	(56.35)	(12.40)
v.	Subsidiaries/ Joint Ventures#	1839.03	1839.03	0.00	0.00	0.00
		(1,534.64)	(0.00)	(0.00)	(0.00)	(0.00)
vi.	Others $	40338.03	33736.74	0.00	0.00	108.40
		(39,187.52)	(31,104.19)	(0.00)	(0.00)	(0.00)
	Total	52,399.93	43248.24	1426.4	643.31	108.40
		(50,614.37)	(39,188.60)	(1,590.56)	(672.60)	(349.80)
vii.	Less: Provision held towards Depreciation	5070.17	0.00	0.00	0.00	0.00
		(4,272.31)	(0.00)	(0.00)	(0.00)	(0.00)
	Net	47329.76	43248.24	1426.40	643.31	108.40
		(46,342.06)	(39,188.60)	(1,590.56)	(672.60)	(349.80)

* Investment in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central Govt. Securities, Security Receipts, etc. are not segregated under these categories as these are exempt from rating/listing guidelines.

Investment in Subsidiaries/Joint Ventures/Associates have not been segregated into various categories as these are not covered under relevant RBI guidelines.

$ includes investment in GOI Non-SLR re-capitalisation bonds of ₹ 24,699 (previous year ₹ 24,699)

iii. Repo Transactions (in face value terms) undertaken during the year:

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2021
Securities sold under repo:				
i) Government Securities	0.00 (0.00)	3,574.36 (19,307.26)	3,519.30 (7,119.86)	3,519.00 (3,519.00)
ii) Corporate Debt Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Securities purchased under reverse repo:				
i) Government Securities	0.00 (0.00)	23,622.00 (41,612.00)	7,741.99 (7,607.89)	4,500.00 (9,500.00)
ii) Corporate Debt Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

(e) Matured NPI (included in Schedule 11 'Other Assets'):

(i) Value of Investments:

Particular	2021-22	2020-21
(i) Gross Value of Investments	**1,413.98**	1246.38
(a) In India	902.33	790.81
(b) Outside India	511.65	455.57
(ii) Provision for Depreciation	**1,364.38**	1246.38
(a) In India	852.73	790.81
(b) Outside India	511.65	455.57
(iii) Net Value of Investments	49.60	-
(a) In India	49.60	-
(b) Outside India	-	-

(ii) Movement of provisions held towards depreciation on investments:

Particular	2021-22	2020-21
Opening Balance	1,246.38	1,204.94
Add: Provisions made during the year	400.41	50.56
Sub-total	1,646.79	1,255.50
Less: Write off/ write-back of excess provision during the year	294.28	0.00
Add/(Less): Adjustments on account of Exchange Diff	11.87	(-)9.12
Closing Balance	1,364.38	1,246.38

CLASSIFICATION: SUB-CLASSIFICATION:			

(f) Non performing Investments

Particulars	2021-22	2020-21
(i) Net NPIs to Net Investment (%)	0.01%	0.29%
(ii) Movement of NPIs (Gross)		
a) Opening balance	2,975.62	2,268.60
b) Additions during the year	502.26	774.21
c) Reductions during the year	738.22	67.19
d) Closing balance	2,739.66	2,975.62
(iii) Movement Provision for NPIs		
a) Opening balance	2,455.80	2,195.90
b) Additions during the year	441.21	310.02
c) Reductions during the year	169.27	50.12
d) Closing balance	2,727.74	2,455.80
(iv) Movement of NPIs (Net)		
a) Opening balance	519.82	72.70
b) Provisions made during the year	61.05	464.19
c) Write-off/write-back of excess provisions	568.95	17.07
d) Closing balance	11.92	519.82

4. Asset Quality

(a) Classification of Advances and Provisions held

As on 31.03.2022

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	353900.96	6630.35	27919.91	21984.68	56,534.94	4,10,435.57
Add: Additions during the year					8,834.65	
Less: Reductions during the year*					19,764.20	
Closing balance	411408.25	4365.69	21921.99	19317.71	45,605.39	4,57,013.64
*Reductions in Gross NPAs due to:						
(i) Upgradation					2,732.67	
(ii) Recoveries (excluding recoveries from upgraded accounts)					6,707.59	
(iii) Technical / Prudential16 Write-offs					2,352.12	
(iv) Write-offs other than those under (iii) above					7,971.82	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	2,723.10	1,253.36	20,802.66	21,984.68	44,040.70	46,763.80
Add: Fresh provisions made during the year					2,942.95	
Less: Excess provision reversed/ Write-off loans					11,230.18	
Closing balance of provisions held	3,638.17	820.39	15,615.37	19,317.71	35,753.47	39,391.64
Net NPAs						
Opening Balance		5,376.99	7,117.25	0.00	12,494.24	
Add: Fresh additions during the year					5,891.71	
Less: Reductions during the year					8,534.02	
Closing Balance		3,545.30	6,306.52	0.00	9,851.93	9851.93

CLASSIFICATION:

SUB-CLASSIFICATION:

Note: Opening and closing balance s of provisions for NPAs include ECGC claims received (FY 2021-22 ₹ 977.60 /FY 2020-21 ₹ 905.95) part payment received and kept in suspense account (FY 2021-22 ₹ 59.36 /FY 2020-21 ₹ 48.87), balance in sundries account in respect of NPA accounts (FY 2021-22 ₹ 922.04 /FY 2020-21 ₹ 981.68) and provision in lieu of diminution in the fair value of restructured NPAs (FY 2021-22 ₹ 19.18 /FY 2020-21 ₹ 30.32)

Floating Provisions as on 31.03.2022

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening Balance	[redacted]					232.22
Add: Additional provisions made during the year						0.00
Less: Amount drawn down[15] during the year						232.22
Closing balance of floating provisions						0.00

Technical write-offs and the recoveries made thereon as on 31.03.2022

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening balance of Technical/ Prudential written-off	[redacted]					32,561.37
Add: Technical/ Prudential write-offs during the year*						4,920.05
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						2,567.93
Closing balance						34,913.49

*including exchange difference

CLASSIFICATION: SUB-CLASSIFICATION:

As on 31.03.2021

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	3,54,971.52	6,419.01	39,017.41	16,113.62	61,549.93	4,16,521.56
Add: Additions during the year					8,540.03	
Less: Reductions during the year*					13,555.02	
Closing balance	3,53,900.96	6,630.35	27,919.91	21,984.68	56,534.94	4,10,435.90
*Reductions in Gross NPAs due to:						
(i) Upgradation					635.34	
(ii) Recoveries (excluding recoveries from upgraded accounts)					4,188.22	
(iii) Technical / Prudential16 Write-offs					6,030.93	
(iv) Write-offs other than those under (iii) above					2,700.53	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	2,766.56	1,321.42	29,562.57	16,113.62	46,997.61	49,764.17
Add: Fresh provisions made during the year					6,612.54	
Less: Excess provision reversed/ Write-off loans					9,569.45	
Closing balance of provisions held	2,723.10	1,253.36	20,802.66	21,984.68	44,040.70	46,763.80
Net NPAs						
Opening Balance		5,097.59	9,222.51	0.00	14,320.10	
Add: Fresh additions during the year					898.84	
Less: Reductions during the year					2,724.70	
Closing Balance		5,376.99	7,117.25	0.00	12,494.24	12,494.24

Note: Opening and closing balance s of provisions for NPAs include ECGC claims received (FY 2020-21 ₹ 905.95 /FY 2019-20 ₹ 859.24) part payment received and kept in suspense account (FY 2020-21 ₹ 48.87/FY 2019-20 ₹ 49.25), balance in sundries account in respect of NPA accounts (FY 2020-21 ₹ 981.68/FY 2019-20 ₹ 986.27) and provision in lieu of diminution in the fair value of restructured NPAs (FY 2020-21 ₹ 30.32/FY 2019-20 ₹ 21.52)

CLASSIFICATION: SUB-CLASSIFICATION:			

Floating Provisions as on 31.03.2021

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening Balance						232.22
Add: Additional provisions made during the year						0.00
Less: Amount drawn down[15] during the year						0.00
Closing balance of floating provisions						232.22

Technical write-offs and the recoveries made thereon as on 31.03.2021

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening balance of Technical / Prudential written-off						26,530.43
Add: Technical / Prudential write-offs during the year*						8,022.95
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						1,992.01
Closing balance						32,561.37

Ratios

Particulars	2021-22	2020-21
Gross NPA to Gross Advances (in %)	9.98	13.77
Net NPA to Net Advances (in %)	2.34	3.35
Provision coverage ratio (in %)	87.76	86.24

CLASSIFICATION:
SUB-CLASSIFICATION:

(b) Sector-wise Advances (Including Prudential/Technical write off) (As compiled by management)

Sr. No.	Sector	2021-22			2020-21		
		O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector	O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector
A	**Priority sector**						
1	Agriculture & allied activities	63,292.65	8,777.37	13.87	52,892.30	8500.69	16.07
2	Advances to industries sector eligible as priority sector lending	22,743.23	3,561.66	15.66	21,676.01	4096.13	18.90
3	Services	35,557.49	5,654.78	15.90	35,118.65	5246.06	14.94
4	Personal loans	22,033.54	896.55	4.07	21,833.57	949.01	4.35
	Sub-total (A)	**1,43,626.91**	**18,890.37**	**13.15**	**1,31,520.53**	18791.89	**14.29**
B	**Non Priority Sector**						
1	Agriculture & allied activities	0.00	0.00	0.00	2807.65	0.00	0.00
2	Industry	81,221.76	9,342.82	11.50	78821.23	13,654.41	17.32
3	Services	1,10,832.87	9,727.88	8.78	103365.02	13,340.73	12.91
4	Personal loans	58,309.64	1,161.68	1.99	45846.76	1214.00	2.65
	Sub-total (B)	**2,50,364.27**	**20,233.37**	**8.08**	**230840.66**	**28209.14**	**12.22**
	Total (A+B)	**3,93,991.18**	**39,123.74**	**9.93**	**362361.19**	**47001.03**	**12.97**

(c) Overseas Assets, NPAs and Revenue:

Sr. No.	Particulars	2021-22	2020-21
1	Total Assets	86,317.65	84,591.16
2	Total NPAs	8,568.77	11,713.93
3	Total Revenue	1,626.11	2,226.26

(d) Particulars of resolution plan and restructuring

(i) Particulars of Resolution Plan

As per RBI Circular No.DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, as on March 31, 2022 Bank holds additional Provision of ₹ 717.86 in respect of 14 borrower accounts (o/s exposure ₹ 3,476.22), where the viable Resolution Plan has not been implemented within 180 days / 365 days of review period.

(ii) **Particulars of Accounts subjected to Restructured-** Details of Loan assets subjected to restructuring during 2021-22 (As compiled by the management and relied upon by the Auditors):

Sr No	Type of Restructuring / Details	Asset Classification	Under CDR Mechanism: Standard	Under CDR Mechanism: Sub-standard	Under CDR Mechanism: Doubtful	Under CDR Mechanism: Loss	Under CDR Mechanism: Total	Under SME Debt Restructuring: Standard	Under SME Debt Restructuring: Sub-standard	Under SME Debt Restructuring: Doubtful	Under SME Debt Restructuring: Loss	Under SME Debt Restructuring: Total
1	Restructured Account As on April 1 of FY (Opening Figure)	No. of Borrowers	0.00	0.00	6.00	7.00	13.00	139266.00	1956.00	209.00	11.00	141442.00
			(1.00)	(0.00)	(12.00)	(4.00)	(17.00)	(102359.00)	(1548.00)	(121.00)	(6.00)	(104034.00)
		Amount Outstanding	0.00	0.00	669.92	2507.23	3177.15	4136.90	78.86	407.18	70.83	4693.77
			(17.83)	(0.00)	(1,695.93)	(1,908.02)	(3,621.78)	(2,693.63)	(143.22)	(338.43)	(28.68)	(3,203.96)
		Provision thereon	0.00	0.00	0.00	0.00	0.00	201.75	2.37	3.04	0.00	207.16
			(0.00)	(0.00)	(0.04)	(0.00)	(0.04)	(139.94)	(2.49)	(0.28)	(0.00)	(142.71)
2	Fresh restructuring during the year	No. of Borrowers	0.00	0.00	0.00	0.00	0.00	85139.00	8354.00	18850.00	0.00	112343.00
			(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(50,074.00)	(413.00)	(59.00)	(0.00)	(50,546.00)
		Amount Outstanding*	0.00	0.00	0.07	0.00	0.07	3449.10	218.09	421.29	0.01	4088.49
			(0.00)	(0.00)	(0.07)	(4.12)	(4.19)	(1,854.02)	(21.35)	(9.99)	(0.01)	(1,885.37)
		Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(103.59)	(0.84)	(0.04)	(0.00)	(104.47)
3	Upgradations to restructured standard category during the FY	No. of Borrowers	0.00	0.00	1.00	-1.00	0.00	1.00	0.00	1.00	-2.00	0.00
			(-1)	(0.00)	(0.00)	(0.00)	(-1)	(3.00)	(-3)	(0.00)	(0.00)	(0.00)
		Amount Outstanding	0.00	0.00	296.31	-296.31	0.00	1.85	2.54	2.27	-6.66	0.00
			(-17.83)	(0.00)	(0.00)	(0.00)	(-17.83)	(52.19)	(-52.19)	(0.00)	(0.00)	(0.00)
		Provision thereon	0.00	0.00	0.00	0.00	0.00	0.03	0.00	-0.03	0.00	0.00
			(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	0.00	0.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00	10.00
			(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(13,130.00)	(0.00)	(0.00)	(0.00)	(13,130.00)
		Amount Outstanding	0.00	0.00	0.00	0.00	0.00	36.21	0.00	0.00	0.00	36.21
			(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(294.73)	(0.00)	(0.00)	(0.00)	(294.73)
		Provision thereon	0.00	0.00	0.00	0.00	0.00	0.72	0.00	0.00	0.00	0.72
			(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(16.48)	(0.00)	(0.00)	(0.00)	(16.48)
5	Downgradations of restructured accounts during the FY	No. of Borrowers	0.00	0.00	-1.00	1.00	0.00	-32.00	3.00	27.00	2.00	0.00
			(0.00)	(0.00)	(-3)	(3.00)	(0.00)	(-33)	(-1)	(29.00)	(5.00)	(0.00)
		Amount Outstanding	0.00	0.00	-221.40	221.40	0.00	-83.52	7.71	72.79	3.02	0.00
			(0.00)	(0.00)	(-610.71)	(610.71)	(0.00)	(-100.78)	(-31.69)	(77.24)	(55.23)	(0.00)
		Provision thereon	0.00	0.00	0.00	0.00	0.00	-2.71	0.42	2.26	0.03	0.00
			(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(-1.92)	(-0.91)	(2.72)	(0.11)	(0.00)
6	Write-offs of restructured accounts during the FY	No. of Borrowers	0.00	0.00	1.00	0.00	1.00	37.00	4.00	11.00	2.00	54.00
			(0.00)	(0.00)	(1.00)	(0.00)	(1.00)	(7.00)	(1.00)	(0.00)	(0.00)	(8.00)
		Amount Outstanding	0.00	0.00	50.91	166.98	217.89	231.07	9.40	58.58	13.65	312.70
			(0.00)	(0.00)	(181.41)	(15.62)	(197.03)	(67.43)	(1.83)	(18.48)	(13.09)	(100.83)
		Provision thereon	0.00	0.00	0.00	0.00	0.00	6.29	0.16	0.39	0.03	6.87
			(0.00)	(0.00)	(0.04)	(0.00)	(0.04)	(23.38)	(0.05)	(0.00)	(0.11)	(23.54)
7	Restructured Accounts as on March 31 of the FY (closing figures)	No. of Borrowers	0.00	0.00	5	7	12	224327	10309	19076	9	253721
			(0.00)	(0.00)	(6)	(7)	(13)	(1,39,266)	(1,956)	(209)	(11)	(1,41,442)
		Amount Outstanding	0.00	0.00	693.92	2265.34	2959.26	7237.05	297.8	844.95	53.55	8433.35
			(0.00)	(0.00)	(669.92)	(2,507.23)	(3,177.15)	(4,136.90)	(78.86)	(407.18)	(70.83)	(4,693.77)
		Provision thereon	0.00	0.00	(0.00)	(0.00)	(0.00)	192.06	2.63	4.88	(0.00)	199.57
			(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(201.75)	(2.37)	(3.04)	(0.00)	(207.16)

CLASSIFICATION:

SUB-CLASSIFICATION:

Sr No	Type of Restructuring: Details	Asset Classification	Others: Standard	Others: Sub-standard	Others: Doubtful	Others: Loss	Others: Total	Total: Standard	Total: Sub-standard	Total: Doubtful	Total: Loss	Total: Total
1	Restructured Account As on April 1 of FY (Opening Figure)	No. of Borrowers	6005	12041	802	40	18888	145271	13997	1017	58	160343
			(47)	(12,042)	(835)	(22)	(12,946)	(1,02,407)	(13,590)	(968)	(32)	(1,16,997)
		Amount Outstanding	3386.53	226.89	6,405.45	2,173.10	12,191.97	7,523.43	305.75	7,482.55	4,751.16	20,062.89
			(2,021.28)	(342.08)	(8,706.96)	(1,568.42)	(12,638.74)	(4,732.74)	(485.30)	(10,741.32)	(3,505.12)	(19,464.48)
		Provision thereon	72.87	8.63	14.31	26.14	121.95	274.62	11.00	17.35	26.14	329.11
			(48.50)	(8.50)	(198.37)	(61.34)	(316.71)	(188.44)	(10.99)	(198.69)	(61.34)	(459.46)
2	Fresh restructuring during the year	No. of Borrowers	56513	1550	207	0.00	58270	141273	9890	19033	0.00	170613
			(5,992)	(2)	(1)	(0.00)	(5,995)	(56,066)	(415)	(60)	(0.00)	(56,541)
		Amount Outstanding*	6450.15	195.15	52.36	0.02	6697.68	9899.25	413.24	473.65	0.03	10786.17
			(3,111.27)	(4.48)	(94.41)	(0.00)	(3,210.16)	(4,965.29)	(25.83)	(104.47)	(4.13)	(5,099.72)
		Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			(65.58)	(0.13)	(8.80)	(0.00)	(74.51)	(169.17)	(0.97)	(8.84)	(0.00)	(178.98)
3	Upgradations to restructured standard category during the FY	No. of Borrowers	1	0	-1	1	1	2	0	1	-2	1
			(1.00)	(-1.00)	(-1.00)	(0.00)	(-1.00)	(3.00)	(-4.00)	(-1.00)	(0.00)	(-2.00)
		Amount Outstanding	0.89	0	-0.89	1.81	1.81	2.74	-	297.69	-301.16	1.81
			(4.74)	(-12.94)	(-40.978)	(0.00)	(-49.18)	(39.10)	(-65.13)	(-40.98)	(0.00)	(-67.01)
		Provision thereon	0.18	0.00	-0.18	0.00	0.00	0.21	0.00	-0.21	0.00	0.00
			(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	1	0	0	0	1	11	0	0	0	11
			(31.00)	(0.00)	(0.00)	(0.00)	(31.00)	(13,161.00)	(0.00)	(0.00)	(0.00)	(13,161.00)
		Amount Outstanding	3.01	0.00	0.00	0.00	3.01	39.22	0.00	0.00	0.00	39.22
			(1,373.59)	(0.00)	(0.00)	(0.00)	(1,373.59)	(1,668.32)	(0.00)	(0.00)	(0.00)	(1,668.32)
		Provision thereon	0.04	0.00	0.00	0.00	0.04	0.76	0.00	0.00	0.00	0.76
			(40.81)	(0.00)	(0.00)	(0.00)	(40.81)	(57.29)	(0.00)	(0.00)	(0.00)	(57.29)
5	Downgradations of restructured accounts during the FY	No. of Borrowers	(4)	(0)	(1)	5	(0)	(36)	3	25	8	(0)
			(-1)	(-2)	(-16)	(19)	(0)	(-34)	(-3)	(10)	(27)	(0)
		Amount Outstanding	(7.67)	(2.18)	(564.14)	573.99	0.00	(91.19)	5.53	(712.75)	798.41	0.00
			(-1.72)	(-106.73)	(-932.29)	(1,040.74)	(0.00)	(-102.5)	(-138.42)	(-1465.77)	(1,706.68)	0
		Provision thereon	(0.46)	0.01	0.33	0.12	0.00	(3.17)	0.43	2.59	0.15	0.00
			(-0.18)	(0.00)	(-1.98)	(2.16)	(0.00)	(-2.1)	(-0.91)	(0.74)	(2.27)	(0.00)
6	Write-offs of restructures accounts during the FY	No. of Borrowers	30	0	18	3	51	67	4	30	5	106
			(2.00)	(0.00)	(14.00)	(0.00)	(16.00)	(9.00)	(1.00)	(16.00)	(0.00)	(26.00)
		Amount Outstanding	2406.94	0	814.97	285.95	3507.86	2638.01	9.4	924.46	466.58	4038.45
			(366.96)	(0.00)	(857.32)	(51.07)	(1,279.36)	(434.39)	(1.83)	(1,057.21)	(83.79)	(1,577.22)
		Provision thereon	52.35	0.11	12.17	0.12	64.75	58.64	0.27	12.56	0.15	71.62
			(0.22)	(0.00)	(0.08)	(2.16)	(2.46)	(23.60)	(0.05)	(0.12)	(2.27)	(26.04)
7	Restructured Accounts as on March 31 of the FY (closing figures)	No. of Borrowers	62484	13591	989	43	77107	286811	23900	20070	59	330840
			(6,006)	(12,041)	(805)	(41)	(18,893)	(1,45,272)	(13,997)	(1,020)	(59)	(1,60,348)
		Amount Outstanding	7,419.95	419.86	5,077.81	2,462.97	15,380.59	14,657.00	717.66	6,616.68	4,781.86	26,773.20
			(3,395.02)	(226.89)	(6,836.92)	(2,550.07)	(13,008.91)	(7,531.92)	(305.75)	(7,914.02)	(5,128.13)	(20,879.83)
		Provision thereon	20.20	8.53	2.29	26.14	57.16	212.26	11.16	7.17	26.14	256.73
			(72.87)	(8.63)	(205.11)	(61.34)	(347.95)	(274.62)	(11.00)	(208.15)	(61.34)	(555.11)

CLASSIFICATION:

SUB-CLASSIFICATION:

Disclosure on Stressed Assets

(1) Disclosure on Flexible Structuring of Existing Loans:

Period	No. of borrowers taken up for flexible structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
Previous Financial Year	0	0.00	0.00	0	0
Current Financial Year (From April 2020 to March 2021)	0	0.00	0.00	0	0

(2) Disclosure on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period):

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
Nil						

(3) Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period):

No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as Standard	Classified as NPA	Classified as Standard	Classifie d as NPA	Classifie d as Standard	Classified as NPA	Classified as Standard	Classifie d as NPA
Nil								

CLASSIFICATION:
SUB-CLASSIFICATION:

(4) Disclosure on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period):

No. of project loan accounts where the Bank has decided to effect change in ownership	Amount outstanding as on the reporting date		
	Classified as Standard	Classified as Standard restructured	Classified as NPA
Nil			

(5) Disclosure on Scheme for Sustainable Structuring of Stressed Assets (S4A), wherever implemented:

Sr. No.	Aggregate Amount Outstanding	Amount Outstanding		Provision Held
		In Part A	In Part B	
Classified as Standard				
3	325.01	152.88	172.14	60.43
Classified as NPA				
4	318.52	97.38	221.14	301.10
Total				
7	643.53	250.26	393.28	361.52

(e) **Divergence in asset classification and provisioning:**

As per RBI Master Direction No.DOR.ACC.REC.No.45/21.04.018/2021-22 dated August 30, 2021 (updated as on November 15, 2021) on Financial statements – Presentation and Disclosures, divergence in the asset classification and provisioning, Banks should disclose divergences, if either or both of the following conditions are satisfied:

(a) the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies for the reference period, and;

(b) the additional Gross NPAs identified by RBI as part of its supervisory process exceeds 15% of published incremental Gross NPAs for the reference period.

Divergences are within threshold limits in the Bank as specified above. Hence, the need for additional disclosure does not apply.

CLASSIFICATION:
SUB-CLASSIFICATION:

(f) Disclosure of transfer of loan exposures:

Disclosure of Transfer of Loan Accounts (SMAs & NPAs) in terms of RBI Circular No. DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021:

a. The Bank has not transferred and acquired any loans not in default or Special Mention Accounts (SMA) during the year ended March 31, 2022.

b. During the year ended March 31, 2022 the Bank has not acquired any stressed (Non-Performing) Assets.

c. Details of Stressed Loans (NPAs) transferred during the year ended March 31, 2022:

Sr. No.	Particulars	To ARCs	To permitted transferees	To other transferees
a.	No. of accounts	10	--	--
b.	Aggregate principal outstanding of loans transferred	930.68	--	--
c.	Weighted average residual tenor of the loans transferred	--	--	--
d.	Net book value of the loans transferred (at the time of transfer)	107.90	--	--
e.	Aggregate consideration	403.01	--	--
f.	Additional consideration realized in respect of accounts transferred in earlier years	--	--	--
g.	Quantum of excess provisions reversed to the Profit & Loss account on account of sale of stressed loans	295.11	--	--

Details of loans acquired during the year		
(all amounts in ₹ crore)	From SCBs, RRBs, UCBs, StCBs, DCCBs, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ARCs
Aggregate principal outstanding of loans acquired	--	--
Aggregate consideration paid	--	--
Weighted average residual tenor of loans acquired	--	--

CLASSIFICATION: SUB-CLASSIFICATION:

Distribution of the Security Receipts (SRs) held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on March 31, 2022:

Recovery Rating Band	Book Value
RR1+	0.00
RR1	280.84
RR2	9.40
RR3	36.40
RR4	167.33
RR5	829.32
Ratings Withdrawn	733.18
Total	2,056.47

As per RBI guidelines Rating is not applicable post 8 years.

(fa) Profit from sale of NPA:

Sr. No.	Particular	2021-22	2020-21
1	Profit booked in respect of sale of NPA	295.11	71.08

(g) Fraud Accounts

Particulars	2021-22	2020-21
Number of frauds reported	216	177
Amount involved in fraud	5793.22	12184.32
Amount of provision made for such frauds	250.79	592.49
Amount of Unamortised provision debited from 'other reserves' as at the end of the year	205.49	0.00

CLASSIFICATION:

SUB-CLASSIFICATION:

(h) Disclosure under Resolution Framework for COVID-19-related Stress

(i) There were 28,815 borrower accounts having an aggregate exposure of ₹ 670.99 to the Bank, where the resolution plan has been implemented under RBI's Resolution Framework 1.0 dated August 6, 2020 and now modified under RBI's Resolution Framework 2.0 dated May 5, 2021 for Individuals and Small Businesses.

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)		Of (A), aggregate debt that slipped into NPA during the half year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of the resolution plan - Position as at the end of this half-year
	(A)		(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Addition – Exposure to accounts classified as Standard consequent to implementation of resolution plan, where application received by September 2021 (Position as on restructuring date)				
Personal Loans	131.01	5.65	3.16	--	6.32	137.92
Corporate Persons*	524.36	10.03	35.91	0.30	46.09	533.07
of which, MSMEs	524.36	10.03	35.91	0.30	46.09	533.07
Others	--	--	--	--	--	--
Total	655.37	15.68	39.07	0.30	52.41	670.99

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Classification: Internal

(ii) In terms of RBI Circular No. DOR.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 (Resolution Framework 1.0) and DOR. STR.REC.11/21.04.048/2021-22 dated May 5, 2021 (Resolution Framework 2.0), the details of resolution plan as on March 31, 2022:

Type of borrower	(A)		Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2022	Of (A) amount written off during the half-year ended March 31, 2022	Of (A) amount paid by the borrowers during the half- year ended March 31, 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year, i.e, March 31, 2022
	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of the previous half-year, i.e, September 30, 2021 (A)	Addition - Exposure to accounts classified as Standard consequent to implementation of resolution plan, where applications received by September'21 (Position as on restructuring date)				
Personal Loans	5,649.09	114.45	95.23	0.64	303.06	5,652.60
Corporate persons	5,561.91	176.09	411.99	4.17	1,033.55	4,255.03
Of which MSMEs	3,007.80	176.09	295.42	4.17	259.87	3,097.09
Others	39.08	--	--	--	2.02	36.59
Total	11,250.08	290.54	507.22	4.81	1,338.63	9,944.22

Classification: Internal

5. Exposures

The Bank is lending to sectors, which are sensitive to asset price fluctuation.

(a) Exposure to Real Estate Sector, as compiled by management

Sr. No.	Category		31.03.2022	31.03.2021
1	Direct Exposure		54,967.61	50,782.70
	(a)	Residential Mortgages	51,075.00	46,285.36
		(i) Lending fully secured by Mortgages on residential property that is or will be occupied by the borrower or that is rented (other than (ii) below);	32,241.26	18,767.32
		(ii) Individual housing loans eligible for inclusion in priority sector	18,833.74	27,518.04
	(b)	Commercial Real Estate-	3,059.06	4,248.61
		Lending secured by mortgages on commercial real estate's (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	3,059.06	4,248.61
	(c)	Investments in Mortgage Backed duties (MBS) and other securitised Exposures	833.55	248.73
		a) Residential b) Commercial Real Estate	0.00 833.55	0.10 248.63
2	Indirect Exposure		19,530.35	29,450.23
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		19,530.35	29,450.23
Total exposure to Real Estate Sector (1+2)			74,497.96	80,232.93

(b) Exposure to Capital Market

Sr. No	Category	31.03.2022	31.03.2021
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of	1,099.91	1,006.84

Classification: Sub-Classification:

	which is not exclusively invested in corporate debt;		
ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	3.73	5.44
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	886.91	407.23
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	2.82	2.69
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	1,503.85	1,121.13
vi)	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new Companies in anticipation of raising resources;	-	0.00
vii)	Bridge loans to Companies against expected equity flows/issues;	-	0.00
viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	0.00
ix)	Financing to stockbrokers for margin trading;	0.00	0.00
x)	All exposures to Venture Capital Funds (both registered and unregistered)	225.63	256.68
Total Exposure to Capital Market		**3,722.85**	**2,800.01**

(c) Risk Category-wise Country Exposure

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table.

Sr. No.	Risk Category	As at 31.03.2022		As at 31.03.2021	
		Exposure (Net)	Provision held	Exposure (Net)	Provision held
1	Insignificant	58,765.95	42.04	62,168.11	36.53
2	Low	26,696.34	20.62	22,183.03	15.21
3	Moderate	3,954.94	0.00	4,358.89	0.00
4	High	588.80	0.00	5,590.86	0.00
5	Very High	1,576.27	0.00	6.48	0.00
6	Restricted	0.00	0.00	0.00	0.00
7	Off Credit	0.00	0.00	0.52	0.00
	Total	**91,582.30**	**62.66**	94,307.89	51.74

(d) Unsecured Advances

Particulars	**2021-22**	**2020-21**
Total Unsecured Advances	1,12,067.35	83,337.74
Out of which i) Amount of advances outstanding against charge over intangible securities such as rights, licenses, authorizations etc. charged to the Bank as collateral	2,713.69	2,651.15
ii) The estimated value of such intangible securities (as in (i) above)	17,353.22	18,491.55

(e) Factoring exposures

Bank has not taken any Export Factoring on non-recourse basis exposure during the financial year 2021-22.

(f) Intra-group exposures (As compiled by the management and relied upon by the Auditors):

Sr. No.	**Particulars**	**2021-22**	**2020-21**
A	Total amount of intra group exposures	6,860.37	6,373.59
B	Total amount of top 20 intra group exposure	6,860.37	6,373.59
C	% of Intra group Exposure to total exposure on Borrowers/Customers	1.07%	1.07%
D	Details of breach of limits on intra group exposures and regulatory action thereon, if any.	Nil	Nil

(g) Unhedged Foreign Currency Exposure

Sr. No.	Particulars	2021-22	2020-21
A	Opening balance provisions account	62.03	76.75
B	The quantum of provisions made in the accounting year	20.29	53.71
C	Amount Reverse during the accounting year	6.06	68.44
D	Closing balance in the provisions account	76.26	62.03

The bank has a policy with regard to capital and provisioning requirements for exposure to entities with unhedged foreign currency exposure (UFCE) which is based on RBI Circulars.

As on 31.03.2022, based on available data and declaration from the borrowers, wherever received in accordance with the policy, the additional RWA on this exposure is ₹ 414.81 (Previous Year ₹ 431.80). As against this, additional minimum capital requirement is ₹47.70 (Previous Year ₹ 46.96).

(h) Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the Bank:

The Bank had taken single borrower exposure and Group Borrower exposure within the prudential limit prescribed by RBI.

Sr. No.	Name of the Borrower	Exposure Ceiling	Limit Sanctioned	Outstanding as on 31.03.2021
1.	Single Borrower			
	None	NIL (NIL)	NIL (NIL)	NIL (NIL)
	Group Borrower			
2.	None	NIL (NIL)	NIL (NIL)	NIL (NIL)

6. Concentration of deposits, advances, exposures and NPAs

(a) Concentration of deposits:

Particulars	2021-22	2020-21
Total Deposits of twenty largest depositors	40,303.29	44,183.35
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	6.42%	7.05%

(b) Concentration of advances:

Particulars	2021-22	2019-20
Total Advances to twenty largest borrowers	83,288	72,236

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Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	16.47%	15.84%

(c) Concentration of exposures

Particulars	**2021-22**	**2020-21**
Total Exposure to twenty largest borrowers/customers	90,039	79,163
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	13.14%	12.22

(d) Concentration of NPAs:

Particulars	2021-22	2020-21
Total Exposure to top twenty NPA accounts	15,169	20,595
Percentage of exposure to the twenty largest NPA exposure to total Gross NPAs	33.26%	36.43%

7. Derivatives

(a) Forward Rate Agreement/ Interest Rate Swap

Sr. No.	**Particulars**	**As at 31.03.2022**	**As at 31.03.2021**
i)	The notional principal of swap agreements	1563.03	1,486.60
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	38.89	0.05
iii)	Collateral required by the bank upon entering into swaps	No collaterals were required for the swaps as counterparties were either banks or premier corporate	
iv)	Concentration of Credit Risk arising from the swaps	There is no concentration of credit risk arising from the interest rate swaps undertaken during the year	
v)	The fair value of the swap book	(-)1.64	(-)2.08

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(b) Exchange Traded Interest Rate Derivatives

Sr. No.	Particulars	As at 31.03.2022	As at 31.03.2021
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	0.00	0.00
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March(instrument-wise)	0.00	0.00
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	0.00	0.00
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	0.00	0.00

There was no default and penalty imposed by Reserve Bank of India in Repo/ Reverse Repo transactions and in RRC Account with RBI during the Financial year 2021-22.

(c) Disclosures on risk exposure in derivatives

i. Qualitative Disclosure

The Bank enters into derivative contracts such as interest rate derivatives, currency swaps and currency options to hedge on balance sheet assets and liabilities or to meet client requirements as well as for trading purpose as per policy approved by the Board. These products are used for hedging risk, reducing cost and increasing the yield. In such transactions, the types of risks to which the bank is exposed to, are credit risk, market risk, operational risk etc.

Risk management is an integral part of bank's business management. Bank has risk management policies designed to identify and analyse risks, to set appropriate risk limits and to monitor these risks and limits on an on-going basis by means of reliable and up to date management information systems. The risk management policies and major control limits are approved by the Board of Directors and they are monitored and reviewed regularly. The organization of the Bank is conducive to managing risks. There is sufficient awareness of the risks and the size of exposure of the trading activities in derivative operations.

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The Bank has a Risk Management Committee of Directors presided over by the Chairman.

The hedge/non-hedge (market making) transactions are recorded separately. Income/expenditure on hedging derivatives is accounted on accrual basis.

Forex forward contracts are marked to market and the resultant gains and losses are recognized in the profit and loss account.

Interest rate derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit & Loss account. Net Profit, if any, is ignored.

Exchange traded derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit & Loss account.

Gains/losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

Option fees/premium is amortised over the tenor of the option contract.

Bank has a proper system of submitting periodical reports to Senior and Top Management and Board as well as regulatory authorities as required by RBI and/or as per operational requirements. Bank has clearly spelt derivative guidelines on various aspects approved by the Board of Director. The derivative transactions are subject to concurrent, internal, statutory and regulatory audits.

The counter parties to the transactions are banks, primary dealers and corporate entities. The deals are done under approved exposure limits. The Bank has adopted the Current Exposure method prescribed by Reserve Bank of India for measuring Credit Exposures arising on account of interest rate and foreign exchange derivative transactions. Current exposure method is the sum of current credit exposure and potential future exposure of these contracts.

The current credit exposure is the sum of positive mark to market value of these contracts i.e. when the Bank has to receive money from the counter party.

Potential future credit exposure is determined by multiplying the notional principal amount of these contracts irrespective of whether the contract has zero, positive or

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negative mark to market value by the relevant add-on factors as under according to the nature and residual maturity of the instrument.

Residual Maturity	Credit Conversion factor applied on Notional Principal Amount	
	Interest Rate Contract	Exchange Rate Contract
One year or less	0.50%	2.00%
Over one year to five years	1.00%	10.00%
Over five years	3.00%	15.00%

While computing the credit exposure, "sold options" are excluded wherever the entire premium/fee or any other form of income is received / realized.

As per the extant RBI guidelines, credit exposures computed as per the current Mark to Market value of the contracts, also attracts provisioning requirement as applicable to the loan assets in the "Standard" category, of the concerned counterparty. At present, the provision is to be maintained at 0.40% of the risk weighted assets. The Bank makes the requisite provision as aforesaid in the books.

ii. Quantitative Disclosures

Sr. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
1	Derivatives (Notional Principal Amount)	13,326.50	1,563.03
	a) For hedging	13,048.16	1,463.03
		(11,846.17)	(1,461.60)
	b) For trading	278.34	100.00
		(1,991.69)	(25.00)
2	Marked to Market Positions [1]		
	a) Asset (+)	158.32	0.36
		(119.31)	(0.05)
	b) Liability (-)	2.65	34.70
		(8.84)	(68.86)
3	Credit Exposure [2]	421.12	15.99
		(395.80)	(14.87)
4	Likely impact of one percentage change in interest rate (100*PV01)		
	a) On hedging derivatives	0.00	11.81
		(0.00)	(24.81)
	b) On trading derivatives	0.00	4.37

Sr. No.	Particulars	Currency Derivatives		Interest Rate Derivatives	
		(0.00)		(1.11)	
5	Maximum & Minimum of 100*PV01 observed during the year	Max	Min	Max	Min
	a) On hedging	0.00	0.00	0.97	0.01
		(0.00)	(0.00)	(1.88)	(0.46)
	b) On trading	0.00	0.00	4.37	4.37
		(0.00)	(0.00)	(1.11)	(1.11)

(d) Credit Default Swaps

The bank has not dealt with any Credit Default Swap.

8. Disclosures relating to Securitisation

The Bank has not floated any Special purpose Vehicle (SPV) during the Financial Year 2021-22.

9. Off balance sheet SPVs sponsored

Name of the sponsored SPV	
Domestic	Overseas
NIL	NIL

10. Transfers to Depositor Education and Awareness Fund (DEA Fund) as per Form I

Particulars	2021-22	2020-21
Opening balance of amounts transferred to DEAF	1,488.26	1,137.94
Add : Amounts transferred to DEAF during year	291.16	367.76
Less : Amounts reimbursed by DEAF towards claims	22.76	17.44
Closing balance of amounts transferred to DEAF	**1,756.66**	**1,488.26**

11. Disclosure of Complaints

(a) Summary information on complaints received by the bank from customers and from the OBOs [Offices of the Banking Ombudsman]

Sr. No		Particulars	2021-22	2020-21
Complaints received by the bank from its customers				
1		Number of complaints pending at beginning of the year	13188	12194
2		Number of complaints received during the year	492450	446920
3		Number of complaints disposed during the year	502914	445926

Sr. No		Particulars	2021-22	2020-21
Complaints received by the bank from its customers				
	3.1	Of which, number of complaints rejected by the bank	10124	1452
4		Number of complaints pending at the end of the year	2724	13188
Maintainable complaints received by the bank from OBOs				
5		Number of maintainable complaints received by the bank from OBOs	4634	7099
	5.1	Of 5, number of complaints resolved in favour of the bank by BOs	1355	1908
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs	3279	5191
	5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	0	1
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2006 and covered within the ambit of the Scheme

(b) Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
ATM/ Debit Cards	12733 (11942)	456410 (425654)	+7.23 (-13.68)	2566 (12733)	3 (2)
Internet/ Mobile/ Electronic Banking	67 (35)	14497 (3080)	+65.11 (+25.10)	0 (67)	0 (0)

Account operation related	141 (68)	9444 (6433)	+46.81 (+73.16)	1 (141)	0 (0)
Advances/ Credit Related	35 (24)	1802 (1693)	+6.44 (+2.48)	4 (35)	1 (1)
Levy of charges	52 (34)	1726 (1778)	-2.92 (-9.56)	0 (52)	0 (1)
Others	160 (91)	8571 (8282)	+3.49 (+28.72)	153 (160)	6 (2)
Total	**13188 (12194)**	**492450 (446920)**	**+8.80 (-12.26)**	**2724** (13188)	**10** (6)

12. Disclosure of Penalties imposed by the Reserve Bank of India and other regulators

Particulars	2021-22	2020-21
Penalty imposed under Section 46(4) of The Banking-Regulation Act, 1949 and under other regulations	21.31	5.13

During the year ended March 31, 2022, out of the above, penalty of ₹ 4.27 has been imposed on the Bank by the Reserve Bank of India and ₹ 16.54 on overseas branch & ₹ 0.25 on overseas subsidiary by the regulator of respective country.

13. Disclosure on remuneration

Sr. No	Particulars	2021-22	2020-21
1	Shri Atanu Kumar Das	32,62,233	30,02,820
2	Shri P. R. Rajagopal	34,40,568	31,52,053
3	Shri M Karthikeyan	27,25,869	1,46,801
4	Shri Swarup Dasgupta	27,25,869	1,46,801
5	Smt. Monika Kalia	28,00,774	1,46,801
6	Shri C. G. Chaitanya	0	47,68,776

14. Other Disclosures

(a) **Business Ratios**

Sr. No.	Particulars	31.03.2022 (in %)	31.03.2021 (in %)
(i)	Interest Income as a percentage to average Working Funds	4.83	5.35
(ii)	Non-interest income as a percentage to average Working Funds	1.00	0.90

Sr. No.	Particulars	31.03.2022 (in %)	31.03.2021 (in %)
(iii)	Cost of Deposits	3.69	4.10
(iv)	Net Interest Margin	2.36	2.48
(v)	Operating Profit as a percentage to average Working Funds	1.64	1.57
(vi)	Return on Assets	0.43	0.28
(vii)	Business per employee (deposits plus advances including interbank deposits)	20.71	19.94
(viii)	Profit per employee	0.065	0.042

(b) **Fees, remuneration received from Bancassurance Business**

Particulars	**2021-22**	**2020-21**
Life Insurance Business	99.01	77.64
Non-Life Insurance Business	21.22	21.26
Health Insurance Business	7.59	5.25
Total	**127.82**	**104.15**

(c) **Fees, remuneration received from Marketing and Distribution:**

Particulars	2021-22	2020-21
Mutual Funds	2.89	3.14
Total	**2.89**	**3.14**

(d) **Disclosure of Priority Sector Lending Certificates (PSLCs) (As compiled by the Management):**

Purchased during the year	**Sold During the Year**
2,000.00 (2,000.00)	0.00 (0.00)

The Bank has purchased Priority Sector Lending Certificate (PSLCs) for Agriculture portfolio amounting to ₹ 2,000 during the year ended March 31, 2022 costing ₹46.06 to bridge the gap in Agriculture portfolio

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(e) **Provisions and Contingencies**

The break-up of "Provisions and Contingencies" appearing in the Profit and Loss Account is as under:

Particulars	2021-22	2020-21
Provision for NPI	232.72	269.03
Provision for Investments	164.64	599.62
Provision towards NPA	2,942.95	6,612.54
Provision made towards Income Tax (including Deferred Tax)	2,162.05	1,076.41
Provision towards Standard Assets	901.38	(-)40.74
Other Provision & Contingencies		
• Provision for Sacrifice in Restructured Accounts	(-)69.23	199.70
• Provision for Country Risk	10.93	(-)5.53
• Other Provisions	238.31	0.89
Total	6,583.76	8,711.92

(f) **Implementation of IFRS converged Indian Accounting Standards (Ind AS)**

RBI vide its circular DBR.BP.BC.No.29/21.07.001/2018-19 dated March 22, 2019, deferred implementation of Ind AS till further notice as the legislative amendments in Banking Regulation Act, 1949 as recommended by RBI are under consideration of the Government of India. The Bank has been submitting quarterly Proforma Ind AS Financial Statements (PFS) from June-2018 after discussion/approval by Steering Committee. The PFS are also presented to Audit Committee of Board along-with the overall progress report regarding Ind AS implementation.

(g) **Payment of DICGC Insurance Premium**

Sr. No.	Particulars	2021-22	2020-21
i)	Payment of DICGC Insurance Premium	628.41	585.06
ii)	Arrears in payment of DICGC premium	Nil	Nil

(h) **Facilities granted to Directors and their relatives**

Applicable only to UCBs

(i) **Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks**

Reserve Bank of India vide its Circular No. RBI/2021-22/105 DOR. ACC. REC. 57/21.04.018/2021-22 dated October 4, 2021, permitted Banks to amortise the additional liability on account of revision in family pension over a period not exceeding five years beginning with the financial year ending March 31, 2022, subject to a minimum of 1/5th of the total amount being expensed every year. The Bank has recognised additional liability on account of revision in family pension amounting to ₹ 612.09 and has opted to amortise the said liability over a period not exceeding five years, beginning financial year ending March 31, 2022. Accordingly, Bank has recognised ₹ 61.21 and ₹ 122.42 as an expense in the Profit and Loss account, for the quarter and year ended March 31, 2022 respectively and the balance unamortised liability of ₹ 489.67 has been carried forward. If the unamortised liability had been fully recognised in the Profit & Loss account by the Bank, the Net Profit (after tax) for the quarter and year ended March 31, 2022 would have been lower by ₹ 318.56.

(j) In accordance with RBI circular no.DBRNo.BP.BC.18/21.04.048/2018-19 dated January 1, 2019, on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances", as amended from time to time, the details of MSME restructured accounts as on March 31, 2022 is as under:

No. of accounts restructured	Amount
64,725	1,761.85

(k) **Disclosure of Letters of Comfort (LoCs) issued by bank for Subsidiaries (As compiled by the management):**

During the year 2020-21, the bank has not issued any Letter of Comforts on behalf of Subsidiaries.

During the year 2010-11, the bank had issued parental guarantee in favour of Royal Bank of New Zealand Ltd., for its wholly owned subsidiary, BOI (New Zealand) Ltd. to meet its financial obligations, if they fall due.

As on 31.03.2022, no financial obligations have arisen on the above commitments.

(l) **Income Tax:**

(a) Claims against the Bank not acknowledged as debt under contingent liabilities (Schedule 12) include disputed income tax/interest tax liabilities of ₹ 529.03 (previous year ₹ 1,186.47) for which no provision is considered necessary based on various judicial decisions in respect of past assessments on such disputes. Payments/adjustments against the said disputed dues are included under Other Assets (Schedule 11).

(b) Provision for taxes has been arrived at after due consideration of the provisions of the applicable tax laws and relevant judicial decisions on certain disputed issues.

(m) **Movement of Reward Points for 2021-22:**

(in Units)

Sr. No.	Particulars	Reward points on Debit Card	Reward points on Credit Card	Total
1	Opening Balance	3,96,13,36,176	34,96,12,812	4,31,09,48,988
		(3,82,10,64,037)	(31,39,34,925)	(4,13,49,98,962)
2	Add: Reward points accrued during the Year by Customers	2,76,14,72,516	16,83,12,689	2,92,97,85,205
		(1,25,36,90,259)	(13,89,06,561)	(1,39,25,96,820)
3	Less: Reward Points availed by customers	30,14,39,811	6,61,69,723	36,76,09,534
		(18,86,23,058)	(5,36,79,158)	(24,23,02,216)
4	Less: Reward Points Expired (FY 2020-21)	1,58,75,24,242	10,57,03,140	1,69,32,27,382
		(92,47,95,062)	(4,95,49,517)	(97,43,44,579)
5	Closing Balance	4,83,38,44,639	34,60,52,638	5,17,98,97,277
		(3,96,13,36,176)	(34,96,12,811)	(4,31,09,48,987)

(n) The Bank has Details of Number of Investors complaints for the year ended March 31, 2022: Pending at Beginning: Nil; Received: 2; Disposed off: 2 and Pending at the end: Nil.

(o) In terms of Bank's approved revaluation policy, during the year ended March 31, 2022 the immovable properties are revalued based on the revaluation reports of Bank's approved valuers and the net surplus arising from revaluation amounts to ₹ 667.71 has been added to "Revaluation Reserve".

(p) Bank was holding 100% provision in a particular account, recovery of which is under dispute with another PSU Bank. The account has been reported as fraud to RBI. RBI vide its communication ref. no. DoS. Co. SSM (BOI)/6557/13.37.007/2019-20 dated April 13, 2020 permitted the Bank to maintain provision of 50% of the disputed amount on an ongoing basis subject to certain conditions. Accordingly, the Bank holds provision of ₹145.82 (being 50% of the outstanding amount) for the said disputed amount.

(q) In accordance with the RBI guidelines, during the year ended March 31, 2022, Bank has shifted Central Government securities with a book value of ₹ 8,109.09 and State Government securities with a book value of ₹ 7,495.41 from HTM to AFS category. Further, Bank has shifted from AFS to HTM category, Central Government securities

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with a book value of ₹ 2,640.87 after providing for shifting loss of ₹ 80.84. Venture Capital Fund for an amount of ₹ 12.53 has been shifted from HTM to AFS category.

(r) In respect of RBI referred NCLT accounts (List 1 & 2) as on March 31, 2022, Bank holds 100% provision of the outstanding value of ₹ 3,533.75.

(s) In accordance with RBI circular No. DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 & RBI Circular No. DOR.STR.REC.21/21.04.048/2021-22 dated June 4, 2021 on Resolution Framework 2.0 –Resolution of COVID-19 related stress of Micro, Small and Medium Enterprises (MSMEs), the details of accounts restructured is as under:

(₹ in Crore except number of accounts)

No. of Accounts	Amount as on 31.03.2022	Provision Held
1,20,443	3,433.04	343.30

(t) In accordance with RBI Circular No. DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 on "Resolution Framework- 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses", the number of borrower accounts where modification were sanctioned and implemented and the aggregate exposure to such borrowers are as under:

No. of accounts restructured	Aggregate Exposure as on 31.03.2022 (₹ in Crore)
28,815	670.99

(u) As per RBI notification RBI/2021-22/28 DOR.STR.REC.10/21.04.048/2021-22 dated May 5, 2021, Banks are permitted to utilize 100 percent of Floating Provisions/ Counter Cyclical Provisioning Buffer held by them on December 31, 2020 for making specific provisions for non-performing assets with the approval of their respective Boards. The Bank has obtained requisite prior approval from its Board of Directors and has utilized floating provision amounting to ₹ 232.22 against the requirement for specific provision for non-performing assets during the quarter and year ended March 31, 2022.]

(v) The Bank has migrated the existing CBS system from "Finacle 7" to an improved version of CBS i.e. "Finacle 10". The Bank does not expect any material impact on account of such migration on the financial statements.

(w) **Impact of Covid 19 impact:**

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The disruptions following the outbreak, impacted loan originations and the efficiency in collection efforts resulting in increase in the number of customer defaults and consequently an increase in provisions there against. India is emerging from the COVID-19 pandemic. The extent to which any new wave of COVID-19 will impact the Bank's operations and financial results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government- mandated or elected by us.

(x) Other Income includes commission and brokerage income, profit/loss on sale of assets, profit/loss on revaluation of investments (net) (including depreciation on performing investments), earnings from foreign exchange and derivative transactions, recoveries from accounts previously written off, dividend income, etc.

(y) The Board of Directors has recommended a dividend of ₹ 2.00 per equity share (20%) for the year ended March 31, 2022 subject to requisite approvals.

(z) Balancing of Subsidiary Ledger Accounts, confirmation/reconciliation of balances with foreign branches, Inter-office accounts, NOSTRO Accounts, Suspense, Draft Payable, Clearing Difference, other office accounts, etc. is in progress on an on-going basis. In the opinion of the management, the overall impact on the financial statements, if any, of pending final clearance/adjustment of the above, is not likely to be significant.

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Disclosure requirements as per Accounting Standards (AS):

6.1 Accounting Standard – 5 Net Profit / loss for the period, Prior Period Items and changes in accounting policies:

(i) Prior Period Items:
During the year, there were no material prior period income / expenditure items.

(ii) Change in accounting policy:
There is no change in the Significant Accounting Policies followed during the quarter and year ended March 31, 2022 as compared to those followed in the previous financial year ended March 31, 2021 except for share issue expenses debited to Share premium account as permitted by RBI, which were earlier charged to Profit and Loss account. The change in accounting policy has resulted in increase in profit before tax by ₹ 18.22 for the year ended March 31, 2022.

6.2 Accounting Standard 9 – Revenue recognition

Certain items of income are recognised on realisation basis as per Accounting Policy para 3 of Schedule 17: Significant Accounting Policies. However, the said income is not considered to be material.

6.3 Accounting Standard 15 – Employee Benefits:

Sr. No.	Particulars	FY 2021-2022		FY 2020-2021	
		Gratuity	Pension	Gratuity	Pension
(i)	**Principal actuarial assumptions used :**				
	Discount Rate	7.37%	6.84%	6.96%	6.49%
	Rate of Return on Plan Assets	6.42%	8.21%	8.04%	10.85%
	Salary Escalation Rate	5.50%	5.50%	5.50%	5.50%
	Attrition Rate Current	1.00%	1.00%	1.00%	1.00%
(ii)	**Table showing change Present value of obligation :**				
	Liability at the beginning of the year	1,935.32	16,837.05	1,747.81	16,065.92
	Interest Cost	121.82	775.14	108.69	989.13
	Current Service Cost	99.24	946.18	166.37	873.16
	Benefit Paid	369.98	1,824.62	372.36	1,650.19
	Actuarial (gain)/loss on Obligation	112.11	1,155.78	284.81	559.03
	Liability at the end of the year	**1,898.52**	**17,889.53**	**1,935.32**	**16,837.05**
	Unrecognised past service cost	-	**489.67**	-	-
	Total Defined Benefit obligation	**1,898.52**	**18,379.20**	**1,935.32**	**16,837.05**

Sr. No.	Particulars	FY 2021-2022		FY 2020-2021	
		Gratuity	Pension	Gratuity	Pension
(iii)	**Table of Fair value of Plan Assets :**				
	Fair Value of Plan Assets at the beginning of the year	1,930.62	16,531.02	1,649.47	15,827.60
	Expected return on Plan Assets	119.13	1,356.20	132.62	1,717.29
	Contributions	219.86	1,800.30	444.70	903.63
	Benefit Paid	369.98	1,824.62	372.36	1,650.19
	Actuarial gain/(loss) on Plan Assets	(12.31)	(258.26)	76.19	(267.31)
	Fair Value of Plan Assets at the end of the year	1,887.32	17,604.64	1,930.62	16,531.02
	Total Actuarial Gain/(Loss) to be recognised	(124.42)	(1,414.03)	(208.62)	(826.34)
(iv)	**Actual return on Plan Assets :**				
	Expected Return on Plan Assets	119.13	1,356.20	132.62	1,717.29
	Actuarial gain/(loss) on Plan Assets	(12.31)	(258.26)	76.19	(267.31)
	Actual return on Plan Assets	**106.82**	**1,097.94**	**208.81**	**1,449.98**
(v)	**Amount recognised in the Balance Sheet :**				
	Liability at the end of the year	1,898.52	18,379.20	1,935.32	16,837.05
	Fair Value of Plan Assets at the end of the year	1,887.32	17,604.64	1,930.62	16,531.02
	Unrecognised past service cost	-	489.67	-	-
	Amount Recognised in the Balance Sheet	**11.20**	**284.88**	**4.70**	**306.03**
(vi)	**Expenses recognised in the Income-Statement :**				
	Current Service Cost	99.24	946.18	166.37	873.16
	Interest Cost	121.82	775.14	108.69	989.13
	Expected Return on Plan Assets	(119.13)	(1,356.20)	(132.62)	(1,717.29)
	Expenses recognized relating to prior years	-	-	-	-
	Actuarial (Gain) or Loss	124.42	1,414.03	208.62	826.34
	Expense Recognised in P & L	**226.35**	**1,779.15**	**351.06**	**971.34**
(vii)	**Balance Sheet Reconciliation :**				
	Opening Net Liability (Last period's net amount recognized in the balance sheet)	4.70	306.03	98.34	238.32
	Expenses as above	226.35	1,779.15	351.06	971.34
	Employer's Contribution	(219.86)	(1,800.30)	(444.70)	(903.63)
	Amount Recognised in Balance Sheet	11.20	284.88	4.70	306.03
(viii)	**Category of Assets** :**				
	Government of India Securities	71.50	2,288.50	73.81	2,198.78
	Equity	0.00	551.87	0.00	316.89
	Corporate Bonds	120.61	5,422.74	134.42	5,184.24
	State Government Securities	130.70	2,858.58	248.27	5,363.35
	Other	1,564.51	6,482.95	1,474.12	3,467.76
	Total	1,887.32	17,604.64	1,930.62	16,531.02
(ix)	**Experience Adjustment :**				
	On Plan Liability (Gain)/Loss	152.27	1,092.69	315.39	791.71
	On Plan Asset (Loss)/Gain	(42.37)	(694.35)	86.25	(620.28)

Other long term employee benefits*:

Particulars	31.03.2022		31.03.2021	
	Liability	Provisions made/ (w/back) during the year	Liability	Provisions made/(w/back) during the year
Leave Encashment	1,183.77	(-)99.81	1,283.57	437.52
Leave Travel Concession	62.41	0.18	62.23	0.14
Resettlement Benefits	7.71	0.38	7.33	(-)0.54
Milestone Awards	4.56	0.04	4.52	0.03
Sick Leave**	3.00	0.00	3.00	0.00

* The actuarial assumptions for other long term benefits are same which are used for Gratuity.

The bank has recognised contribution to employees' Provident Fund/Defined contribution scheme as an expense. During the year, the bank has contributed ₹ 364.15 (Previous Year ₹ 229.26) towards such fund which is a defined contribution plan.

** The bank has been recognising the liability of sick leave to full extent hitherto i.e. entire outstanding leave balance. In line with the Guidance Note on implementation of Employee Benefits (AS-15) - (revised 2005) in respect of Sick Leave, the liability in this regard is recognised based on probability of availing such leaves by employees.

The Bank's best estimate of contributions expected to be paid during the annual period beginning after the Balance sheet date, towards Pension is ₹ 2,106.26 (Previous Year ₹ 1,548.05) and towards Gratuity is ₹ 45.69 (Previous Year: ₹ 331.98).

Surplus /Deficit in the Plan:

	Gratuity Plan				
Particular	FY2021-22	FY2020-21	FY2019-20	FY2018-19	FY2017-18
Defined benefit obligation	1,898.52	1,935.33	1,747.81	1,683.78	1,754.54
Plan assets	1,887.32	1,930.63	1,649.47	1,592.38	1,319.42
Unrecognised Transitional liability	-	0.00	0.00	0.00	326.34
Surplus/(deficit)	(11.20)	(-)4.70	98.34	91.40	108.78
Experience Adjustment On Plan Liability (Gain)/Loss	152.27	315.39	(-)86.04	54.03	(-)22.79
Experience Adjustment On Plan Asset (Loss)/Gain	(42.37)	86.25	100.21	14.29	(-)4.76

Particular	Pension Plan				
	FY2021-22	FY2020-21	FY2019-20	FY2018-19	FY2017-18
Defined benefit obligation	18,379.20	16,837.05	16,065.92	14,709.20	13,716.87
Plan assets	17,604.64	16,531.02	15,827.60	14,314.88	13,330.64
Unrecognised Transitional liability	489.67	0.00	0.00	0.00	0.00
Surplus/(deficit)	(284.88)	(-)306.03	(-)238.32	(-)394.32	(-)386.23
Experience Adjustment On Plan Liability (Gain)/Loss	1,092.69	791.71	808.90	546.91	(-)66.62
Experience Adjustment On Plan Asset (Loss)/Gain	(694.35)	(-)620.28	155.64	37.73	33.27

6.4 Accounting Standard 17 - Segment Reporting

Part A: Business Segment

Business Segment	Treasury Operations		Wholesale Banking Operations		Retail Banking Operations		(*)Other Banking Operations		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue	15,606.42	17,158.41	14,372.71	15,531.21	15,716.53	15,100.47	0.00	0.00	45,695.66	47,790.09
Unallocated revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	305.16	283.48
Inter segment revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	46.26	32.64
Total Revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	45,954.56	48,040.93
Results	5,972.28	5,470.24	(-)2166.90	(-)1,466.93	2,945.16	(-)15.67	0.00	0.00	6,750.54	3,987.64
Unallocated Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	(-)1,183.79	(-)750.92
Operating Profit/(Loss)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	5,566.75	3,236.72
Income Tax	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	2,162.05	1,076.42
Extraordinary Profit/(Loss)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Net Profit/(Loss)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	3,404.70	2,160.30
Other Information :										
Segment Assets	260,048.48	277,688.87	232,137.13	237,987.82	216,917.68	185,138.74	0.00	0.00	709,103.29	700,815.43
Unallocated Assets									25,510.72	25,041.02
Total Assets	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	734,614.01	725,856.45
Segment Liabilities	246,522.16	266,000.92	259,957.50	254,595.41	166,631.03	151,080.44	0.00	0.00	673,110.69	671,676.77
Unallocated Liabilities									6,372.08	5,494.09
Total Liabilities	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	679,482.77	677,170.86

(*) The Bank does not have any significant "Other Banking Operations".

Part B: Geographical Segment

Geographical Segments	Domestic		International		Total	
Particulars	**2021-22**	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Revenue	44,328.45	45,814.67	1,626.11	2,226.26	45,954.56	48,040.93
Assets	648,296.36	641,265.29	86,317.65	84,591.16	734,614.01	725,856.45

The Bank has recognised Business Segments as Primary reporting segment and Geographical Segments as Secondary segment in line with RBI guidelines in compliance with Accounting Standard 17.

Primary Segment: Business Segments

a) **Treasury Operations:** 'Treasury' for the purpose of Segment Reporting includes the entire investment portfolio i.e. dealing in Government and other Securities, Money Market Operations and Forex Operations.

b) **Wholesale Banking**: Wholesale Banking includes all advances which are not included under Retail Banking.

c) **Retail Banking** : Retail Banking includes exposures which fulfil following two criteria:

i) Exposure – The maximum aggregate exposure up to ₹ 5.

ii) The total annual turnover is less than ₹ 50 i.e. the average turnover of the last three years in case of existing entities and projected turnover in case of new entities.

Pricing of Inter-Segmental transfers

Retail Banking Segment is a Primary resource mobilising unit and Wholesale Segment and Treasury Segment compensates the Retail banking segment for funds lent by it to them taking into consideration the average cost of deposits incurred by it.

Allocation of Costs:

a) Expenses directly attributed to particular segment are allocated to the relative segment.

b) Expenses not directly attributable to specific segment are allocated in proportion to number of employees/business managed.

Secondary Segment: Geographical Segments

a) Domestic Operations

b) International Operations

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6.5 Accounting Standard 18 - Related Party Transactions (As compiled by the management and relied upon by the Auditors):

I) List of Related Parties:

a. Key Managerial Personnel:

Managing Director & CEO:	Shri Atanu Kumar Das
Executive Directors:	Shri P R Rajagopal Shri Swarup Dasgupta Shri M. Karthikeyan Smt. Monika Kalia

b. Subsidiaries

i. BOI Shareholding Limited
ii. BOI Star Investment Managers Private Limited (erstwhile BOI AXA Investment Managers Private Limited)
iii. BOI Star Trustee Services Private Limited (erstwhile BOI AXA Trustee Services Private Limited)
iv. BOI Merchant Bankers Limited
v. PT Bank of India Indonesia Tbk
vi. Bank of India (Tanzania) Limited
vii. Bank of India (New Zealand) Limited
viii. Bank of India (Uganda) Limited

c. Associates

i. STCI Finance Limited
ii. ASREC (India) Limited
iii. Indo Zambia Bank Limited

d. Regional Rural Banks sponsored by the Bank

i. Madhya Pradesh Gramin Bank (erstwhile Narmada Jhabua Gramin Bank)
ii. Vidarbha Konkan Gramin Bank
iii. Aryavart Bank

e. Joint Venture:

Star Union Dai-Ichi Life Insurance Co. Limited

Transactions with Related Parties (As compiled by Management and relied upon by the Auditors)

Transactions with Related Parties (As compiled by Management and relied upon by the auditors)

Particulars	With Subsidiaries/ Associates/Joint Ventures		Key Management Personnel & their relatives		TOTAL	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Transactions during the period						
Interest Received	-	-	-	-	-	-
Interest Paid	315.62	155.42	-	-	315.62	155.42
Dividend received	8.38	3.98	-	-	8.38	3.98
Other Income	113.15	86.74	-	-	113.15	86.74
Sale of Govt. Securities/Treasury Bills	-	-	-	-	-	-
Purchase of Govt. Securities/Treasury Bills	-	-	-	-	-	-
Puchase of Corporate Bonds and Other money market instruments	-	-	-	-	-	-
Deposits accepted	-	-	-	-	-	-
Matured Deposits	-	-	-	-	-	-
Loans Provided	-	-	-	-	-	-
Loans Repaid	-	-	-	-	-	-
Sale of NPA	-	-	-	-	-	-
Investments made	-	-	-	-	-	-
Equity shares issued under Employee's Stock Purchase Scheme	-	-	-	-	-	-
Outstanding	As on 31.03.2022	As on 31.03.2021	As on 31.03.2022	As on 31.03.2021	As on 31.03.2022	As on 31.03.2021
Payable	-	-	-	-	-	-
Deposits accepted	227.24	149.71	-	-	227.24	149.71
Borrowing	-	-	-	-	-	-
Loans given	10.00	-	-	-	10.00	-
Placement of the Deposits	-	-	-	-	-	-
Other Liabilities	-	4.01	-	-	-	4.01
Receivables (Advances)	-	-	-	-	-	-
Investments	122.59	122.59	-	-	122.59	122.59
Non Funded Commitment	-	-	-	-	-	-
Leasing / HP arrangements availed	-	-	-	-	-	-
Leasing / HP arrangements provided	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
Other Assets	13.14	8.06	-	-	13.14	8.06

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The transactions with wholly owned subsidiaries and regional rural banks being state controlled, have not been disclosed in view of Para 9 of AS - 18 on Related Party disclosure issued by ICAI exempting 'State Controlled Enterprises' from making any disclosure pertaining to their transactions with other related parties which are also 'State Controlled Enterprises'. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker - Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel, since the disclosure would conflict with Bank's duties of confidentiality.

6.6 Accounting Standard 19 – Lease Financing: - Nil

6.7 Accounting Standard 20 - Earnings per Share in ₹:

Sr. No.	Particulars	2021-22	2020-21
1.	Basic EPS	8.84	6.59
2.	Diluted EPS	8.84	6.59

Calculation of Basic & Diluted E.P.S.:

Sr. No.	Particulars	2021-22	2020-21
(A)	Net Profit/(Loss) for the year attributable to Equity Shareholders	3,404.70	2160.30
(B)	Weighted Average Number of Equity shares (in crore)	385.28	327.69
(C)	Basic Earnings per Share (A/B) (₹)	8.84	6.59
(D)	Weighted Average Number of Equity shares including dilutive potential equity shares (in crore)	410.36	327.81
(E)	Dilutive Earnings per Share (A/E) (₹)	8.84	6.59
(F)	Nominal Value per Share (₹)	10.00	10.00

6.8 Accounting Standard 22 – Accounting for Taxes on Income

6.8.1 The major components of Deferred Tax Assets and Deferred Tax Liabilities are as under:

Sr. No.	Particulars	31.03.2022	31.03.2021
	Deferred Tax Assets		
i)	On account of timing difference towards provision for doubtful debt and advances	9,788.61	14,139.07
ii)	On account of timing difference towards other provisions/items	93.79	113.49
iii)	On account of Foreign Currency Translation Reserve (FCTR)	218.57	209.92

Sr. No.	Particulars	31.03.2022	31.03.2021
iv)	Others	564.71	449.96
	Total Deferred Tax Assets	**10,665.68**	**14,912.44**
	Deferred Tax Liabilities		
i)	On account of Depreciation on fixed assets	154.77	279.12
ii)	On account of interest accrued but not due on investments	887.51	943.32
iii)	On account of Deduction in respect of special reserve u/s 36(1)(viii) of the Income Tax Act 1961*	915.53	915.53
iv)	Others	0.48	3.85
	Total Deferred Tax Liabilities	**1958.29**	**2,141.82**
	Net Deferred Tax Assets / (Liabilities)	8,707.39	12,770.62

* ₹ 431.67 out of past reserves and balance out of profit

6.8.2 Amount of Provisions made for Income-tax during the year

Particulars	2021-22	2020-21
Current Tax	(-)1,901.16	138.31
Deferred Tax	4063.22	938.10
Total Tax Expense	**2,162.05**	**1,076.41**

Government of India has pronounced section 115BAA of Income Tax Act 1961 through Taxation Laws (Amendment) Act, 2019. The Bank has evaluated the options available under section 115BAA of the Act and opted to continue to recognise the taxes on income for the year ended 31st March, 2022 as per the earlier provisions of Income-tax Act.

6.9 Accounting Standard 24 - Discontinuing Operations: In consonance with the Government of India directives and as a part of strategic initiatives for rationalisation of overseas operations in FY 2019-20, the Bank has sold its overseas subsidiary i.e. Bank of India (Botswana Ltd. for a consideration of ₹ 14.64 and remaining cost of improvement of ₹ 19.18 has been fully provided.

6.10 Accounting Standard 27 – Investments in Joint Venture

Investments include ₹ 75 (Previous year ₹ 75) representing Bank's interest in the following jointly controlled entity:

Sr. No.	Name of the Company	Amount	Country of Residence	Holding %
1	Star Union Dai-Ichi Life Insurance Company Ltd.	75	India	28.96%

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Aggregate amount of assets, liabilities, income and expenses related to the group's interest in jointly controlled entities:

Particulars	31.03.2022	31.03.2021
Liabilities		
Capital & Reserves	213.22	208.63
Deposits	-	-
Borrowings	-	-
Other Liabilities & Provisions	4,211.15	3,390.38
Total	4,424.37	**3,599.02**
Assets		
Cash and Balances with Reserve Bank of India	41.15	54.56
Balances with Banks and Money at call and short notice	-	-
Investments	4,206.16	3,386.41
Advances	4.90	3.74
Fixed Assets	10.52	7.51
Other Assets	161.65	146.80
Total	4,424.37	**3,599.02**
Capital Commitments	-	-
Other Contingent Liabilities	31.56	27.13
Income		
Interest Earned	12.71	11.30
Other Income	76.62	50.56
Total	89.34	**61.86**
Expenditure		
Interest Expended		-
Operating Expenses	89.37	37.77
Provisions & Contingencies	(6.63)	5.14
Total	82.73	**42.91**
Profit / (Loss)	6.60	**18.95**

6.11 Impairment of Assets (Accounting Standard 28): ₹ Nil

6.12 "Provisions, Contingent Liabilities and Contingent Assets" (Accounting Standard 29)

A. Movement of Provisions for contingent liabilities:

Particulars	Legal cases/contingencies*	
	2021-22	2020-21
Opening Balance	100.91	99.19

Provided during the year	2.67	11.01
Amounts used during the year	42.56	9.29
Closing Balance	61.02	100.91
Timing of outflow/uncertainties	Outflow on settlement / Crystallization	

*Excluding provisions for others

B. Contingent Liabilities:

Such liabilities are dependent upon, the outcome of court order/arbitration/out of court settlement, disposal of appeals and the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be. No reimbursement is expected in such cases.

7. Figures of the previous period have been regrouped / reclassified, wherever considered necessary to conform to the current period's classification.

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V Sankar Aiyar & Co.	Laxmi Tripti & Associates	Mukund M Chitale & Co.
Chartered Accountants 2C Court Chambers, 35, New Marine Lines, Mumbai – 400 020.	Chartered Accountants 2/9, Shireen Complex. BDA Colony, KOH-E-FIZA, Bhopal - 462001	Chartered Accountants Second Floor, Kanpur House, Paranjape B Scheme Road No 1, Vile Parle East, Mumbai- 400057

Independent Auditors' Report

To
The President of India / The Members of Bank of India

Report on Audit of the Standalone Financial Statements

Opinion

1) We have audited the accompanying Standalone Financial Statements of **Bank of India ('the Bank')**, which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to Standalone Financial Statements including Significant Accounting Policies and other explanatory information in which are included returns for the year ended on that date of:
    (i) 20 Domestic branches, Treasury Branch and Digital Banking department audited by us;
    (ii) 3281 domestic branches and processing centres audited by respective Statutory Branch Auditors and
    (iii) 21 Foreign branches audited by respective local Auditors

    The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also included in the Balance Sheet, the Statement of Profit and Loss and Statement of Cash Flows are the returns from 2070 domestic branches and one foreign branch which have not been subjected to audit. These unaudited branches account for 5.48 % of advances, 16.07 % of deposits, 4.58 % of interest income and 16.43 % of interest expenses.

2) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act, 1949 ("the Act") in the manner so required and are in conformity with the accounting principles generally accepted in India and give true and fair view:
    a) In case of Balance Sheet, of the state of affairs of the Bank as at March 31, 2022,
    b) true balance of profit, in case of Profit & Loss account for the year ended on that date; and
    c) true and fair view of the cash flows, in the case of Cash Flow Statement for the year ended on that date.

Basis for Opinion

3) We conducted our audit in accordance with the Standards on Auditing (SAs) issued by The Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Bank in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the Standalone Financial Statements under provision of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence obtained by us and audit evidences obtained by other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4) We draw attention to Note No. 14(i) of Schedule 18 of the standalone financial statements, regarding amortization of additional liability on account of revision in family pension amounting to Rs. 612.09 Crores. The Bank has charged an amount of Rs. 61.21 Crores and Rs. 122.42 Crores to the profit and loss account for the quarter and year ended March 31, 2022 and balance unamortized expense of Rs. 489.67 Crores has been carried forward.

Our opinion is not modified in respect of this matter.

Key Audit Matters

5) Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Sl. No.	Key Audit Matters	Audit Procedure followed to address the Key Audit Matters
1)	**Compliance of Income Recognition, Asset Classification and Provisioning Norms on advances and investments as per guidelines issued by Reserve Bank of India (IRAC Norms)** **Advances** Bank has to classify the accounts as performing advances or non performing advances based on the guidelines/circulars and directives issued by Reserve Bank of India. The guidelines issued by Reserve Bank of India is for all credit facilities given by the bank and is to be mandatorily followed for the purpose of Income Recognition, Asset Classification and Provisioning. Identification of performing and non performing advances is system driven. The software used by the bank identifies the accounts for classification and provisioning as per the guidelines issued by Reserve Bank of India. The Income recognition, asset classification and provisioning if not done properly as per the IRAC norms issued by Reserve Bank of India may materially impact the financial statements of the bank. The bank has implemented IRAC Automation software for identification and classifying of NPA accounts through the software. **Investments :** Bank has to classify the investments as performing or non performing based on the guidelines/circulars and directives issued by Reserve Bank of India.	We have carried out the audit of the advances and investments based on the IRAC Norms/Circulars and directives issued by Reserve Bank of India and the policy of the Bank. **Advances:** Our audit procedure included: a) Communication to the branch statutory auditors to verify the compliance of IRAC Norms and procedures and the policies adopted by the bank and reliance on the audit reports furnished by the branch statutory auditors. b) Understanding the IT system and controls put in place and logic and validations built in the system by the bank for identification, classification and provisioning in case of advances. c) Testing on sample basis whether the classification of advances as performing or non-performing and provisioning have been carried out as per the guidelines of Reserve Bank of India. d) Carrying out substantive test on major advances including Specially Mentioned Accounts (SMA) and also verification of security by checking the valuation reports in respect of the audit of branches conducted by us. e) Reliance on the internal audit reports, concurrent audit reports, credit audit, system audit and special audits conducted by the bank. f) The bank has appointed an independent external agency to carry out systems audit of IRAC Automation software. As per the report submitted by the agency, all observations are complied / being complied with and the same has been relied upon by us. **Investments:** Our audit procedure included: a) Understanding the IT system and controls put in place and logic and validations built in the system by the bank for identification, classification and provisioning in case of investments.

	Identification of performing and non performing investments is generally system driven. The valuation is done as per the guidelines issued by Reserve Bank of India and the valuations are done based on the price quoted on BSE/NSE, FIMDA /FBIL rates etc. The Income recognition, asset classification and provisioning if not done properly as per the IRAC norms issued by Reserve Bank of India may materially impact the financial statements of the bank. Advances and Investments constitute 57.29% and 23.75% respectively of total assets of the bank. As advances and investments form part of a major portion of the business of the bank and the regulatory compliances are involved, we have considered this aspect as Key Audit Matter.	b) Testing on sample basis whether the classification and valuation of investments is carried out as per the guidelines of Reserve Bank of India. c) Verification on sample basis whether proper provision for depreciation in the value of investments is made as per RBI guidelines. d) Reliance made on the internal audit reports, concurrent audit reports and system audit conducted by the bank.
2)	**Evaluation of uncertain tax litigations and contingent liabilities** The Bank has various litigations including tax litigations. The Bank has also disputes regarding availability of input credits/applicability of Reverse Charge Mechanism on certain payments under Indirect Tax. This is a key audit matter due to uncertainty of the outcome which involves significant judgment to determine the possible outcome of these disputes.	Our audit approach involved: a) Understanding the current status of the litigations/tax assessments; b) Review of the latest orders, communication received from various tax authorities and the appeals filed; c) Reliance on the opinion of legal and tax consultants, where available.
3)	**Assessment of Information Technology (IT):** a. IT controls with respect to recording of transactions, generating various reports in compliance with RBI guidelines including IRAC norms, preparing financial statements and reporting of compliances to regulators etc. is an important part of the process. Such reporting is highly dependent on the effective working of Core Banking Software and other allied systems. We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management and regulators.	Our audit procedure includes:- a) Understanding and testing of operative effectiveness of the system. b) Understanding the coding system adopted by the bank for various categories of customers. c) Understanding and testing of different validations available in the system d) Checking the user requirements for any changes in the regulations/policy of the bank e) Testing of logic used for extracting the data. f) On sample basis reviewing the reports generated. g) Reliance on the system audit report of the bank.
	b. The Bank has migrated the existing CBS system from Finacle 7 to Finacle 10.	The Bank has carried out migration audit through an external agency which has confirmed that they have completed the compliance activity for the CRM and

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		Core observations identified in Go-Live and Post migration. They have also confirmed that there are no open items and we have relied on the same. Also, the management has confirmed that there is no material financial impact on account of such migration.
4)	**Recognition of Deferred Tax Assets:** As per Significant Accounting Policy of the Bank, which is in accordance with AS 22 Accounting for Taxes on Income issued by The Institute of Chartered Accountants of India Deferred tax assets should be recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. We identified the recognition of deferred tax assets as a key audit matter involves judgement by management as to the likelihood of the realization of these deferred tax assets, which is based on a number of factors including whether there will be sufficient taxable profits in future periods to support recognition.	Our audit procedure included evaluating management assessment on the sufficiency of the future taxable profits in support of the recognition of deferred tax assets such as assumptions and other parameters used for recognition of deferred tax asset.

Information Other than the Financial Statements and Auditors Report thereon

6) The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report and Chairman's Statement but does not include the Standalone Financial Statements and our Auditor's report thereon which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the Standalone Financial Statements does not cover the other information and Pillar 3 disclosures under Basel III Disclosure and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7) The Bank's Board of Directors is responsible with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by The Institute of Chartered Accountants of India, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and

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maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8) Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

9) We did not audit the financial statements / financial information of 3302 branches and processing centres (including 21 foreign branches) included in the Standalone Financial Statements of the Bank whose financial statements/financial information reflects total assets of Rs. 3,03,497.48 crores at March 31, 2022 and total revenue of Rs 15,898.72 crores for the year ended on that date, as considered in the Standalone Financial Statements. The financial statements/ financial information of these branches and processing centres have been audited by the branch auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10) The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;

11) Subject to the limitations of the audit indicated in paragraphs 6 & 9 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also to the limitations of disclosure required therein, we report that:

   a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;

   b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

   c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

12) We further report that:

   a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches and processing centres not visited by us;

   b) the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows dealt with by this report are in agreement with the books of account and with the returns received from the branches and processing centres not visited by us;

   c) the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and

   d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by Reserve Bank of India.

13) As required by letter No. DOS.ARG.No.6270/08.91.001/2019- 20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks–Reporting obligations for SCAs from FY: 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

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a) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.

c) On the basis of the written representations received from the directors as on March 31, 2022, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.

d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.

14) Our audit report on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting as required by the RBI Letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) is given in Annexure A to this report. Our report expresses an unmodified opinion on the Bank's internal financial controls over financial reporting as at 31st March 2022.

For V Sankar Aiyar & Co. **Chartered Accountants** **(FRN 109208W)**	**For Laxmi Tripti & Associates** **Chartered Accountants** **(FRN 009189C)**	**For Mukund M Chitale & Co.** **Chartered Accountants** **(FRN: 106655W)**
S Nagabushanam		
S Nagabushanam **Partner** **M. No. 107022** **UDIN: 22107022AJMAPL8648**	**Rajesh Gupta** **Partner** **M.No.077204** **UDIN: 22077204AJMEWR2473**	**Nilesh RS Joshi** **Partner** **M. No. 114749** **UDIN: 22114749AJMAWZ8974**

Place: Mumbai
Date: May 24, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 14 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the "RBI") Letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the "RBI communication")

We have audited the internal financial controls over financial reporting of Bank of India ("the Bank") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting of the Bank's branches.

Management's Responsibility for Internal Financial Controls

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Bank's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention

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or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the "Other Matters" paragraph below, the Bank has, in all material respects generally adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report, insofar as it relates to the operating effectiveness of internal financial controls over financial reporting of 3281 domestic branches and processing centres in India is based on the corresponding reports of the respective branch auditors of those branches.

Our opinion is not modified in respect of this matter.

For V Sankar Aiyar & Co. Chartered Accountants (FRN 109208W) S Nagabushanam **S Nagabushanam** **Partner** **M. No. 107022** **UDIN: 22107022AJMAPE8648**	For Laxmi Tripti & Associates Chartered Accountants (FRN 009189C) **Rajesh Gupta** **Partner** **M.No.077204** **UDIN: 22077204AJMEWR2473**	For Mukund M Chitale & Co. Chartered Accountants (FRN: 106655W) **Nilesh RS Joshi** **Partner** **M. No. 114749** **UDIN: 22114749AJMAWZ8974**

Place: Mumbai
Date: May 24, 2022

BANK OF INDIA

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2021

&

PROFIT AND LOSS ACCOUNT

FOR YEAR ENDED 31ST MARCH, 2021

BANK OF INDIA

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

(000's Omitted)

	Schedule No.	As at 31-03-2021 ₹	As at 31-03-2020 ₹
CAPITAL AND LIABILITIES			
Capital	1	32,776,625	32,776,625
Reserves & Surplus	2	437,025,656	417,954,861
Share Application Money, pending allotment		30,000,000	0
Minorities Interest	2A	1,593,141	1,514,163
Deposits	3	6,290,983,664	5,573,864,271
Borrowings	4	324,641,055	397,624,659
Other liabilities and provisions	5	210,880,934	206,553,820
TOTAL		7,327,900,975	6,630,188,399
ASSETS			
Cash and balances with Reserve Bank of India	6	609,303,760	294,465,455
Balances with Banks and money at call and short notice	7	657,632,490	571,820,138
Investments	8	1,916,930,102	1,623,229,001
Advances	9	3,676,673,463	3,706,440,848
Fixed Assets	10	90,013,980	90,579,840
Other Assets	11	377,347,180	343,848,028
TOTAL		7,327,900,975	6,630,188,399
Contingent Liabilities	12	4,537,941,768	3,523,213,663
Bills for collection		249,139,677	250,032,329

The schedules referred to above form an integral part of the Balance Sheet.

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

Sankar Sen	Monika Kalia	M. Karthikeyan	Swarup Dasgupta	P R Rajagopal	A.K.Das
Chief Financial Officer	Executive Director	Executive Director	Executive Director	Executive Director	Managing Director & CEO

DIRECTORS

Dakshita Das　　Subrata Das　　P N Prasad

In terms of our report of even date attached

For Chaturvedi & Co	For V Sankar Aiyar & Co.	For Laxmi Tripti & Associates
Chartered Accountants	Chartered Accountants	Chartered Accountants
(FRN302137E)	(FRN-109208W)	(FRN:009189C)
R.K Nanda	G. Sankar	L.N. Agrawal
Partner	Partner	Partner
M No. 510574	M. No.046050	M No 078427

Place: Mumbai
Date: June 04, 2021

BANK OF INDIA

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2021

(000's Omitted)

	Schedule No.	Year ended 31-03-2021 ₹	Year ended 31-03-2020 ₹
I. INCOME			
Interest earned	13	40,85,38,283	42,59,07,743
Other income	14	7,49,61,746	6,80,88,891
TOTAL		48,35,00,011	49,39,96,634
II. EXPENDITURE			
Interest expended	15	26,42,09,496	27,19,14,608
Operating expenses	16	11,00,63,541	10,61,24,017
Provisions & Contingencies		8,72,39,133	14,52,52,065
TOTAL		46,15,12,170	52,32,90,690
Share of earnings/(loss) in Associates	16A	(11,82,214)	(12,18,330)
Consolidated Net Profit/(Loss) for the period before deducting Minorities' interest		2,08,05,627	(3,05,12,377)
Less: Minorities' interest		(21,874)	(1,997)
Consolidated Net Profit/(Loss) for the period attributable to the group		2,08,27,501	(3,05,10,379)
Add: Brought forward consolidated profit/(loss) attributable to the group		(23,78,79,282)	(20,41,45,456)
TOTAL		(21,70,51,781)	(23,46,55,835)
III. APPROPRIATIONS/ UTILIZATIONS			
Transfer to Statutory Reserve		54,10,000	-
Transfer to Investment Fluctuation Reserve		67,38,011	
Transfer to Revenue Reserve		58,980	7,65,817
Transfer to Capital Reserve		49,64,976	24,27,630
Transfer (from) / to Special Reserve - Currency Swap		-	-
Transfer from Share Premium (for set off of brought forward loss)		(23,78,23,882)	-
Final Dividend (including dividend tax)		-	-
Dividend Tax - for Subsidiary			-
Transfer to Special Reserve u/s Sec 36(1) (viii) of Income Tax Act 1961		46,00,000	-
Balance carried over to consolidated Balance sheet		(9,87,876)	(23,78,79,282)
TOTAL		(21,70,51,781)	(23,46,55,835)
Significant Accounting Policies	17		
Notes to Accounts	18		
Basic Earnings Per Share (₹)		6.35	(9.39)
Diluted Earnings Per Share (₹)		6.35	(9.39)

The schedules referred to above form an integral part of the Profit and Loss Account

The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act, 1949.

Sankar Sen	Monika Kalia	M. Karthikeyan	Swarup Dasgupta	P R Rajagopal	A.K.Das
Chief Financial Officer	Executive Director	Executive Director	Executive Director	Executive Director	Managing Director & CEO

DIRECTORS

Debahuti Das | Subrata Das | P N Prasad

In terms of our report of even date attached

For Chaturvedi & Co	For V Sankar Aiyar & Co.	For Laxmi Tripti & Associates
Chartered Accountants	Chartered Accountants	Chartered Accountants
(FRN302137E)	(FRN 109208W)	(FRN 009189C)
R.K.Nanda	G. Sankar	L M Agrawal
Partner	Partner	Partner
M. No. 510574	M. No.046050	M. No.078427

Place: Mumbai
Date: June 04, 2021

Statement of Consolidated Cash Flow for the year ended 31st March, 2021

(₹ in 000's)

Particulars	Half Year ended 31.03.2021	Year ended 31.03.2020
A. Cash Flow from Operating Activities:		
Net Profit before taxes	**3,16,17,782**	**(46,914,589)**
Adjustments for:		
Amortisation / Depreciation on Investments	1,16,26,540	6,401,160
Depreciation on Fixed Assets	38,00,935	3,919,554
Profit on sale of Assets	(6,02,064)	(467,462)
Provision for NPA	6,64,79,528	144,462,442
Provision for Standard Assets	(7,08,940)	8,720,518
Provision for Other Assets	19,91,745	5,054,145
Interest on Subordinated Bonds, IPDI, Upper Tier II Bonds	65,38,394	8,458,195
Dividend received	(2,22,042)	(143,038)
Adjustments for:		
Increase /(Decrease) in Deposits	71,71,19,293	348,314,648
Increase /(Decrease) in Borrowings	(7,34,03,604)	(21,877,264)
Increase / (Decrease)in Other Liabilities and Provisions	19,32,176	34,282,567
(Increase) / Decrease in Investments	(30,65,09,775)	(121,798,399)
(Increase)/ Decrease in Advances	(3,67,12,143)	(421,239,888)
(Increase) / Decrease in Other Assets	(5,18,30,483)	13,184,895
Direct Taxes (Paid)/Refund	75,62,696	(8,628,265)
Net Cash Flow from Operating Activities (A)	**37,86,80,038**	**(48,270,781)**
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(34,89,950)	(96,18,793)
Sale of Fixed Assets	1,90,732	60,46,779
Dividend received	2,22,042	143,038
Impact of consolidation of subsidiaries	11,82,214	1,218,330
Minority Interest	78,978	(107,381)
Net Cash Flow from Investing Activities (B)	**(18,15,984)**	**(2,318,026)**
C. Cash Flow from Financing Activities:		
Share Capital	-	5,176,339
Share Premium	-	40,991,306
Share Application Money	3,00,00,000	(46,380,000)
IPDI, Subordinated Bonds & Upper Tier II Bonds (Net)	5,20,000	(23,250,000)
Dividend paid		
Interest Paid on IPDI, Subordinated Bonds, Upper Tier II Bonds	(65,38,394)	(8,458,195)
Net Cash Flow from Financing Activities (C)	**2,39,81,607**	**(31,920,550)**
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**40,08,45,661**	**(82,509,357)**

Continued..

BANK OF INDIA

Statement of Consolidated Cash Flow for the year ended 31st March, 2021

(₹ In 000's)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Cash and Cash Equivalents as at the beginning of the period	86,60,90,593	948,699,950
Cash and Cash Equivalents as at the end of the period	1,26,69,36,250	866,090,593

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Reconciliation of Cash and Cash Equivalents as at the end of the period		
Cash and balances with Reserve Bank of India (Schedule 6)	60,93,03,760	294,465,455
Balances with Banks and money at call and short notice (Schedule 7)	65,76,32,490	571,625,138
Cash and Cash Equivalents as at the end of the period	1,26,69,36,250	866,090,593

Cash and cash equivalent as per cash flow statement comprises of cash in hand, in ATM, balances in current account with RBI and other Banks (including deposits) and money at call and short notice which can be readily convertible into cash.

Sankar Sen	Monika Kalia	M. Karthikeyan	Swarup Dasgupta	P R Rajagopal	A.K.Das
Chief Financial Officer	Executive Director	Executive Director	Executive Director	Executive Director	Managing Director & CEO

DIRECTORS

Dakshita Das   Subrata Das   P N Prasad

In terms of our report of even date attached

For Chaturvedi & Co Chartered Accountants (FRN302137E)	For V Sankar Aiyar & Co. Chartered Accountants (FRN 109208W)	For Laxmi Tripti & Associates Chartered Accountants (FRN 009189C)
R.K.Nanda Partner M. No. 510574	G. Sankar Partner M. No.046050	L.N. Agrawal Partner M. No.078427

Place: Mumbai

Date: June 04, 2021

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

(000's Omitted)

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 1 : CAPITAL		
AUTHORISED CAPITAL		
600,00,00,000 (Previous year 600,00,00,000) Equity Shares of ₹10 each	60,000,000	60,000,000
ISSUED AND SUBSCRIBED CAPITAL		
Equity Shares 327,81,00,450 (Previous year 327,81,00,450) of ₹10 each	32,781,004	32,781,004
TOTAL	32,781,004	32,781,004
PAID-UP CAPITAL		
327,69,23,350 Equity Shares (Previous year 327,69,23,350) of ₹10 each fully paid-up.	32,769,234	32,769,234
Add: Amount of shares forfeited	7,391	7,391
TOTAL*	**32,776,625**	**32,776,625**

* Of the above, 291,96,90,866 Equity Shares (Previous year 291,96,90,866) of ₹10 each fully paid up amounting to ₹2919.69 crores (Previous year ₹2919.69 crores) is held by Central Government

BANK OF INDIA H.O. FINANCE DEPT.

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

(000's Omitted)

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 2 : RESERVES & SURPLUS		
I. Statutory Reserve :		
Opening Balance	71,069,103	71,045,256
Add: Additions/adjustments during the period	5,387,349	23,847
TOTAL (I)	76,456,452	71,069,103
II. Capital Reserves :		
A) Revaluation Reserve :		
Opening Balance	63,712,369	63,243,218
Add Addition during the period on Revaluation of Premises	-	940,785
Less: Adjustments during the period	(34,808)	(267,544)
Less: Depreciation / adjustments on account of revaluation	701,024	739,178
Total of (A)	63,046,153	63,712,369
B) Others		
i) Capital Redemption Reserve		
Opening Balance	5,000	5,000
Add /Less: Additions/deductions	-	-
Sub-total of (i)	5,000	5,000
ii) Profit on sale of Investments - "Held to Maturity"		
Opening Balance	25,563,168	23,135,537
Add: Additions during the period	4,954,976	2,427,630
Sub-total of (ii)	30,518,144	25,563,167
iii) Capital Reserve on Consolidation		
Opening Balance	735,961	268,264
Add: Adjustment during the period	-45,850	467,697
Sub-total of (iii)	690,111	735,961
iv) Foreign Currency Translation Reserve		
Opening Balance	22,147,065	19,069,170
Add/ (Less) : Adjustments during the period (Net)	(1,723,147)	3,077,895
Sub-total of (iv)	20,423,918	22,147,065
Total of (B)	51,637,173	48,451,193
TOTAL (II)	**114,683,326**	**112,163,561**
III. Share Premium :		
Opening Balance	359,032,884	318,041,578
Addition/(Utilization) during the period	(237,823,882)	40,991,306
Add: On forfeited shares annulled.	-	-
TOTAL (III)	**121,209,002**	**359,032,884**

BANK OF INDIA H.O. FINANCE DEPT.

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

(000's Omitted)

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 2 : RESERVES & SURPLUS (contd.)		
IV. Revenue and Other Reserves :		
i) Revenue Reserve :		
Opening Balance	91,868,594	90,176,624
Add: Additions during the period	757,138	1,511,658
Add / (Less): Adjustments	(7,215)	208,159
Less: Deductions during the period	(8,224)	27,847
Sub-total of (i)	92,626,741	91,868,594
ii) Investment Reserve :		
Opening Balance	-	-
Add: Transfer from Profit & Loss Appropriations	-	-
Less:Transfer to Profit & Loss Appropriations	-	-
Sub-total of (ii)	-	-
iii) Investment Fluctuation Reserve :		
Opening Balance	-	-
Add: Transfer from Profit & Loss Appropriations	6,738,011	-
Less:Transfer to Profit & Loss Appropriations	-	-
Sub-total of (iii)	6,738,011	-
iv) Special Reserve u/s Sec 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	21,700,000	21,700,000
Add: Additions during the period	4,500,000	-
Sub-total of (iv)	26,200,000	21,700,000
TOTAL (IV)	125,564,752	113,568,594
V. Balance in Consolidated Profit and Loss Account	(887,876)	(237,879,282)
TOTAL (I TO V)	**437,025,656**	**417,954,861**
SCHEDULE - 2A : MINORITIES INTEREST		
Minority interest at the date on which the parent-subsidiary relationship came into existence	471,356	471,356
Subsequent increase / (decrease)	1,121,785	1,042,807
Minority interest on the date of Balance sheet	**1,593,141**	**1,514,163**
SCHEDULE - 3 : DEPOSITS		
A. I. Demand Deposits :		
i) From Banks	5,769,841	8,051,413
ii) From Others	322,173,966	295,335,053
TOTAL (I)	327,943,807	303,386,466
II. Savings Bank Deposits	1,976,581,142	1,728,378,449
III. Term Deposits :		
i) From Banks	440,925,602	355,190,565
ii) From Others	3,545,533,013	3,186,908,791
TOTAL (III)	3,986,458,615	3,542,099,356
TOTAL A (I to III)	**6,290,983,564**	**5,573,864,271**
B. i) Deposits of branches in India	5,510,794,794	4,824,885,548
ii) Deposits of branches outside India	780,188,770	748,978,723
TOTAL (B)	**6,290,983,564**	**5,573,864,271**

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

(000's Omitted)

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 4 : BORROWINGS		
I. Borrowings in India :		
i) Reserve Bank of India	35,190,000	188,770,000
ii) Other Banks		
a. Tier I Capital	6,930,000	1,150,000
b. Tier II Capital	250,000	250,000
c. Others	139,300	0
Total (ii)	7,319,300	1,400,000
iii) Other Institutions and Agencies		
a. Tier I Capital	6,590,000	1,850,000
b. Tier II Capital	69,750,000	79,750,000
c. Others	203,022,679	22,936,828
Total (iii)	279,362,679	104,536,828
Total (I)	321,871,979	294,706,828
II. Borrowings outside India		
a. Tier I Capital	-	-
b. Tier II Capital	-	-
c. Others	2,769,076	102,817,831
Total (II)	2,769,076	102,817,831
Total (I & II)	**324,641,055**	**397,524,659**
Secured borrowings included in above	-	-

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	14,177,590	11,271,665
II. Inter-office adjustments (net)	-	1,816,388
III. Interest Accrued	16,476,917	19,554,587
VI. Deferred Tax liability	38,497	16,852
VII. Others	180,187,930	173,894,328
TOTAL	**210,880,934**	**206,553,820**

BANK OF INDIA H.O. FINANCE DEPT.

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

(000's Omitted)

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (Including foreign currency notes & Gold)	33,200,389	32,437,563
II. Balances with Reserve Bank of India : *		
i) In Current Account	576,058,098	261,884,145
ii) In Other Accounts	45,273	143,747
TOTAL (II)	576,103,371	262,027,892
TOTAL (I & II)	**609,303,760**	**294,465,455**

* Including balances with Central Banks outside India

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE		
I. In India :		
i) Balances with Banks		
a) In Current Accounts	1,063,394	1,668,281
b) In Other Deposit Accounts	(90,266)	10,593,126
ii) Money at call and short notice		
a) With Banks	254,540	1,934,710
b) With Other Institutions	95,998,088	110,000,000
TOTAL (I)	97,225,756	124,196,117
II. Outside India :		
i) In Current Accounts	24,522,943	16,886,489
ii) In Other Deposit Accounts	477,587,262	335,858,597
iii) Money at call and short notice	58,296,529	94,683,935
TOTAL (II)	560,406,734	447,429,021
TOTAL (I & II)	**657,632,490**	**571,625,138**

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

(000's Omitted)

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 8 : INVESTMENTS		
I. Investments in India :		
i) Government Securities	1,669,102,278	1,406,786,449
ii) Other approved Securities	5,179,714	3,835,744
iii) Shares	11,147,022	11,353,242
iv) Debentures and Bonds	129,305,958	80,188,145
v) Investment in Associates	14,162,575	14,549,559
vi) Others	18,760,013	37,226,620
TOTAL (I)	1,847,657,560	1,553,939,759
II. Investments outside India :		
i) Government Securities (including local authorities)	50,126,739	44,580,212
ii) Debentures & Bonds	-	-
iii) Investment in Associates	1,608,948	1,582,207
iv) Others	17,536,855	23,126,903
TOTAL (II)	69,272,542	69,289,322
TOTAL (I & II)	**1,916,930,102**	**1,623,229,081**
III. Investments in India :		
i) Gross value of Investments	1,892,218,311	1,589,642,038
ii) Aggregate provisions for depreciation	44,560,751	35,702,279
iii) Net Investments	1,847,657,560	1,553,939,759
IV Investments outside India :		
i) Gross value of Investments	69,497,576	69,682,198
ii) Aggregate provisions for depreciation	225,034	392,876
iii) Net Investments	69,272,542	69,289,322
TOTAL (III & IV)	**1,916,930,102**	**1,623,229,081**

BANK OF INDIA H.O. FINANCE DEPT.

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

(000's Omitted)

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 9 : ADVANCES		
A. i) Bills Purchased and Discounted	92,462,046	91,314,536
ii) Cash Credits, Overdrafts and Loans repayable on demand	1,523,037,652	1,767,126,614
iii) Term Loans	2,061,173,765	1,847,999,698
TOTAL (A)	3,676,673,463	3,706,440,848
B. Particulars of Advances :		
i) Secured by tangible assets (includes advances against Book Debts)	2,652,232,483	2,609,564,685
ii) Covered by Bank/Government Guarantees	191,042,206	244,652,401
iii) Unsecured	833,398,774	852,223,762
TOTAL (B)	3,676,673,463	3,706,440,848
C. Sectoral Classification of Advances :		
I. Advances in India		
i) Priority Sector	1,217,412,779	1,125,757,202
Less: Inter-Bank Participation Certificates (Net)	0	0
Net	1,217,412,779	1,125,757,202
ii) Public Sector	859,160,292	778,764,153
iii) Banks	448,742	1,125
iv) Others	1,188,388,199	1,283,747,808
Total (i,ii,iii,iv)	3,265,410,012	3,188,270,288
Add /(Less): Inter bank participation certificates (Net)	0	0
TOTAL (I)	3,265,410,012	3,188,270,288
II. Advances outside India :		
i) Due from Banks	112,091,012	98,760,964
ii) Due from others		
a) Bills Purchased and Discounted	24,248,314	29,992,474
b) Syndicated Loans	100,482,255	104,699,597
c) Others	174,441,870	284,717,525
TOTAL (II)	411,263,451	518,170,560
TOTAL (I & II)	3,676,673,463	3,706,440,848
SCHEDULE - 10 : FIXED ASSETS		
I. PREMISES :		
Opening Balance at cost	17,935,517	17,880,685
Add: Additions /Adjustments during the period	67,889	119,790
Less: Deductions/ Adjustments during the period	105,510	64,958
Sub-total	17,897,896	17,935,517
Addition to date on account of revaluation credited to revaluation reserve	63,976,932	64,009,821
Less : Depreciation to date (including on account of revaluation)	5,785,399	4,815,048
TOTAL (I)	76,089,429	77,130,290
II. OTHER FIXED ASSETS : (including Furniture and Fixtures)		
Opening Balance at cost	37,726,704	35,407,704
Add: Additions /Adjustments during the period	2,744,287	8,601,027
Less: Deductions/ Adjustments during the period	203,989	6,282,027
Sub-total	40,267,002	37,726,704
Less: Depreciation to date	29,985,564	27,204,057
TOTAL (II)	10,281,438	10,522,647
III. CAPITAL WORK IN PROGRESS	3,643,113	2,926,912
TOTAL (I to III)	90,013,980	90,579,849

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

(000's Omitted)

		As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 11 : OTHER ASSETS			
I.	Inter Office Adjustment (Net)	55,890,055	32,105
II	Interest Accrued	29,812,027	31,412,998
III	Tax paid in advance/tax deducted at source (Net)	48,828,360	57,816,265
IV	Stationery and Stamps	77,997	64,359
V	Deferred Tax Assets	128,260,526	137,603,952
VI	Others	114,478,215	116,918,349
	TOTAL	377,347,180	343,848,028
SCHEDULE - 12 : CONTINGENT LIABILITIES			
I.	Claims against the Bank not acknowledged as debts	26,202,648	14,993,043
II.	Liability for partly paid Investments	1,010,314	1,170,051
III.	Liability on account of outstanding forward exchange contracts	4,046,903,334	2,946,240,231
IV.	Guarantees given on behalf of Constituents :		
	a) In India	218,123,054	225,143,990
	b) Outside India	31,422,823	41,528,844
V.	Acceptances, endorsements and other obligations	183,479,758	172,126,811
VI.	Interest Rate Swaps	14,865,980	109,638,304
VII.	Other items for which the Bank is contingently liable	15,933,857	12,372,389
	TOTAL	4,537,941,768	3,523,213,663

BANK OF INDIA H.O. FINANCE DEPT.

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET
SCHEDULES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

(000's Omitted)

		Year ended 31-03-2021 ₹	Year ended 31-03-2020 ₹
SCHEDULE - 13 : INTEREST EARNED			
I.	Interest/Discount on advances/bills	275,475,311	289,767,396
II.	Income on Investments	116,483,730	107,568,885
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	11,550,963	24,442,496
IV.	Others	5,028,259	4,128,966
	TOTAL	**408,538,263**	**425,907,743**
SCHEDULE - 14 : OTHER INCOME			
I.	Commission, exchange and brokerage	11,185,735	13,703,954
II.	Profit/(Loss) on sale of Investments	25,529,805	5,921,043
III.	Profit / (Loss) on sale of land, buildings and other assets	602,064	467,462
IV.	Profit / (Loss) on exchange transactions	18,916,355	15,087,426
V.	Income Earned by way of dividend etc. on subsidiaries/ companies and /or/ joint ventures	222,042	143,038
VI.	Miscellaneous Income	18,505,747	32,765,968
	TOTAL	**74,961,748**	**68,088,891**

(000's Omitted)

		Year ended 31-03-2021 ₹	Year ended 31-03-2020 ₹
SCHEDULE - 15 : INTEREST EXPENDED			
I.	Interest on Deposits	245,732,509	237,275,379
II.	Interest on Reserve Bank of India / Inter-bank borrowings	11,562,760	25,869,171
III.	Interest on Subordinated Debts, IRS etc.	6,914,227	8,770,058
	TOTAL	264,209,496	271,914,608
SCHEDULE - 16 : OPERATING EXPENSES			
I.	Payments to and provisions for employees	65,288,635	61,965,576
II.	Rent, Taxes and Lighting	7,666,074	7,362,197
III.	Printing and Stationery	653,777	771,831
IV.	Advertisement and Publicity	79,969	258,787
V.	Depreciation on Bank's property	3,800,935	3,919,554
VI.	Directors' fees, allowances and expenses	46,425	47,787
VII.	Auditors' fees and expenses (Including Branch Auditors' Fees & Expenses)	821,306	808,462
VIII.	Law Charges	287,886	535,528
IX.	Postage, Telegrams, Telephones, etc.	1,834,951	1,727,467
X.	Repairs and Maintenance	617,339	745,228
XI.	Insurance	7,027,333	5,088,567
XII.	Other Expenditure	21,938,911	22,893,033
	TOTAL	110,063,541	106,124,017
SCHEDULE - 16 A : SHARE OF EARNINGS / LOSSES IN ASSOCIATES			
I.	Regional Rural Banks (RRBs)	(1,811,687)	(1,616,434)
II.	Others	629,473	398,104
	TOTAL	(1,182,214)	(1,218,330)

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

SCHEDULE 17:

SIGNIFICANT ACCOUNTING POLICIES (Consolidated Financial Statements)

1) ACCOUNTING CONVENTION:

The accompanying consolidated financial statements (CFS) have been prepared following the going concern concept, on historical cost basis unless otherwise stated and conform in all material aspects to the Generally Accepted Accounting Principles (GAAP) in India, which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India, Insurance Regulatory and Development Authority of India (IRDAI), Companies Act 2013, Accounting Standards (AS), pronouncements issued by The Institute of Chartered Accountants of India (ICAI), Banking Regulation Act, 1949 and accounting practices prevailing in India. In respect of foreign offices/branches/subsidiaries/associates, statutory provisions and accounting practices prevailing in the respective foreign countries are complied with, except as specified elsewhere.

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. However actual results can differ from estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2) BASIS OF CONSOLIDATION:

Consolidated financial statements of the group have been prepared on the basis of:

a) The financial statements of Bank of India (the Parent bank) and its subsidiaries in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI), on a line by line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group transactions, balances, unrealised profit/loss and making necessary adjustments of material nature wherever required to conform to uniform accounting.

b) The difference between cost to the parent bank of its investment in the subsidiaries and parent bank's share in the equity of the subsidiaries is

recognised as goodwill/capital reserve. Goodwill, if any, is written off immediately on its recognition.

c) Minority interest in the Consolidated Financial Statement consists of the share of the minority shareholders in the net equity of the subsidiaries.

d) Accounting for investment in Associate companies is done under Equity method in accordance with Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements", issued by ICAI.

e) Accounting for investments in Joint Venture are consolidated on "Proportionate basis" as prescribed in Accounting Standard (AS) 27, "Financial Reporting of Interests in Joint Ventures" issued by ICAI.

3) **REVENUE RECOGNITION:**

3.1 Banking entities:

(a) Income/Expenditure is recognised on accrual basis, unless otherwise stated. In respect of foreign offices, Income/ expenditure is recognised as per local laws/standards of host country.

(b) Interest income is recognised on time proportion basis except interest on Non-performing Assets.

(c) Commission on issue of Bank Guarantee and Letter of Credit is recognised over the tenure of BG/LC.

(d) All other Commission and Exchange, Brokerage, Fees and other charges are recognised as income on realisation.

(e) Income (other than interest) on investments in "Held to Maturity" category acquired at a discount to the face value, is recognised as follows:

i. on Interest bearing securities, it is recognised only at the time of sale/ redemption.

ii. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

(f) Profit or loss on sale of investments is recognised in the Profit and Loss account. As per RBI guidelines, in case of profit on sale of investments under 'Held to Maturity' category, an equivalent amount (net of taxes and amount required to be transferred to Statutory Reserves) is appropriated to 'Capital Reserve Account'.

(g) Dividend income is recognised when the right to receive the dividend is established.

(h) Interest income on Income-tax refund is recognised in the year of passing of assessment order.

(i) **Appropriation of recoveries in NPAs:**

In respect of NPAs, recoveries effected except through a.) compromise settlement /special OTS, b.) Judgement of a Court/DRT/NCLT and c.) Assignment to ARC's/SC's is to be made in the following order:-

- Charges debited to borrower's account
- Expenses/out of pocket expenses incurred but not debited
- Unrealised interest
- Uncharged interest
- Principal

3.2 Non-Banking entities- Insurance:

a) **Premium Income:**

Premium including rider premium for non-linked business is recognised as income when due. Premium for linked business is recognised when the associated units are created. Premium is recognised net of Goods and Services Tax (GST) as applicable.

Premium on lapsed policies is recognised as income when such policies are reinstated.

Top up premium under linked business is considered as single premium and recognised as income when the associated units are created.
Premium in case of PMJJBY Scheme is recognised at Gross of administrative charges and reimbursement of expenses (as applicable) payable to the banks.

b) Interest on loans against policies is recognized for on accrual basis.

c) Interest income on investments is recognised on accrual basis except interest income on non-performing investments, which is recognised upon receipt as specified in IRDAI guidelines.

d) **Amortised Income/Cost:**

Premium or discount on acquisition, as the case may be, in respect of debt securities/fixed income securities, pertaining to non-linked investments is amortized on straight line basis over the period of maturity/holding and adjusted against interest income.

e) **Dividend:**

Dividend income for quoted shares is recognised on ex-dividend date, for non-quoted shares dividend income is recognised when the right to receive dividend is established.

f) **Income from linked funds:**

Income from linked funds which includes fund management charges, policy administrative charges, mortality charges etc. are recovered from the linked funds in accordance with the terms and conditions of policy and recognised on due basis.

g) **Realized Gain/ (Loss) on Debt Securities for Linked Business:**

Realized gain/(loss) on debt securities for linked business is the difference between the sale consideration net of expenses and the book cost, which is computed on weighted average basis, as on the date of sale.

h) **Realized Gain/ (Loss) on Debt Securities for Non-Linked Business:**

Realized gain/(loss) on debt securities for other than linked business is the difference between the sale consideration net of expenses and the amortized cost, which is computed on a weighted average basis, as on the date of sale.

i) **Profit/ (Loss) on sale of Equity Shares/ Mutual Fund/ Exchange Traded Funds (ETFs)/ Additional Tier 1 Bonds (AT 1)/ Infrastructure Investment Trust (InvIT)/ Real Estate Investment Trust (REIT) :**

Profit/ (Loss) on sale of equity shares/ mutual fund units/ ETFs/ Additional Tier 1 Perpetual Bonds/ InvIT/ REIT is the difference between the sale consideration net of expenses and the book cost computed on weighted average basis as on the date of sale.

In respect of non-linked business the Profit/(Loss) includes the accumulated changes in the fair value previously recognized under "Fair Value Change Account".

However, revenue recognition is postponed where ultimate collectability lacks reasonable certainty.

j) **Unrealized Gain/ (Loss) for Linked Business:**

Unrealized gains and losses for Linked Business are recognized in the Revenue account of respective fund.

k) **Income from Security Lending and Borrowing:**

Fees received on lending of equity shares under Securities Lending and Borrowing (SLB) mechanism is amortized on a straight-line basis over the period of lending and clubbed with the interest income.

l) **Reinsurance Premium ceded:**

Reinsurance Premium ceded is accounted for on due basis at the time of recognition of premium income in accordance with the terms and conditions of the relevant treaties with the reinsurers. Profit/commission on reinsurance ceded is netted off against premium ceded on reinsurance.

3.3 Non-Banking entities – Mutual Fund and Trustee Services:

a) Management fees from the scheme of mutual fund are accounted on an accrual basis in accordance with the investment management agreement and are dependent on the net asset value as recorded by the schemes of BOI AXA Mutual fund.

b) Trustee fees is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably arrangement with the BOI AXA Mutual Fund. Interest and other income, if any, is accounted on accrual basis.

c) Profit or loss on sale of investment is recognised in the Profit & Loss Account on the trade date and determined on weighted average basis for individual security as per AS-13.

3.4 Non-Banking entities– Merchant Banking Services:

a) Devolvement of equity shares in respect of issues underwritten if any by the company shall be treated as investments. Underwriting income on these issues shall be credited to profit and loss account and shall not be netted against the value of investments.

b) Brokerage and commission earned on secondary market operations shall be recongnised on the basis of trade dates. Brokerage on online portal operations shall be recognised on the basis of trade dates. Brokerage and commission in respect of issue marketing and resource mobilization shall be accrued to the extent of availability of information. Depository, Portfolio Management, Investment Banking and other fees shall be accounted for on accrual basis.

4) NON BANKING ENTITIES – Insurance : Other Policies:

a) Benefits paid:

Benefits paid comprise of policy benefits & claim settlement costs, if any.

Death, rider, surrender & withdrawal claims are accounted for on receipt of intimation. Under linked Business, surrender also includes amount payable on lapsed policies which are accounted for on expiry of lock in period. Surrenders and terminations are accounted net of charges.

Survival, maturity and annuity benefit claims are accounted for when due.

Reinsurance recoveries on claims are accounted for, in the same period as that of the related claims.

Claims disputed before judicial authorities are provided for on prudent basis as considered appropriate by management based on facts and circumstances in respect of each such claim.

b) Acquisition Costs:

Acquisition costs are costs that vary with and are primarily related to acquisition of new and renewal insurance contracts and consist of cost like commission to insurance intermediaries, rewards and incentives, sales staff costs, medical examination costs, policy printing expenses, stamp duty and other related expenses. These are expensed in the period in which they are incurred.

Claw back in future, if any, for the first year commission paid, is accounted for in the year in which it is recovered.

c) **Policy Liabilities:**

The valuation exercise is done to protect the interests of the existing policyholders. For With Profit policies the reasonable expectations of policyholders (PRE) are also considered. The reserves should be adequate to provide for all the policyholders benefits in various future scenarios. Adequate use of Margin for Adverse Deviation (MAD) is made to ensure that policyholders' benefits are protected even in some plausible adverse scenarios.

Actuarial liability for inforce policies and for those in respect of which premium has been discontinued but a liability exists, is determined using the gross premium method and in case of group business (except for Credit Life Business and Reverse Mortgage Loan Enabled Annuity where gross premium method is used), the actuarial liabilities have been calculated on the basis of Unearned Premium Reserve method. Linked liabilities comprise unit liability representing the fund value of policies and non-unit liability for meeting insurance claims, expenses etc. The main governing guidelines considered for valuation are the Insurance Act 1938, the IRDA Act 1999, IRDAI (Actuarial Report & Abstract for Life Insurance Business) Regulations, 2016, IRDAI (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations 2016, Actuarial Practice Standards and Guidance notes issued by Institute of Actuaries of India, Circulars issued by IRDAI from time to time.

d) **Loans:**

Loans against policies are valued at the aggregate of book values (net of repayments) plus capitalized interest and are subject to impairment if any. Loans are classified as short term in case the maturity is less than 12 months. Loans other than short term are classified as long term.

e) **Funds for Future Appropriation:**

The balance in the funds for future appropriations account represents funds, the allocation of which, either to policyholders or to shareholders has not been determined at the Balance Sheet date. Transfers to and from the fund reflect the excess or deficit of income over expenses and appropriations in each accounting period arising in the Company's policyholders' funds. In respect of

participating policies, any allocation to the policyholders would also give rise to transfer to the shareholders in the required proportion.
In respect of the Non-participating Group Annuity products, the excess returns, if any as defined in file and use, is considered as funds for future appropriation in the interim financial periods during the year and the same would be distributed between policyholders and shareholders in the proportion prescribed in file and use at the year end.

f) Discontinued Policies fund:

Discontinued policy fund means the segregated fund that is set aside on account of:

i) Non-payment of contracted premium
ii) Upon the receipt of the information by the Company from the policyholder about the discontinuance of the policy.

Fund for discontinued policies is accounted in accordance with the Insurance Regulatory and Development Authority of India (Treatment of Discontinued Linked Insurance Policies) Regulations 2010 and circulars issued thereafter.

g) Unclaimed amount of policyholders:

Assets held for unclaimed amount of policyholders is created and maintained in accordance with the requirement of IRDAI circular No. IRDA/F&A/CIR/GLD/195/08/124 dated August 14, 2014, IRDA/F&A/CIR/CPM/134/07/2015 dated July 24, 2015, IRDA/F&A/CIR/CLD/114/05/2015 dated May 28, 2015, Master circular on Unclaimed Amount of Policyholders Ver 02 IRDA/F&A/CIR/Misc/282 /11/2020 dated November 17, 2020 and Investment Regulations, 2016 as amended from time to time:

i. Unclaimed amount of policyholders is invested in money market instruments, Liquid mutual funds and/ or fixed deposits of scheduled banks which is valued at historical cost, subject to amortisation of premium or accretion of discount over the period of maturity/holding on a straight line basis.
ii. Income on unclaimed amount of policyholders is accreted to respective unclaimed fund and is accounted for on an accrual basis, net of fund management charges.
iii. Unclaimed amount of policyholders' liability is determined on the basis of NAV of the units outstanding as at the valuation date.

5) **ADVANCES:**

i. Advances are classified into "Performing" and "Non-Performing Advances" (NPAs) in accordance with the applicable regulatory guidelines.

ii. NPAs are further classified into Sub-Standard, Doubtful and Loss Assets in terms of applicable regulatory guidelines.

iii. Provisions for NPAs are made at the rates given as under:

Category of NPAs	Provision % on net outstanding advance
Sub Standard:*	
Exposures, which are unsecured ab-initio	25%
Unsecured exposure in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available (unsecured – infra)	20%
Others	15%
Doubtful:	
Secured portion (Period for which advance has remained in doubtful category)	
- Upto one year	25%
- One year to three years	40%
- More than three years	100%
Unsecured portion	100%
Loss	100%

*On the outstanding advance

iv. In respect of foreign entities, classification of advances as NPAs and provision in respect of NPAs is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to bank, whichever is stringent.

v. Provisions in respect of NPAs, unrealised interest, ECGC claims, etc., are deducted from total advances to arrive at net advances as per RBI norms.

vi. In respect of Rescheduled/Restructured advances, provision is made for the diminution in the fair value of restructured advances measured in present value terms as per RBI guidelines. The said provision is reduced to arrive at Net advances.

vii. In case of financial assets sold to Asset Reconstruction Company (ARC) / Securitisation Company (SC), if the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is debited to the Profit and Loss account as per the extant RBI guidelines issued from time to time. If the sale is at a price higher than the NBV, the excess provision on sale of NPAs may be reversed to profit and loss account in the year the amounts is received. However, any excess provision is reversed only when the cash received (by way of initial consideration only/or redemption of SR's/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision will be limited to the extent to which cash received exceeds the NBV of the asset

viii. Provision for Standard assets, including restructured advances classified as standard, is made in accordance with RBI guidelines. In respect of foreign entities provision for Standard Assets is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to the Bank, whichever is stringent.

ix. Provision for net funded country exposures (Direct/Indirect) is made on a graded scale in accordance with the RBI guidelines.

6) FLOATING PROVISION:

The bank has framed a policy for creation and utilisation of floating provisions. The quantum of floating provisions to be created is assessed at the end of each financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India or on being specifically permitted by Reserve Bank of India for specific purposes.

7) DEBIT/CREDIT CARD REWARD POINTS:

Provision for reward points in relation to debit cards is provided for on actuarial estimates and Provision for reward points on credit cards is made based on the accumulated outstanding points.

8) INVESTMENTS:

a) Transactions in Government Securities are recognised on settlement date and all other Investments are recognised on trade date.

b) Investments are classified under 'Held to Maturity', 'Held for Trading' and 'Available for Sale' categories as per RBI guidelines. For the purpose of disclosure in the Balance Sheet in Schedule 8, (I) 'Investments in India' are classified under six categories viz. i.) Government Securities, ii.) Other Approved Securities, iii.) Shares, iv.) Debentures and Bonds, v.) Investment in Associates and vi.) Others and (II) 'Investments outside India' are classified under three categories viz. i.) Government Securities, ii.) Investment in Associates abroad iii) Debentures and Bonds and iv.) Other investments.

A. Basis of classification:

Classification of an investment is done at the time of its acquisition.

(I) **Held to Maturity:**
These comprise investments that the Bank intends to hold till maturity. Investments in equity of subsidiaries, joint ventures and associates are also categorised under Held to Maturity.

(II) **Held for Trading:**
These comprise investments acquired with the intention to trade by taking advantage of short term price/interest rate movements. Securities are to be sold within 90 days from the purchase date.

(III) **Available for Sale:**
These comprise investments which do not fall either under "Held to Maturity" or "Held for Trading" category.

B. Acquisition Cost of Investment:

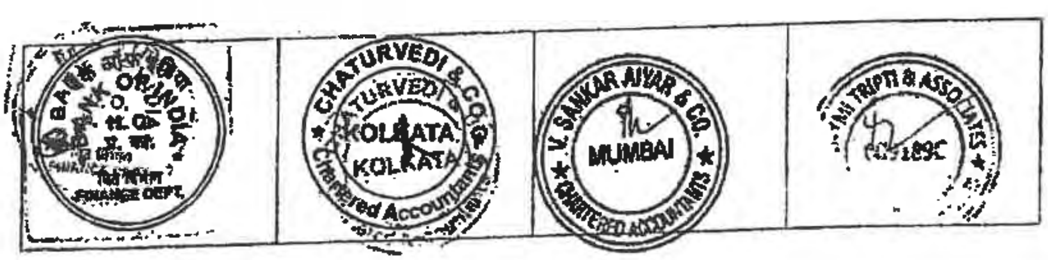
(i) Brokerage, commission, securities transaction tax, etc. paid on acquisition of equity investments are included in cost.

(ii) Brokerage, commission, broken period interest paid/ received on debt investments is treated as expense/income and is excluded from cost/sale consideration.

(iii) Brokerage and commission, if any, received on subscription of investments is credited to Profit and Loss Account.

C. Method of valuation:

Investments in India are valued in accordance with the RBI guidelines and investments held at foreign branches are valued at lower of the value as per the statutory provisions prevailing at the respective foreign countries or as per RBI guidelines issued from time to time.



Treasury Bills and all others discounted instruments are valued at carrying cost (ie acquisition cost plus discount accrued at the rate prevailing at the time of acquisition)

(i) Held to Maturity:

1. Investments included in this category are carried at their acquisition cost, net of amortisation, if any. The excess of acquisition cost, if any, over the face value is amortised over the remaining period of maturity using constant yield method. Such amortisation of premium is adjusted against income under the head "interest on investments".

2. Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost except for investments in Regional Rural Banks, which are valued at carrying cost (i.e. book value). Suitable provision is made for diminution, other than of temporary nature, for each investment individually.

(ii) Held for Trading / Available for Sale:

1. Investments under these categories are individually valued at the market price or fair value determined as per Regulatory guidelines and only the net depreciation in each classification for each category is provided for and net appreciation is ignored. On provision for depreciation, the book value of the individual securities remains unchanged after marking to market.

For the purpose of valuation of quoted Investments in "Held for Trading" and "Available for Sale" categories, the market rates / quotes on the Stock Exchanges, the rates declared by Primary Dealers Association of India (PDAI) / Fixed Income Money Market and Derivatives Association (FIMMDA)/ / Financial Benchmark India Pvt. Ltd. (FBIL) are used. Investments for which such rates/quotes are not available are valued as per norms laid down by RBI, which are as under:

Classification	Basis of Valuation
Government Securities	on Yield to Maturity basis
Other Approved Securities	on Yield to Maturity basis
Equity Shares, PSU and Trustee shares	at break up value as per the latest Balance Sheet (not more than 18 months old), otherwise Re.1 per company.
Preference Shares	on Yield to Maturity basis
PSU/Corporate Bonds	on Yield to Maturity basis
Units of Mutual Funds	at the latest repurchase price/NAV declared by

Classification	Basis of Valuation
	the fund in respect of each scheme
Units of Venture Capital Funds (VCF)	declared NAV or break up NAV as per audited financials which are not more than 18 months old. If NAV/audited financials are not available for more than 18 months then at Re. 1/- per VCF.
Security Receipts	at NAV as declared by Securitisation Companies which is not more than 6 months old.

D. Transfer of Securities between Categories:

(i) HTM to AFS/HFT :

a. If the security was originally placed under the HTM category at a discount it is transferred at the acquisition price / book value. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

b. If the security was originally placed in the HTM category at a premium, it is transferred to the AFS / HFT category at the amortised cost. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

(ii) AFS/HFT TO HTM: Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In cases where the market value is higher than the book value at the time of transfer, the appreciation is ignored. In cases where the market value is less than the book value, the provision against depreciation held against this security is adjusted to reduce the book value to the market value and the security is transferred at the market value.

(iii) AFS TO HFT AND VICE-VERSA : In the case of transfer of securities from AFS to HFT category or vice-versa, the securities are not re-valued on the date of transfer and the provisions for the accumulated depreciation, if any, held are transferred to the provisions for depreciation against the HFT securities and vice-versa.

E. Non performing Investments (NPIs) and valuation thereof:

(i) Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in case of domestic offices and respective regulators in case of foreign offices.

(ii) In respect of non performing investments, income is not recognised and provision is made for depreciation in value of such securities as per RBI guidelines.

(iii) Matured NPIs are shown under 'Other Assets' Schedule11 (Net of Provision).

F. Repo / Reverse Repo:

The securities sold and purchased under Repo/ Reverse repo are accounted as Collateralised lending and borrowing transactions. However, securities are transferred as in case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo Account is classified as Borrowings and balance in Reverse Repo account is classified as Balance with Banks and Money at Call & Short Notice in the balance sheet.

G. Investment in Security Receipts (SRs) backed by assets:-

In terms of RBI guidelines issued vide circular no DBR.No.BP.BC.9/21.04.048/2016-17 dated September 01, 2016, the bank has revised valuation methodology in respect of SRs under securitization, with effect from April 01, 2018. As per the revised guidelines, if the quantum of SRs backed by stressed assets sold by the bank exceeds 10% of entire portfolio of SRs backed by sold assets issued under that securitization, provision for depreciation will be higher of the following:

a. provisioning at a rate required in terms of net asset value declared by the SCs/RCs; and

b. provisioning at a rate as applicable to the underlying loans, assuming that the loans notionally continued in the books of the bank.

When Bank invests in the security receipts/ pass-through certificates issued by ARC in respect of the financial assets sold by the Bank to the ARC, the sale will be recognized in books of the bank at the lower of:

- the redemption value of the security receipts/ pass-through certificates, and
- the Net Book Value of the financial asset.

The above investment will be carried in the books of the bank at a price as determined above until its sale or realization.

BANK OF INDIA H.O. FINANCE DEPT.

CHATURVEDI & CO. KOLKATA Chartered Accountants

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES CHARTERED ACCOUNTANTS

9) DERIVATIVE

The Bank presently deals Forex Forward Contracts in interest rate and currency derivatives. The interest rate derivatives dealt with by the Bank are Rupee Interest Rate Swaps, Foreign Currency Interest Rate Swaps, Forward Rate Agreements and Interest Rate Futures. Currency Derivatives dealt with by the Bank are Options, Currency Swaps and Currency Futures. Based on RBI guidelines, Derivatives are valued as under:

(a) The hedge/non hedge (market making) transactions are recorded separately.

(b) Income/expenditure on hedging derivatives are accounted on accrual basis.

(c) Forex forward contracts are Marked to market and the resultant gains and losses are recognized in the Profit and Loss Account.

(d) MTM appreciation/ depreciation of hedging derivative is first set off with the depreciation / appreciation of the corresponding underlying and the resultant depreciation is recognized. Resultant appreciation, if any, is ignored.

(e) Interest Rate Derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit & Loss account. Net Profit if any, is ignored.

(f) Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

(g) Gains/ losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

(h) Option fees/premium is amortised over the tenor of the option contract.

10) PROPERTY, PLANT & EQUIPMENT

a. Fixed assets are stated at historic cost, except in the case of assets which have been revalued, which are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve.

b. Cost includes cost of purchase and all expenditure such as site preparation, installation costs, professional fees, etc. incurred on the asset before it is put to use or capable of put to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefits from such assets or their functioning capability.

c. 5% residual value has been kept for all the assets except for the assets with estimated useful life less than 5 Years (eg. Computers, Computer Software and Cycles), where the entire cost of the assets is amortised over the useful life.

d. The rates of depreciation and method of charging depreciation is given below-

Sr. No.	Particulars	Rate of Depreciation	Estimated useful life as determined by the Bank	Method of charging depreciation
1	**Land & Building:**			
1.a.	Land (Freehold)	NIL		
1.b.	Leasehold Land		Lease premium is amortised over the period of lease	
1.c.	Building (including cost of land if not ascertained separately)	1.58%	60 Years	Straight Line
2.	**Other Fixed Assets:-**			
a.	Furniture, Fixtures, Electrical fittings and Equipment's	9.50%	10 Years	Straight Line
b.	Electrical Fitting and Equipment's	9.50%	10 Years	Straight Line
c.	Air-conditioning plants, etc. and business machines	6.33%	15 Years	Straight Line
d.	Motor cars, Vans & Motor cycles	11.88%	8 Years	Straight Line
e.	Cycle	20.00%	5 Years	Straight Line
f.	Computers and Computer Software forming integral part of hardware	33.33%	3 Years	Straight Line
g.	Computer Software, not embedded in hardware	100% in the Year of acquisition	-	As prescribed by RBI

e. In respect of additions/sale during the year, depreciation is provided on proportionate basis for the number of days the assets have been put to use during the year.

f. The revalued portion is depreciated over the balance useful life of the assets as assessed at the time of revaluation. Such depreciation is charged to Profit & loss account and equivalent amount is transferred from Revaluation Reserve to Revenue Reserve.

g. Depreciation on fixed assets outside India is provided on Straight Line Method, except at the centres where different rates/method have been prescribed by the local statutory authorities.

11) TRANSACTIONS INVOLVING FOREIGN EXCHANGE:

Transactions involving foreign exchange are accounted for in accordance with AS 11, "The Effect of Changes in Foreign Exchange Rates" read with extant RBI guidelines:

a) Translation in respect of Integral Foreign operations:

Foreign currency transactions of Indian branches have been classified as integral foreign operations and foreign currency transactions of such operations are translated as under:

i) Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the daily closing rate as available from Cogencis/ Reuter's page.

ii) Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing spot rates.

iii) Foreign currency non-monetary items, which are carried in terms of historical cost, are reported using the exchange rate at the date of the transaction.

iv) Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v) Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting notional profit or loss is recognised in the Profit and Loss account.

vi) Outstanding Foreign exchange forward contracts which are not intended for trading are valued at the closing spot rate as advised by FEDAI. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

vii) Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii) Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss account.

b) Translation in respect of Non-Integral Foreign operations:

Transactions and balances of foreign entities are classified as non-integral foreign operations and their financial statements are translated as follows:

i) Assets and Liabilities (monetary and non-monetary as well as contingent liabilities) are translated at the closing rates notified by FEDAI.

ii) Income and expenses are translated at the quarterly average closing rates notified by FEDAI.

iii) All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments by the bank in the respective foreign entities.

iv) The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country.

12) EMPLOYEE BENEFITS:

I. Short Term Employee Benefits:

The undiscounted amount of short-term employee benefits, such as medical benefits etc. which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

ii. Long Term Employee Benefits:

A. Defined Benefit Plan

a) Gratuity

The Bank provides gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to a maximum prescribed as per The Payment of Gratuity Act, 1972 or Bank of India Gratuity Fund Rules, 1975, whichever is higher. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by trustees based on an independent actuarial valuation carried out quarterly.

b) Pension

The Bank provides pension to all eligible employees. The benefit is in the form of monthly payments as per rules and payments to vested employees on retirement, on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the pension fund at 10% of pay in terms of Bank of India (Employees) Pension regulations, 1995. The pension liability is reckoned based on an independent actuarial valuation carried out quarterly and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

B. Defined Contribution Plan:

a. Provident Fund

The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a trust established for this purpose and are charged to Profit and Loss Account. The bank recognises such annual contributions as an expense in the year to which it relates.

b. Pension

All Employees of the bank, who have joined from 1st April, 2010 are eligible for contributory pension. Such employees contribute monthly at a predetermined rate to the pension scheme. The bank also contributes monthly at a predetermined rate to the said pension scheme. Bank recognises its contribution to such scheme as expenses in the year to which it relates. The contributions are remitted to National Pension System Trust. The obligation of bank is limited to such predetermined contribution.

c. Other Long term Employee Benefits:

All eligible employees are entitled to the following-

i.) Leave encashment benefit, which is a defined benefit obligation, is provided for on the basis of an actuarial valuation in accordance with AS 15 – "Employee Benefits".

ii.) Other employee benefits such as Leave Fare Concession, Milestone award, resettlement benefits, sick leave etc. which are defined benefit obligations are provided for on the basis of an actuarial valuation in accordance with AS 15 – "Employee Benefits".

iii.) In respect of overseas branches, offices and subsidiaries, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

13) SEGMENT REPORTING:

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

14) EARNINGS PER SHARE:

a) Basic and Diluted earnings per equity share are reported in accordance with AS 20 "Earnings per share". Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the period.

b) Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the period.

15) TAXES ON INCOME:

a) Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the BOI group. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - "Accounting for Taxes on Income" respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions.

b) Deferred Tax adjustments comprise changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

c) Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable income.

d) In Consolidated Financial Statements, income tax expenses are the aggregate of the amounts of tax expense appearing in the separate financial statements of the parent and its subsidiaries/joint ventures, as per their applicable laws.

16) IMPAIRMENT OF ASSETS:

Impairment losses, if any on Fixed Assets (including revalued assets) are recognised and charged to Profit and Loss account in accordance with AS 28 "Impairment of Assets". However, an impairment loss on revalued assets is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

17) PROVISIONS, CONTINGENT LIABLITIES AND CONTINGENT ASSETS:

As per AS 29 "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

Contingent Assets are not recognised in the financial statements.

18) SHARE ISSUE EXPENSES:

Share issue expenses are charged to the Profit and Loss Account in the year of issue of shares.

SCHEDULE 18

All figures are in ₹ Crore unless specifically stated. Figures in Brackets relate to previous year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. Particulars of the subsidiaries whose financial statements are consolidated with the standalone financial statement of Bank of India (the Parent bank) are as under:

	Name of Subsidiaries	Country of Incorporation	Proportion of Ownership by the Parent bank as on 31.03.2021	Proportion of Ownership by the Parent bank as on 31.03.2020
Domestic Subsidiaries:				
a)	BOI Shareholding Ltd.	India	100%	100%
b)	BOI AXA Investment Managers Pvt Ltd.	India	52.29%	51%
c)	BOI AXA Trustee Services Pvt Ltd.	India	51%	51%
d)	BOI Merchant Bankers Ltd	India	100%	100%
Overseas Subsidiaries:				
a)	PT Bank of India Indonesia Tbk	Indonesia	76%	76%
b)	Bank of India (Tanzania) Ltd.	Tanzania	100%	100%
c)	Bank of India (New Zealand) Ltd.	New Zealand	100%	100%
d)	Bank of India (Uganda) Ltd.	Uganda	100%	100%

2. Particulars of associates and joint venture considered in the Consolidated Financial Statements are as under :

(i) Associates:

	Name of Associates	Country of Incorporation	Proportion of Ownership by the Parent bank as on 31.03.2021	Proportion of Ownership by the Parent bank as on 31.03.2020
a)	Regional Rural Banks-			
	i) Madhya Pradesh Gramin Bank (erstwhile Narmada Jhabua Gramin Bank)	India	35%	35%
	ii) Vidharbha Konkan Gramin Bank	India	35%	35%
	iii) Aryavart Bank (erstwhile Gramin Bank of Aryavart)	India	35%	35%
b)	Indo Zambia Bank Limited	Zambia	20%	20%
c)	STCI Finance Ltd.	India	29.96%	29.96%
d)	ASREC (India) Ltd.	India	26.02%	26.02%

(ii) Joint Venture:

Name of Joint Venture	Country of Incorporation	Proportion of Ownership by the Parent bank as on 31.03.2021	Proportion of Ownership by the Parent bank as on 31.03.2020
Star Union Dai-ichi Life Insurance Company Limited	India	28.96%	28.96%

3. The financial statements of the subsidiaries, joint ventures and associates which are used in the consolidation have been drawn upto the same reporting date as that of the Parent Bank i.e. 31st March 2021 except for an associate Indo Zambia Bank Limited (IZBL). IZBL's financial statements are prepared upto 31st December 2020

8. The following information is disclosed in respect of consolidated financial statements in terms of guidelines issued by Reserve Bank of India:

a) Capital:

Sr. No.	Particulars	31.03.2021	31.03.2020
i)	Common Equity Tier 1 Capital ratio (CET-1) (%)	12.16%	10.55%
ii)	Tier-I Capital ratio (%)	12.61%	10.57%
iii)	Tier-II Capital ratio (%)	2.94%	3.17%
iv)	Total Capital ratio (CRAR) (%)	15.55%	13.74%
v)	Percentage of the shareholding of the Government of India	89.10%	89.10%
vi)	Amount of Equity Capital Raised during the year	0.00	*4,638.00
vii)	Share application money pending for allotment	**3,000.00	0.00
viii)	Amount of Additional Tier-1 capital raised during the year ; of which:		
	a) PNCPS	0.00	0.00
	b) PDI	1,352.00	0.00
ix)	Amount of Tier-II capital raised i.e. Debt Capital Instruments, during the year		
	a) Debt capital instruments	0.00	0.00
	B) PCPS / RNCPS / RCPS	0.00	0.00

*The Share application money of ₹ 4,638 was received in FY 2018-19 and allotment was made in FY 2019-20.

** In terms of RBI communication reference no. DOR.CAP.S82/21.01/002/ 2021-22 dated April 30, 2021, the share application money of ₹ 3,000 received on March 31, 2021 has been considered for computation of CET-1 capital as on March 31, 2021.

Pursuant to RBI circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated March 1, 2016, the Bank has considered revaluation reserve, foreign currency translation reserve and deferred tax assets in calculation of Capital Adequacy Rations as on March 31, 2021.

and its management has reported no significant transactions for the quarter ended 31st March 2021.

4. In case of subsidiaries/joint venture/associates, accounting adjustments arising due to different accounting policies followed by them and the Parent Bank have been carried out on the basis of data provided by subsidiaries/joint venture/associates.

5. The Consolidated Financial Statements have been prepared on the basis of :

   (i) Financial statements of PT Bank of India Indonesia Tbk as on 31.03.2021 certified by the Management and reviewed by an independent reviewer as per the local requirements of the country of incorporation.

   (ii) Financial statements of Bank of India (Tanzania) Ltd. as on 31.03.2021 certified by the Management and reviewed by an independent reviewer as per the local requirements of the country of incorporation.

   (iii) Financial statements of Bank of India (New Zealand) Ltd. as on 31.03.2021 duly audited as per the local requirements of the country of incorporation.

   (iv) Financial statements of Bank of India (Uganda) Ltd. as on 31.03.2021 certified by the Management and reviewed by an independent reviewer as per the local requirements of the country of incorporation.

   (v) Audited financial statements of BOI Shareholding Ltd., BOI AXA Investment Managers Pvt. Ltd., BOI AXA Trustee Services Pvt. Ltd., BOI Merchant Bankers Ltd., Madhya Pradesh Gramin Bank, Aryavart Bank, STCI Finance Ltd. & Star Union Dai-ichi Life Insurance Company Ltd. for the financial year ended 31.03.2021 and Indo Zambia Bank Ltd. for the twelve months ended 31.12.2020.

   (vi) Unaudited financial statements of Vidharbha Konkan Gramin Bank and ASREC (India) Ltd., for the financial year ended 31.03.2021 certified by their management.

6. During the year ended March 31, 2021, the Government of India has infused ₹ 3,000 in Parent Bank towards preferential allotment of equity shares. The same is kept in Share Application Money, pending allotment and considered as part of CET1 Capital as on March 31, 2021 in terms of RBI communication reference no. DOR.CAP.S82/21.01.002/2021-22 dated April 30, 2021.

7. In respect of the Parent bank, balancing of Subsidiary Ledger Accounts, confirmation/reconciliation of balances with foreign branches, Inter-office accounts, NOSTRO Accounts, Suspense, Draft Payable, Clearing Difference, other office accounts, etc. is in progress on an on-going basis. In the opinion of the management, the overall impact on the financial statements, if any, of pending final clearance/adjustment of the above, is not likely to be significant.

Details of outstanding additional Tier 1 (AT-1) bonds raised to augment Tier-1 Capital are as under:

Raised in the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2020-21	Additional Tier 1	1,352.00	1,352.00
	Total	1,352.00	1,352.00

During the year ended March 31, 2021, the Parent Bank has issued Basel-III compliant Additional Tier-1 Bonds Series VI and Series VII of ₹ 750 and ₹ 602, respectively, through private placement.

Details of outstanding Tier-II Instruments raised to augment Tier-II capital are as under:

Raised in the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2013-14	Tier-II	1,500.00	600.00
2015-16	Tier-II	3,000.00	2,400.00
2016-17	Tier-II	2,500.00	2,500.00
	Total	7,000.00	5,500.00

The parent bank has exercised call option and redeemed Upper Tier II Bonds Series VI Amounting to ₹ 1,000 on June 11, 2020. The Parent Bank has also exercised call option to redeem Innovative Perpetual Bonds (IPDI) Series VI amounting to ₹ 300 on September 9, 2020.

b) Drawdown from Reserves:

In terms of Gazette notification No. CG-DL-E-23032020-218862 dated 23.03.2020 issued by Ministry of Finance (Department of Financial Services) containing amendment in Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, after complying with the regulatory requirements and after getting approval from Reserve Bank of India vide their letter dated October 29, 2020, the Bank has appropriated accumulated losses of ₹23,782.39 from its share premium account on November 03, 2020. The said appropriation has no impact on Bank's Paid-up capital, Capital Adequacy, Leverage Ratio and Net Worth.

c) During the year ended March 31, 2021, the Parent Bank has infused additional proportionate capital in the following associate Regional Rural Banks:

i. ₹23.79 in Madhya Pradesh Gramin Bank

ii. ₹27.45 in Vidharbha Konkan Gramin Bank

d) The Parent Bank has invested additional ₹5.79 in its subsidiary - 'BOI AXA Investment Managers Private Limited'. As a result, the stake of the Parent Bank has increased from 51% as on 31.03.2020 to 52.29% as on 31.03.2021.

e) Provisions and Contingencies:

Items	2020-21	2019-20
Provision for NPA	6,647.95	14,446.24
Depreciation in Value of Investments	868.65	341.92
Provision for Taxation (including deferred tax)	1,079.03	(-)1,640.42
Provision on Standard Assets	(-)70.89	872.05
Other Provisions (including floating provisions)	199.17	505.41
Total	8,723.91	14,525.20

f) Floating Provisions - (Parent Bank)

Particulars	2020-21	2019-20
Opening Balance	232.22	232.22
Additions during the year	0.00	0.00
Reductions during the year	0.00	0.00
Closing Balance	232.22	232.22

g) Income-Tax – (Parent Bank)

I. Claims against the Bank not acknowledged as debt appearing under contingent liabilities (Schedule 12) include disputed income tax/interest tax liabilities of ₹1,186.47. (previous year ₹ 581.40) for which no provision is considered necessary based on various judicial decisions in respect of past assessments on such disputes. Payments/adjustments against the said disputed dues are included under Other Assets (Schedule 11).

II. Provision for taxes has been arrived at after due consideration of the provisions of the applicable tax laws and relevant judicial decisions on certain disputed issues.

h) Disclosure of Letter of comfort issued by the Parent bank for subsidiaries (As compiled by Management)

During the year 2020-21, the Parent bank has not issued any letter of comforts on behalf of Subsidiaries.

During the year 2010-11, the Parent Bank issued parental guarantee in favour of Royal Bank of New Zealand, for its wholly owned subsidiary, BOI (New Zealand) Ltd. to meet its financial obligations, if they fall due.

As on 31.03.2021 no financial obligations have arisen on the above commitments.

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9. **Disclosures in terms of Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI):**

A. ***AS – 5 Net Profit / loss for the period, Prior Period Items and changes in accounting policies:***

(i) **Prior Period Items:**

There are no material prior period items during the year.

(ii) **Change in Accounting Policy (AS-5):** There was no change in the accounting policy during the year 2020-21.

B. **AS-15 " Employee Benefits" (Parent Bank)**

Sr. No	Particulars	FY 2020-21		FY 2019-20	
		Gratuity	Pension	Gratuity	Pension
(i)	**Principal actuarial assumptions used:**				
	Discount Rate	6.96%	6.49%	6.82%	6.59%
	Expected Rate of Return on Plan Assets	8.04%	10.85%	8.65%	8.62%
	Salary Escalation Rate	5.50%	5.50%	5.50%	5.50%
	Attrition Rate	1.00%	1.00%	1.00%	1.00%
	Mortality Table	IALM (2006-08) ULTIMATE		IALM (2006-08) ULTIMATE	
(ii)	**Table showing change in present value of obligation:**				
	Liability at the beginning of the year	1,747.81	16,065.92	1,683.78	14,709.20
	Interest Cost	108.69	989.13	102.87	925.49
	Current Service Cost	166.37	873.16	75.36	729.39
	Benefit Paid	372.36	1650.19	350.68	1,330.55
	Actuarial (gain)/loss on Obligation	284.81	559.03	236.48	1,032.39
	Liability at the end of the year	1,935.32	16,837.05	1,747.81	16,065.92
(iii)	**Table of Fair value of Plan Assets:**				
	Fair Value of Plan Assets at the Beginning of the year	1,649.47	15,827.60	1,592.38	14,314.88
	Expected return on Plan Assets	132.62	1,717.29	137.74	1,233.94
	Contributions	444.70	903.63	335.84	1,405.03

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Sr. No	Particulars	FY 2020-21 Gratuity	FY 2020-21 Pension	FY 2019-20 Gratuity	FY 2019-20 Pension
	Benefit Paid	372.36	1650.19	350.68	1,330.55
	Actuarial gain/(loss) on Plan Assets	76.19	(-)267.31	(-)65.81	204.30
	Fair Value of Plan Assets at the end of the year	1,930.62	16,531.02	1,649.47	15,827.60
	Total Actuarial Gain/(Loss) to be recognised	(-)208.62	(-)826.34	(-)302.29	(-)828.09
(iv)	**Actual return on Plan Assets:**				
	Expected Return on Plan Assets	132.62	1,717.29	137.74	1,233.94
	Actuarial gain/(loss) on Plan Assets	76.19	(-)267.31	(-)65.81	204.30
	Actual return on Plan Assets	208.81	1449.98	71.93	1,438.24
(v)	**Amount recognised in the Balance Sheet:**				
	Liability at the end of the year	1,935.32	16,837.05	1,747.81	16,065.92
	Fair Value of Plan Assets at the end of the year	1,930.62	16,531.02	1,649.47	15,827.60
	Amount Recognised in the Balance Sheet	4.70	306.03	98.34	238.32
(vi)	**Expenses recognised in the Income-Statement:**				
	Current Service Cost	166.37	873.16	75.36	729.39
	Interest Cost	108.69	989.13	102.87	925.49
	Expected Return on Plan Assets	(-)132.62	(-)1,717.29	(-)137.74	(-)1,233.94
	Expenses recognized relating to prior years	0.00	0.00	0.00	0.00
	Recognition of Transition Liability	0.00	0.00	0.00	0.00
	Actuarial (Gain) or Loss	208.62	826.34	302.29	828.09
	Expense Recognised in P & L	351.06	971.34	342.78	1,249.03
	Unamortised expenses (not charged to P&L Account)	0.00	0.00	0.00	0.00
(vii)	**Balance Sheet Reconciliation:**				
	Opening Net Liability (Last period's net amount recognized in the balance sheet)	98.34	238.32	91.39	394.32
	Expenses as above	351.06	971.34	342.78	1,249.03
	Employer's Contribution	(-)444.70	(-)903.63	(-)335.83	(-)1,405.03
	Amount Recognised in Balance Sheet	4.70	306.03	98.34	238.32

Sr. No	Particulars	FY 2020-21		FY 2019-20	
		Gratuity	Pension	Gratuity	Pension
(viii)	Category of Assets:				
	Government of India Securities	73.81	2,198.78	73.99	2,192.01
	Equity	0.00	316.89	0.00	161.97
	Corporate Bonds	134.42	5,184.24	142.46	4,605.86
	State Government Securities	248.27	5,363.35	300.91	5,012.41
	Other	1,474.12	3,467.76	1,132.11	3,855.35
	Total	1,930.62	16,531.02	1,649.47	15,827.60
(ix)	Experience Adjustment:				
	On Plan Liability (Gain)/Loss	315.39	791.71	(-)86.04	808.90
	On Plan Asset (Loss)/Gain	86.25	(-)620.28	100.21	155.64

Other long term employee benefits*

Particulars	31.03.2021		31.03.2020	
	Liability	Provisions made/ (w/back) during the year	Liability	Provisions made/(w/back) during the year
Leave Encashment	1,283.57	437.52	846.05	54.62
Leave Travel Concession	62.23	0.14	62.09	(-)1.87
Resettlement Benefits	7.33	(-)0.54	7.87	0.64
Milestone Awards	4.52	0.03	4.49	0.26
Sick Leave**	3.00	0.00	3.00	0.00

* The actuarial assumptions for other long term benefits are same which are used for Gratuity.

The Parent bank has recognised contribution to employees' Provident Fund/Defined contribution scheme as an expense. During the year, the Parent Bank has contributed ₹ 229.26 (Previous Year ₹ 161.42) towards such fund which is a defined contribution plan.

** The Parent bank has been recognising the liability of sick leave to full extent hitherto i.e. entire outstanding leave balance. In line with the Guidance Note on implementation of Employee Benefits (AS-15) - (revised 2005) in respect of Sick Leave, the liability in this regard is recognised based on probability of availing such leaves by employees.

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The Parent bank's best estimate of contributions expected to be paid during the annual period beginning after the Balance sheet date, towards Pension is ₹ 1,548.05 (Previous Year ₹ 756.04) and towards Gratuity is ₹ 331.98 (Previous Year: ₹ 428.10).

Surplus/ Deficit in the Plan:

Particular	Gratuity Plan				
	FY2020-21	FY2019-20	FY2018-19	FY2017-18	FY2016-17
Defined benefit obligation	1,935.33	1,747.81	1,683.78	1,754.54	1,410.08
Plan assets	1,930.62	1,649.47	1,592.38	1,319.42	1,360.32
Unrecognised Transitional liability	0.00	0.00	0.00	326.34	0.00
Surplus/(deficit)	(-)4.70	98.34	91.40	108.78	(-) 49.76
Experience Adjustment On Plan Liability (Gain)/Loss	315.39	(-)86.04	54.03	(-)22.79	38.41
Experience Adjustment On Plan Asset (Loss)/Gain	86.25	100.21	14.29	(-)4.76	1.71

Particular	Pension Plan				
	FY2020-21	FY2019-20	FY2018-19	FY2017-18	FY2016-17
Defined benefit obligation	16,837.05	16,065.92	14,709.20	13,716.87	12,851.12
Plan assets	16,531.02	15,827.60	14,314.88	13,330.64	12,321.80
Unrecognised Transitional liability	0.00	0.00	0.00	0.00	0.00
Surplus/(deficit)	(-)306.03	(-)238.32	(-)394.32	(-)386.23	(-)529.32
Experience Adjustment On Plan Liability (Gain)/Loss	791.71	808.90	546.91	(-)66.62	198.92
Experience Adjustment On Plan Asset (Loss)/Gain	(-)620.28	155.64	37.73	33.27	103.05

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C. AS-17 "Segment Reporting"

Part A: Business Segment

Business Segment	Treasury Operations		Wholesale Banking Operations		Retail Banking Operations		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue	17,155.41	15,229.21	15,760.37	17,953.98	15,100.47	16,137.92	48,016.25	49,321.11
Unallocated Revenue	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	366.39	203.60
Inter Segment Revenue	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	32.64	125.05
Total Revenue	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	48,350.00	49,399.66
Results	5,349.02	4,106.86	(-)1,438.25	(-)8,537.03	(-)15.67	755.90	3,895.10	(-)3,674.27
Unallocated Expenses	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	(-)733.32	(-)1,017.19
Profit/(Loss) Before Tax	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	3,161.78	(-)4,691.46
Income Tax	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	1,079.03	(-)1,640.42
Extraordinary profit/loss	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	0.00	0.00
Net Profit	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	2,082.75	(-)3,051.04
Other Information:								
Segment Assets	2,78,786.05	2,36,699.52	240300.78	2,39,264.83	185138.74	1,57,280.34	7,04,225.56	6,33,244.69
Unallocated Assets	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	28,564.53	29,774.15
Total Assets	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	7,32,790.10	6,63,018.84
Segment Liabilities	2,66,000.92	2,27,077.33	2,56,872.42	2,57,652.67	1,51,080.44	1,25,147.64	6,73,953.78	6,09,877.64
Unallocated Liabilities	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	8,856.09	8,068.05
Total Liabilities	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	6,82,809.87	6,17,945.69

Note: Information in respect of Non-Banking subsidiaries/joint venture has been included under unallocated segment.

Part B: Geographical Segment

Geographical Segments	Domestic		International		Total	
Particulars	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue	45,894.58	45,057.67	2,455.42	4,341.99	48,350.00	49,399.66
Assets	6,45,772.68	5,66,995.92	87,017.42	96,022.92	7,32,790.10	6,63,018.84

The BOI group has recognised Business Segments as Primary reporting segment and Geographical Segments as Secondary segment in line with RBI guidelines in compliance with AS-17.

I. **Primary Segment: Business Segments**

a) **Treasury Operations:** 'Treasury' for the purpose of Segment Reporting includes the entire investment portfolio i.e. dealing in Government and other Securities, Money Market Operations and Forex Operations.

b) **Wholesale Banking:** Wholesale Banking includes all advances which are not included under Retail Banking.

c) **Retail Banking** : Retail Banking includes exposures which fulfil following two criteria:

i) Exposure – The maximum aggregate exposure up to ₹ 5

ii) The total annual turnover is less than ₹ 50 i.e. the average turnover of the last three years in case of existing entities and projected turnover in case of new entities.

Pricing of Inter-Segmental transfers

Retail Banking Segment is a Primary resource mobilising unit and Wholesale Segment and Treasury Segment compensates the Retail banking segment for funds lent by it to them taking into consideration the average cost of deposits incurred by it.

Allocation of Costs

-Expenses directly attributed to particular segment are allocated to the relative segment

-Expenses not directly attributable to specific segment are allocated in proportion to number of employees / business managed.

II. **Secondary Segment: Geographical Segments**

a) Domestic Operations

b) International Operations

D. AS-18 "Related Party Transactions" (Parent Bank):

Key Managerial Personnel:

Managing Director & CEO: Shri Atanu Kumar Das

Executive Directors:
Shri C. G. Chaitanya
(superannuated on 31.08.2020)
Shri P. R. Rajagopal
Shri Swarup Dasgupta (From 10.03.2021)
Shri M. Karthikeyan (From 10.03.2021)
Smt. Monika Kalia (From 10.03.2021)

Remuneration paid :

(in ₹)

Sr No	Name	2020-21	2019-20
1	Shri Dinabandhu Mohapatra	-	8,57,839
2	Shri Atanu Kumar Das	30,02,820	27,92,421
3	Shri Neelam Damodharan	-	17,66,707
4	Shri C.G. Chaitanya	47,68,776	26,90,263
5	Shri P. R. Rajagopal	31,52,053	89,146
6	Shri M. Karthikeyan	1,46,801	-
7	Shri Swarup Dasgupta	1,46,801	-
8	Smt. Monika Kalia	1,46,801	-

In terms of paragraph 5 of AS 18, transactions in the nature of Banker – Customer relationship, including those with Key Management Personnel and relatives of Key Management Personnel have not been disclosed, since the disclosure would conflict with Bank's duties of confidentiality.

E. AS19 "Lease Financing" (Parent Bank): Nil

F. AS20 "Earnings per Share" in ₹:

Calculation of Basic & Diluted E.P.S.:

S.No.	Particulars	2020-21	2019-20
(A)	Net Profit/(Loss) for the year attributable to Equity Shareholders	2,082.75	(-)3,051.04
(B)	Weighted Average Number of Equity shares (in crore)	327.69	325.01
(C)	Basic Earnings per Share (A/B) (₹)	6.36	(-)9.39
(D)	Weighted Average number of Equity shares including dilutive potential equity shares (in crore)	327.81	NA
(E)	Dilutive Earnings per share (A/D) (₹)	6.35	(-)9.39
(F)	Nominal Value per Equity Share (₹)	10.00	10.00

G. AS-22 "Accounting for Taxes on Income":

The Major components of Deferred Tax Assets and Deferred Tax Liabilities are as under:

Particulars	31.03.2021	31.03.2020
Deferred Tax Assets		
On account of timing difference towards provisions	14,304.04	15,131.49
Others	659.88	626.24
Total Deferred Tax Assets	14,963.92	15,757.73
Deferred Tax Liabilities		
On account of depreciation on fixed assets	279.04	286.98
On account of depreciation on investment	0.00	0.00
On account of interest accrued but not due	943.32	952.07
Others	919.35	759.97
Total Deferred Tax Liabilities	2,141.71	1,999.02
Net Deferred Tax Assets / (Liabilities)	12,822.21	13,758.71

H. Accounting Standard 24 - Discontinuing Operations: In consonance with the Government of India directives and as a part of strategic initiatives for rationalisation of Overseas Operations, during Financial year 2019-20, the Parent Bank sold its overseas subsidiary i.e. Bank of India (Botswana) Ltd. for consideration of ₹ 14.64 and remaining cost of investment of ₹ 19.18 has been fully provided.

I. **AS-27 "Financial Reporting of Interests in Joint Ventures":**

Investments include ₹ 75 (Previous year ₹ 75) representing Parent Bank's interest in the following jointly controlled entity:

Sr. No.	Name of the Company	Amount	Country of incorporation	Holding %
1	Star Union Dai-Ichi Life Insurance Company Ltd.	75	India	28.96%

Aggregate amount of assets, liabilities, income and expenses related to the group's interest in jointly controlled entities:

Particulars	31.03.2021	31.03.2020
Liabilities		
Capital & Reserves	208.63	190.24
Deposits	-	-
Borrowings	-	-
Other Liabilities & Provisions	3,390.38	2,607.69
Total	**3,599.02**	**2,797.93**
Assets		
Cash and Balances with Reserve Bank of India	54.56	10.62
Balances with Banks and Money at call and short notice	-	-
Investments	3,386.41	2,640.40
Advances	3.74	3.03
Fixed Assets	7.51	6.77
Other Assets	146.80	137.11
Total	**3,599.02**	**2,797.93**
Capital Commitments	-	-
Other Contingent Liabilities	27.13	20.99
Income		
Interest Earned	11.30	10.39
Other Income	50.56	29.75
Total	**61.86**	**40.14**
Expenditure		
Interest Expended	-	-
Operating Expenses	37.77	13.27
Provisions & Contingencies	5.14	9.71
Total	**42.91**	**22.98**
Profit / (Loss)	**18.95**	**17.16**

J. AS-29 "Provisions, Contingent Liabilities and Contingent Assets": (Parent Bank)

A. Movement of Provisions for contingent liabilities

Particulars	Legal cases/contingencies*	
	2020-21	2019-20
Opening Balance	99.19	100.28
Provided during the year	11.01	0.87
Amounts used during the year	9.29	1.96
Closing Balance	100.91	99.19
Timing of outflow/uncertainties	Outflow on settlement / crystallization	

*Excluding provisions for others

B. Contingent Liabilities

Such liabilities are dependent upon the outcome of court order/arbitration/out of court settlement, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be. No reimbursement is expected in such cases.

10. Other Notes:

a) The investments of life insurance joint venture have been accounted for in accordance with the IRDAI guidelines instead of restating the same in accordance with the accounting policy followed by the Bank. The investments of the insurance joint venture constitute approximately 1.77% (previous year 1.63%) of the total investments as on 31st March, 2021.

b) During FY 2020-21, the Parent Bank has made provision of ₹ 460.92 towards the 11th Bi-Partite Wage Settlement effective November 1, 2017.

c) **COVID 19 Regulatory Package:** The spread of COVID-19 across the globe has resulted in significant decline in Indian as well as global economic activities and increase in volatility in financial markets. The current 'second wave' of COVID-19 pandemic, in which number of cases has increased significantly, has resulted in re-imposition of lockdown measures in various parts of the country. Major challenges for the Bank would arise from extended working capital cycles and probability of increase in customer defaults. The extent to which, including the current 'second wave' will continue to impact Bank's results will depend on ongoing as well as future developments, which are highly uncertain.

In this situation, though the challenges continue to unfold, the Parent Bank is evaluating the same on an ongoing basis and gearing up itself at all fronts to meet the same. The management, however, believes that no adjustments are required for these challenges as they may not significantly impact the financial results of the Parent Bank.

In accordance with RBI guidelines relating to "COVID 19 Regulatory Package" on Asset Classification and Provisioning, dated March 27, 2020, April 17, 2020 and May 23, 2020, the Parent Bank has granted a moratorium on payment of instalments and / or interest as applicable, falling due between March 1, 2020 and August 31, 2020 to eligible borrowers classified as Standard, even if overdue as on February 29, 2020 without considering the same as restructuring. The moratorium period, wherever granted, is excluded by the parent Bank from the number of days the account is past due for the purpose of Asset Classification under RBI's Income Recognition and Assets Classification norms. The disclosures as required by RBI Circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 is given below:

Sl. No.	Particulars	Amount
1	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	29,266.93
2	Respective amount where asset classification benefits is extended	-
3	Provisions made in quarter ended March 31, 2020 and June 30, 2020, in terms of para 5 of the above circular	1,031.82
4	Provisions adjusted during the quarter ended March 31, 2021 against slippages	1,031.82
5	Provision held as on March 31, 2021	-

The Honorable Supreme Court of India, in a public interest litigation case of Gajendra Sharma Vs. Union of India & Another, vide an Interim order dated September 3, 2020 had directed that the accounts which were not declared as Non-Performing Assets (NPA) till August 31, 2020 shall not be declared as NPA till further orders. Accordingly, the Parent Bank had not declared any domestic loan accounts as NPA which were Standard as on August 31, 2020.

Pursuant to the Honorable Supreme Court's final order dated March 23, 2021, vacating the above Interim order dated September 3, 2020, and the related RBI notification issued on April 7, 2021, the Parent Bank has classified these borrower accounts as per the extant IRAC norms with effect from September 1, 2020 and utilised the said above-mentioned additional provision towards provision for these accounts.

d) In accordance with the instructions of RBI circular dated April 7, 2021 on "Asset Classification and Income Recognition following the expiry of COVID-19 Regulatory package", the Parent Bank has refunded "interest on interest" charged to all borrowers including those who had availed of working capital facilities during the moratorium period i.e. March 1, 2020 to August 31, 2020, irrespective of whether moratorium had been fully or partially availed, or not availed. As required by the RBI notification, the methodology for calculation of such interest on interest was circulated by the Indian Bank's Association. Accordingly, a liability of ₹ 128.43 towards the same has been created and reduced from interest income for the year ended March 31, 2021.

e) As per RBI Circular No.DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, as on March 31, 2021 the Parent Bank holds additional Provision of ₹ 976.21 Cr in respect of 8 borrower accounts, where the viable Resolution Plan has not been implemented within 180 days/365 days of review period.

f) Details of the resolution plan implemented under the Resolution Framework for COVID-19 Stress as per RBI circular dated August 6, 2020 are given below:

Type of Borrower	A) Number of accounts where resolution plan has been implemented under this window	B)Exposure of accounts mentioned at (A) before implementation of the plan	C)Of (B), aggregate amount of debt that was converted into other securities	D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	E) Increase in provisions on account of the implementation of the resolution
Personal Loans	8,401	749.26	-	-	74.92
Corporate Persons	3	743.92	-	-	74.39
of which, MSMEs	-	-	-	-	-
Others	6	44.95	-	-	4.49
Total	8,410	1,538.13	-	-	153.80

g) In terms of RBI Cir No DOR.No.BP.BC.62/21.04.048/2019-20 dated April 17, 2020 and DOR.No.BP.BC.72/21.04.048/2019-20 dated May 23, 2020, extended timelines for resolution from the date where review period of 30 days are over but the 180 days of resolution period had not expired as on March 1, 2021, are as under:

Particular	No. of Accounts	Amount
Revised Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets	6	9,836.64

h) The Parent Bank was holding 100% provision in a particular account, recovery of which is under dispute with another PSU Bank. The account has been reported as fraud to RBI. As both the Banks were holding 100% provision, RBI vide its communication (Ref. DoS.Co.SSM(BOI)/6557/13.37.007/2019-20) dated April 13, 2020 permitted the Parent Bank to maintain a provision of 50% of the disputed amount on an ongoing basis (i.e. 50% of ₹ 291.63) subject to certain conditions. Accordingly, the Parent Bank now holds provision of ₹ 145.81 for the disputed amount.

i) In respect of RBI referred NCLT accounts (List 1 & 2) as on March 31, 2021, the Parent Bank holds 100% provision of the outstanding value of ₹ 4,227.96 .

j) Additional information disclosed in the separate financial statements of the Parent bank and the subsidiaries having no bearing on the true and fair view of the Consolidated Financial Statements and also the information pertaining to the items which are not material, have not been disclosed in the Consolidated Financial Statements.

k) Previous Year's figures have been regrouped/rearranged wherever considered necessary.

Chaturvedi & Co.	V Sankar Aiyar & Co.	Laxmi Tripti & Associates
Chartered Accountants	**Chartered Accountants**	**Chartered Accountants**
Park Centre, 24, Park Street, Kolkata – 700 016	2C Court Chambers, 35, New Marine Lines, Mumbai – 400 020.	2/9, Shireen Complex. BDA Colony, KOH-E-FIZA, Bhopal - 462001

Independent Auditors' Report on Audited Consolidated Quarterly Financial Results and Year to Date Financial Results of the Bank of India Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) regulations,2015

To
The Board of Directors
Bank of India
Mumbai

Report on the Audit of the Consolidated Financial Results

Opinion

1. We have audited the accompanying Statement of Consolidated Financial Results of **Bank of India** ("the **Parent Bank**") and its subsidiaries (collectively hereinafter referred to as "**the Group**"), associates and joint venture for the quarter ended March 31, 2021 and the year ended 31st March 2021 ("**the Statement**"),being submitted by the Parent Bank pursuant to the requirement of Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), except for the disclosures relating to "consolidated Pillar 3 disclosure" as at 31st March 2021, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Consolidated Financial results and have not been audited by us.

   In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on separate audited financial results of subsidiaries, associates and joint venture, the aforesaid statement:

   a. include the financial results of the following entities

      Subsidiaries:

      i. BOI Shareholding Ltd.
      ii. BOI AXA Investment Managers Private Limited
      iii. BOI AXA Trustee Services Private Limited
      iv. BOI Merchant Bankers Ltd.
      v. PT Bank of India Indonesia TBK
      vi. Bank of India (Tanzania) Ltd.
      vii. Bank of India (New Zealand) Ltd.
      viii. Bank of India (Uganda) Ltd.

CHATURVEDI & CO. KOLKATA Chartered Accountants

MUMBAI

LAXMI TRIPTI & ASSOCIATES

Joint Venture:

i. Star Union Dai-ichi Life Insurance Company Limited

Associates:

i. Madhya Pradesh Gramin Bank
ii. Vidharbha Konkan Gramin Bank
iii. Aryavart Bank
iv. Indo- Zambia Bank Ltd.
v. STCI Finance Ltd.
vi. ASREC (India) Ltd.

b. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations except for the disclosures relating to consolidated Pillar 3 disclosure as at 31st March 2021 including leverage ratio and liquidity coverage ratio under Basel III capital regulations as have been disclosed on the Bank's website and in respect of which link has been provided on the consolidated financial results and have not been audited by us and

c. gives a true and fair view, in conformity with the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India, of the consolidated net profit and other financial information of the group, its associates and Joint venture for the quarter and the year ended 31st March 2021.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Results* section of our report. We are independent of the Group, its associates and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

3. a) Note No.9 regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the management of the Bank is evaluating the situation and impact on its business operations of the Bank on an ongoing basis; and

b) Note No. 28 of the statement relating to utilisation of share premium for setting of accumulated losses

Our opinion is not modified in respect of these matters.

Board of Directors' Responsibility for the Consolidated Financial Results

4. These Consolidated Financial Results have been compiled from the consolidated Annual audited financial statements. The Bank's Board of Directors are responsible for the preparation

CHATURVEDI & CO. KOLKATA Chartered Accountants and presentation of these consolidated Financial Results that give a true and fair view of the consolidated net profit and other financial information of the Group, its associates and joint venture in accordance with the Accounting Standards issued by the ICAI, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the entities included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act/Banking Regulations Act, 1949 for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Bank, as aforesaid.

In preparing the consolidated Financial Results, the respective Board of Directors of the entities included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its associates and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the entities included in the Group and of its associates and Joint venture are responsible for overseeing the financial reporting process of the Group and of its associates and joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

5. Our objectives are to obtain reasonable assurance about whether the consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Financial Results.

   As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

KOLKATA Chartered Accountants

MUMBAI CHARTERED ACCOUNTANTS

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Financial Results, including the disclosures, and whether the consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and joint venture to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

6. The consolidated Financial Results include the audited Financial Results of 5 subsidiaries, 4 associates and 1 joint venture, whose Financial Statements/Financial Results/ financial information reflect Group's share of total assets of Rs.4138.94 crore as at 31st March 2021,

KOLKATA Chaturvedi & Co. Chartered Accountants

MUMBAI V. Sankar Aiyar & Co. Chartered Accountants

Group's share of total revenue of Rs.49.19 crore and Rs.114.13 crore and Group's share of total net loss after tax of Rs.113.28 crore and Rs.17.39 crore for the quarter and year ended 31st March 2021 respectively, as considered in the consolidated Financial Results, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements/financial results/financial information of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

In the case of one foreign associate, the financial information has been prepared in accordance with accounting principles generally accepted in the country in which it is situated and has been audited by the other auditors under generally accepted auditing standards as applicable in the country in which it is situated. The Bank's management has converted the financial information of such associate from accounting principles generally accepted in the country in which it is situated to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances of such associate located outside India is based on the report of other auditors and the conversion adjustments prepared by the Bank's management.

The consolidated Financial Results include the reviewed/unaudited Financial Results of 3 subsidiaries and 2 associates whose Financial Statements/Financial Results/ Financial information reflect Group's share of total assets of Rs. 3020.87 crore as at 31st March 2021, Group's share of total revenue of Rs. 53 crore and Rs. 214.17 crore and Group's share of total net profit/(loss) after tax of Rs. 3.95 crore and Rs. (1.58) crore for the quarter and year ended 31st March 2021 respectively, as considered in the consolidated Financial Results. These unaudited Financial Statements/Financial Results/ financial information has been furnished to us duly certified by the Bank's management and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on such reviewed/unaudited Financial Statements/Financial Results/Financial information. In our opinion and according to the information and explanations given to us by Bank's management, these Financial Statements/Financial Results / Financial information are not material to the Group.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/Financial information as certified by Bank's management.

7. Due to the COVID-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes were carried out based on the remote access to the extent available/feasible and necessary records made available by the management through digital medium / emails.

8. The Consolidated Financial statements of the Group for the previous year ended March 31,2020 were audited by the joint auditors, two of which are predecessor audit firms and have expressed unmodified opinion on such Financial statements. Further the Consolidated financial results of the Group as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended, for the quarter ended on March 31, 2020 were audited by the joint auditors, two of which are predecessor audit firms and have expressed their unmodified opinion on such results.

CHATURVEDI & CO. KOLKATA Chartered Accountants

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

9. The Consolidated Financial Results include the results for the quarter ended 31st March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our opinion on the Consolidated Financial Results is not modified in respect of above matters.

For Chaturvedi & Co. **Chartered Accountants** **(FRN 302137E)** **R.K.Nanda** **Partner** **M. No. 510574** **UDIN: 21510574AAAABY8719**	**For V Sankar Aiyar & Co.** **Chartered Accountants** **(FRN 109208W)** **G Sankar** **Partner** **M. No. 046050** **UDIN: 21046050AAAAEZ1285**	**For Laxmi Tripti & Associates** **Chartered Accountants** **(FRN 009189C)** **L.N. Agrawal** **Partner** **M.No.078427** **UDIN: 21078427AAAACM9245**

Place: Mumbai
Date: June 4, 2021

BANK OF INDIA

BALANCE SHEET
AS AT 31st MARCH, 2021

&

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH, 2021

Bank of India

BALANCE SHEET AS AT 31st MARCH 2021

	Schedule No	As at 31-03-2021 ₹	(000's Omitted) As at 31-03-2020 ₹
I. CAPITAL AND LIABILITIES			
Capital	1	32,776,625	32,776,625
Reserves & Surplus	2	424,079,259	405,386,540
Share Application Money, pending allotment		30,000,000	-
Deposits	3	6,271,135,601	5,555,049,786
Borrowings	4	324,641,055	397,524,659
Other Liabilities and Provisions	5	175,931,916	179,217,207
TOTAL		7,258,564,456	6,569,954,817
II. ASSETS			
Cash and balances with Reserve Bank of India	6	606,975,678	292,392,508
Balances with Banks and money at call and short notice	7	658,831,007	572,170,546
Investments	8	1,872,528,456	1,585,729,874
Advances	9	3,656,865,239	3,688,833,041
Fixed Assets	10	89,141,309	89,819,999
Other Assets	11	374,222,767	341,008,849
TOTAL		7,258,564,456	6,569,954,817
Contingent Liabilities	12	4,536,348,516	3,523,099,081
Bills for Collection		249,069,223	250,562,509

The Schedules referred to above form an integral part of the Balance Sheet.

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

Sankar Sen	Monika Kalia	M. Karthikeyan	Swarup Dasgupta	P R Rajagopal	A.K.Das
Chief Financial Officer	Executive Director	Executive Director	Executive Director	Executive Director	Managing Director & CEO

DIRECTORS

Vandita Kaul   Subrata Das   P N Prasad

In terms of our report of even date attached

For Chaturvedi & Co Chartered Accountants (FRN302137E)	For V Sankar Aiyar & Co. Chartered Accountants (FRN:109208W)	For Laxmi Tripti & Associates Chartered Accountants (FRN:009189C)
R.K.Nanda Partner M. No. 510574	G. Sankar Partner M. No.046050	L.N. Agrawal Partner M. No.078427

Place: Mumbai
Date : June 04, 2021

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

Bank of India

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2021

(000's Omitted)

		Schedule No.	For the year ended 31-03-2021 ₹	For the Year ended 31-03-2020 ₹
I.	**INCOME**			
	Interest earned	13	405,994,385	423,532,668
	Other income	14	74,414,891	67,130,741
	TOTAL		480,409,276	490,663,409
II.	**EXPENDITURE**			
	Interest expended	15	263,296,031	270,962,884
	Operating expenses	16	108,391,063	104,514,011
	Provisions and Contingencies		87,119,195	144,755,376
	TOTAL		458,806,289	520,232,271
III.	**PROFIT**			
	Net Profit/(Loss) for the period		21,602,987	(29,568,862)
	Less: Extra ordinary Item		-	-
	Add: Profit brought forward		(237,823,882)	(205,827,390)
	TOTAL		(216,220,895)	(235,396,252)
IV.	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		5,410,000	-
	Transfer to Investment Fluctuation Reserve		6,738,011	
	Transfer to Revenue Reserve		-	-
	Transfer to Capital Reserve		4,954,976	2,427,630
	Transfer to Revenue & Other Reserves		-	-
	Transfer from Share Premium (for Setoff of brought forward loss)		(237,823,882)	
	Final Dividend (including dividend tax)		-	-
	Transfer to Special Reserve u/s Sec 36(1) (viii) of Income Tax Act,1961		4,500,000	-
	Balance in Profit and Loss Account		-	(237,823,882)
	TOTAL		(216,220,895)	(235,396,252)
	Significant accounting policies	17		
	Notes to Accounts	18		
	Earnings Per Share (Basic and Diluted)		6.59	(9.10)

The schedules referred to above form an integral part of the Profit and Loss Account.

The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act, 1949.

Sankar Sen	Monika Kalia	M. Karthikeyan	Swarup Dasgupta	P R Rajagopal	A K.Das
Chief Financial Officer	Executive Director	Executive Director	Executive Director	Executive Director	Managing Director & CEO

DIRECTORS

Vandita Kaul | Subrata Das | P N Prasad

In terms of our report of even date attached

For Chaturvedi & Co Chartered Accountants (FRN302137E)	For V Sankar Aiyar & Co. Chartered Accountants (FRN:109208W)	For Laxmi Tripti & Associates Chartered Accountants (FRN:009189C)
R.K.Nanda Partner M. No. 510574	G. Sankar Partner M. No.046050	L.N. Agrawal Partner M. No.078427

Place: Mumbai
Date : June 04, 2021

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

BANK OF INDIA

Statement of Standalone Cash Flow for the year ended 31st March, 2021

(` in '000)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
A. Cash Flow from Operating Activities:		
Net Profit before taxes	**32,367,150**	**(46,027,225)**
Adjustments for:		
Amortisation/Depreciation on Investments	11,626,540	6,401,160
Profit on sale /redemption of investments in Joint Venture	-	-
Depreciation on Fixed Assets	3,722,039	3,847,777
Profit on sale of Fixed Asset	(600,494)	(466,672)
Provision for NPA	66,125,359	144,153,945
Provision for Standard Assets	(407,398)	8,586,322
Provision for Other Assets	1,950,551	5,054,312
Payment / Provision for Interest on Subordinated Bonds, IPDI, Upper Tier II Bonds	6,538,394	8,458,195
Dividend received	(252,042)	(2,27,329)
Adjustments for:		
Increase /(Decrease) in Deposits	716,085,815	346,426,301
Increase /(Decrease) in Borrowings	(73,403,604)	(21,637,019)
Increase / (Decrease) in Other Liabilities and Provisions	(65,48,545)	31,159,494
(Increase) / Decrease in Investments	(297,952,966)	(115,519,590)
(Increase)/ Decrease in Advances	(34,157,557)	(422,927,543)
(Increase) / Decrease in Other Assets	(51,552,651)	12,915,991
Direct Taxes (Paid)/Refund	7,090,040	(8,537,405)
Net Cash Flow from Operating Activities (A)	**380,630,631**	**(48,339,286)**
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(3,275,928)	(9,560,455)
Sale of Fixed Assets	127,436	6,049,891
Additional investment in Subsidiaries/Joint Ventures/ Associates	(472,156)	(221,094)
Dividend received	252,042	227,329
Net Cash Flow from Investing Activities (B)	**(3,368,606)**	**(3,504,329)**
C. Cash Flow from Financing Activities:		
Share Capital	-	5,176,339
Share Premium	-	41,203,661
Share Application	30,000,000	(46,380,000)
IPDI, Subordinated Bonds & Upper Tier II Bonds (Net)	520,000	(23,250,000)
Dividend (Interim & Final) paid	-	-
Interest Paid on IPDI, Subordinated Bonds, Upper Tier II	(6,538,394)	(8,458,195)
Net Cash Flow from Financing Activities (C)	**23,981,606**	**(31,708,195)**
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**401,243,631**	**(83,551,810)**

Classification: ...

Particulars	Year ended	Year ended
	31.03.2021	31.03.2020
Cash and Cash Equivalents as at the beginning of the year	864,563,054	948,114,864
Cash and Cash Equivalents as at the end of the year	1,265,806,685	864,563,054

Particulars	Year ended	Year ended
	31.03.2021	31.03.2020
Reconciliation of Cash and Cash Equivalents as at the end of the year		
Cash and balances with Reserve Bank of India (Schedule 6)	606,975,678	292,392,508
Balances with Banks and money at call and short notice (Schedule 7)	658,831,007	572,170,546
Cash and Cash Equivalents as at the end of the year	**1,265,806,685**	**864,563,054**

Cash and cash equivalent as per cash flow statement comprises of cash in hand, in ATM, balances in current account with RBI and other Banks (including deposits) and money at call and short notice which can be readily convertible into cash.

Sankar Sen	Monika Kalia	M. Karthikeyan	Swarup Dasgupta	P R Rajagopal	A.K.Das
Chief Financial Officer	Executive Director	Executive Director	Executive Director	Executive Director	Managing Director & CEO

DIRECTORS

Vandita Kaul　　Subrata Das　　P N Prasad

In terms of our report of even date attached

For Chaturvedi & Co	For V Sankar Aiyar & Co.	For Laxmi Tripti & Associates
Chartered Accountants	Chartered Accountants	Chartered Accountants
(FRN302137E)	(FRN:109208W)	(FRN:009189C)
R.K.Nanda	G. Sankar	L.N. Agrawal
Partner	Partner	Partner
M. No. 510574	M. No.046050	M. No.078427

Place: Mumbai

Date : June 04, 2021

Classification: Internal

	As at 31-03-2021 ₹	(000's Omitted) As at 31-03-2020 ₹
SCHEDULE - 1 : CAPITAL		
AUTHORISED		
600,00,00,000 (Previous year ended 600,00,00,000) Equity Shares of ₹10 each	60,000,000	60,000,000
ISSUED AND SUBSCRIBED		
Equity Shares 327,81,00,450 (Previous year ended 327,81,00,450) of ₹10 each	32,781,004	32,781,004
TOTAL	32,781,004	32,781,004
PAID-UP CAPITAL		
327,69,23,350 Equity Shares (Previous year ended 327,69,23,350) of Rs.10/- each	32,769,234	32,769,234
Add: Amount of shares forfeited	7,391	7,391
TOTAL *	32,776,625	32,776,625

* Of the above, 291,96,90,866 Equity Shares (Previous year ended 291,96,90,866) of ₹10 each fully paid up amounting to ₹ 2919.69 crores (Previous year ended ₹2919.69 crores) is held by Central Government;

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 2 : RESERVES & SURPLUS		
I. Statutory Reserve :		
Opening Balance	70,868,842	70,868,842
Additions during the period	5,410,000	-
TOTAL (I)	76,278,842	70,868,842
II. Capital Reserves :		
A) Revaluation Reserve :		
Opening Balance	63,223,557	62,733,382
Add: Addition during the period on Revaluation of Premises	0	940,785
Less: Adjustments during the period	4,613	(288,568)
Less: Depreciation on revalued Fixed Assets transferred to Revenue reserve	701,024	739,178
Total of (A)	62,517,920	63,223,557
B) Others		
i) Profit on sale of Investments - "Held to Maturity"		
Opening Balance	25,563,168	23,135,538
Additions during the period	4,954,976	2,427,630
Sub-total of (i)	30,518,144	25,563,168
ii) Foreign Currency Translation Reserve		
Opening Balance	23,390,751	20,056,276
Add/ (Less) : Additions / adjustments during the period (Net)	(2,904,780)	3,334,475
Sub-total of (ii)	20,485,971	23,390,751
Total of (B)	51,004,115	48,953,919
TOTAL (II)	113,522,035	112,177,476
III. Share Premium :		
Opening Balance	353,317,730	312,114,069
Add : Additions/(Utilization) during the period	(237,823,882)	41,203,661
TOTAL (III)	115,493,848	353,317,730

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 2 : RESERVES & SURPLUS (contd.)		
IV. Revenue and Other Reserves :		
i) Revenue Reserve :		
Opening Balance	85,146,374	84,430,533
Add: Additions during the period	700,149	715,841
Deductions during the period	-	-
Sub-total of IV(i)	85,846,523	85,146,374
ii) Investment Reserve :		
Opening Balance	-	-
Add: Transfer from Profit & Loss Appropriations	-	-
Less:Transfer to Profit & Loss Appropriations	-	-
Sub-total of IV(ii)	-	-
iii) Investment Fluctuation Reserve :		
Opening Balance	-	-
Add: Transfer from Profit & Loss Appropriations	6,738,011	-
Less:Transfer to Profit & Loss Appropriations	-	-
Sub-total of IV(iii)	6,738,011	-
iv) Special Reserve u/s Sec 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	21,700,000	21,700,000
Additions during the period	4,500,000	-
Sub-total of IV(iv)	26,200,000	21,700,000
TOTAL (IV)	118,784,534	106,846,374
V. Balance in Profit and Loss Account :	-	(237,823,882)
TOTAL (I TO V)	424,079,259	405,386,540
SCHEDULE - 3 : DEPOSITS		
A. I. Demand Deposits :		
i) From Banks	5,746,377	8,039,596
ii) From Others	320,088,663	293,242,193
TOTAL (I)	325,835,040	301,281,789
II. Savings Bank Deposits	1,975,015,678	1,727,006,858
III. Term Deposits :		
i) From Banks	438,216,135	353,339,891
ii) From Others	3,532,068,748	3,173,421,248
TOTAL (III)	3,970,284,883	3,526,761,139
TOTAL A(I, II, III)	6,271,135,601	5,555,049,786
B. i) Deposits of branches in India	5,511,351,725	4,825,392,677
ii) Deposits of branches outside India	759,783,876	729,657,109
TOTAL (B)	6,271,135,601	5,555,049,786

BANK OF INDIA H.O. FINANCE DEPT.

SCHEDULE - 4 : BORROWINGS

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
I. Borrowings in India :		
i) Reserve Bank of India	35,190,000	188,770,000
ii) Other Banks		
a. Tier I Capital	6,930,000	1,150,000
b. Tier II Capital	250,000	250,000
c. Others	139,300	-
Total (ii)	7,319,300	1,400,000
iii) Other Institutions and Agencies		
a. Tier I Capital	6,590,000	1,850,000
b. Tier II Capital	69,750,000	79,750,000
c. Others	203,022,679	22,936,828
Total (iii)	279,362,679	104,536,828
Total (I)	321,871,979	294,706,828
II. Borrowings outside India		
a. Tier I Capital	-	-
b. Upper Tier II Capital	-	-
c. Others	2,769,076	102,817,831
Total (II)	2,769,076	102,817,831
Total (I, II)	324,641,055	397,524,659
Secured borrowings included in above	-	-

SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
I. Bills Payable	14,158,433	11,251,125
II. Inter-office adjustments (net)	-	1,816,388
III. Interest accrued	16,366,851	19,440,790
IV. Deferred Tax Liabilities	38,497	16,852
V. Others (Including Provisions)*	145,368,135	146,692,052
TOTAL	175,931,916	179,217,207

* Includes provision for Standard Assets ₹ 27,231,029 (Previous Year ₹ 27,665,585)

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes and gold)	32,955,084	32,300,213
II. Balances with Reserve Bank of India : *		
i) In Current Account	574,020,594	260,092,295
ii) In Other Accounts	-	-
TOTAL (II)	574,020,594	260,092,295
TOTAL (I, II)	606,975,678	292,392,508
* Including balances with Central Banks outside India		
SCHEDULE - 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE		
I. In India :		
i) Balances with Banks		
a) in Current Accounts	1,020,987	1,680,529
b) in Other Deposit Accounts	-	10,593,100
ii) Money at call and short notice		
a) With Banks	254,540	1,934,710
b) With Other Institutions	95,998,088	110,000,000
TOTAL (I)	97,273,615	124,208,339
II. Outside India :		
i) In Current Accounts	24,482,120	18,505,320
ii) In Other Deposit Accounts	477,779,920	335,043,705
iii) Money at call and short notice	59,295,352	94,413,182
TOTAL (II)	561,557,392	447,962,207
TOTAL (I, II)	658,831,007	572,170,546
SCHEDULE - 8 : INVESTMENTS		
I. Investments in India :		
i) Government Securities	1,656,373,300	1,397,945,003
ii) Other approved Securities	-	-
iii) Shares	7,579,872	7,764,031
iv) Debentures and Bonds	126,463,086	78,124,831
v) Subsidiaries and Associates	5,497,440	5,025,284
vi) Others (Commercial Papers, Units of Mutual Funds, Pass Through Certificates, Security Receipts, Venture Fund etc.)	8,850,980	28,665,163
TOTAL (I)	1,804,764,678	1,517,524,312
Gross	1,849,325,429	1,553,226,590
Less: Depreciation and Amortisation	44,560,751	35,702,279
Net	1,804,764,678	1,517,524,312
II. Investments outside India :		
i) Government Securities (including local authorities)	41,080,665	37,919,719
ii) In Subsidiaries and/or joint ventures abroad	9,422,633	9,422,633
iii) Other Investments (Debentures, Bonds etc.)	17,260,480	20,863,210
TOTAL (II)	67,763,778	68,205,562
Gross	67,988,812	68,598,438
Less: Depreciation and Amortisation	225,034	392,876
Net	67,763,778	68,205,562
TOTAL (I, II)	1,872,528,456	1,585,729,874

बैंक ऑफ इंडिया BANK OF INDIA H.O. वित्त विभाग FINANCE DEPT.

बैंक ऑफ इंडिया / BANK OF INDIA बोर्ड बैठक Board Meeting JUN 2021 प्रधान कार्यालय / HEAD OFFICE

SCHEDULE - 9 : ADVANCES

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
A. i) Bills Purchased and Discounted	92,462,046	91,314,256
ii) Cash Credits, Overdrafts and Loans repayable on demand	1,512,567,085	1,756,232,921
iii) Term Loans	2,051,836,108	1,841,285,864
TOTAL (A)	3,656,865,239	3,688,833,041
B. Particulars of Advances :		
i) Secured by tangible assets (includes advances against Book Debts)	2,632,585,554	2,592,028,815
ii) Covered by Bank/Government Guarantees	190,902,259	244,622,145
iii) Unsecured	833,377,426	852,182,081
TOTAL (B)	3,656,865,239	3,688,833,041
C. Sectoral Classification of Advances :		
I. Advances in India		
i) Priority Sector	1,217,412,779	1,125,757,202
ii) Public Sector	859,160,292	778,764,153
iii) Banks	448,742	1,125
iv) Others	1,188,350,817	1,283,717,484
TOTAL (C-I)	3,265,372,630	3,188,239,964
II. Advances outside India :		
i) Due from Banks	112,091,012	98,760,964
ii) Due from others		
a) Bills Purchased and Discounted	24,248,314	29,992,194
b) Syndicated Loans	100,482,255	104,699,596
c) Others	154,671,028	267,140,323
TOTAL (C-II)	391,492,609	500,593,077
TOTAL (C - I, C - II)	3,656,865,239	3,688,833,041

SCHEDULE - 10 : FIXED ASSETS

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
I. PREMISES :		
Opening Balance, at cost	17,249,734	17,147,477
Additions / Adjustments during the period	11,287	162,231
Less:Deductions / Adjustments during the period	97,061	59,974
Sub-total	17,163,960	17,249,734
Addition to date on account of revaluation	63,976,932	64,009,821
Less : Depreciation to date (including on account of revaluation)	5,660,008	4,719,996
TOTAL - (I)	75,480,884	76,539,559
II. OTHER FIXED ASSETS : (including Furniture and Fixtures)		
Opening Balance at cost	36,959,513	34,701,194
Additions / Adjustments during the period	2,542,358	8,480,161
Less:Deductions / Adjustments during the period	176,491	6,221,842
Sub-total	39,325,380	36,959,513
Less: Depreciation to date	29,303,552	26,595,386
TOTAL (II)	10,021,828	10,364,127
III. CAPITAL WORK IN PROGRESS	3,638,597	2,916,313
TOTAL (I, II, III)	89,141,309	89,819,999

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

बैंक ऑफ इंडिया / BANK OF INDIA Board Meeting JUN 2021 प्रधान कार्यालय / HEAD OFFICE

SCHEDULE - 11 : OTHER ASSETS

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
I. Inter-office adjustments (net)	55,890,055	0
II. Interest accrued	28,904,785	30,665,142
III. Tax paid in advance/tax deducted at source (net)	48,795,537	57,774,856
IV. Stationery and Stamps	77,622	64,231
V. Deferred Tax Assets (Net)	127,744,620	137,104,034
VI. Others	112,810,148	115,400,586
TOTAL	374,222,767	341,008,849

SCHEDULE - 12 : CONTINGENT LIABILITIES

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
I. Claims against the Bank not acknowledged as debts	26,202,648	14,993,043
II. Liability for partly paid Investments	1,010,314	1,137,946
III. Liability on account of outstanding forward exchange contracts	4,046,620,870	2,946,157,883
IV. Guarantees given on behalf of Constituents :		
a) In India	218,030,102	225,143,990
b) Outside India	30,852,421	41,528,716
V. Acceptances, endorsements and other obligations	183,047,143	172,126,811
VI. Derivative contracts other than listed at III above	14,865,980	109,638,304
VII. Other items for which the Bank is contingently liable	15,719,038	12,372,388
TOTAL	4,536,348,516	3,523,099,081

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	For the Year ended 31-03-2021 ₹	For the Year ended 31-03-2020 ₹
SCHEDULE - 13 : INTEREST EARNED		
I. Interest/Discount on advances/bills	274,067,419	288,047,398
II. Income on investments	115,477,834	107,041,490
III. Interest on balances with Reserve Bank of India and other inter-bank funds	11,420,907	24,315,336
IV. Others	5,028,225	4,128,444
TOTAL	405,994,385	423,532,668

		For the Year ended 31-03-2021 ₹		For the Year ended 31-03-2020 ₹
SCHEDULE - 14 : OTHER INCOME				
I. Commission, exchange and brokerage		11,064,271		13,560,972
II. Profit on sale of Investments	25,471,198		5,849,186	
Less : Loss on sale of Investments	-		-	
		25,471,198		5,849,186
III. Profit on sale of land, buildings and other assets	600,494		466,672	
Less : Loss on sale of land, buildings and other assets	-		-	
		600,494		466,672
IV Profit on exchange transactions	18,888,583		15,033,014	
Less : Loss on Exchange Transactions	24,176		-	
		18,864,407		15,033,014
V Income earned by way of dividends etc., from subsidiaries / cos.and/or JVs		252,042		227,329
VI Miscellaneous Income		18,162,479		31,993,568
TOTAL		74,414,891		67,130,741

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

	For the Year ended 31-03-2021 ₹	For the Year ended 31-03-2020 ₹
SCHEDULE - 15 : INTEREST EXPENDED		
I. Interest on Deposits	244,822,894	236,366,872
II. Interest on Reserve Bank of India / Inter-bank borrowings	11,558,910	25,825,954
III. Others:	6,914,227	8,770,058
TOTAL	263,296,031	270,962,884
SCHEDULE - 16 : OPERATING EXPENSES		
I. Payments to and provisions for employees	64,729,900	61,414,517
II. Rent, Taxes and Lighting	7,518,229	7,211,408
III. Printing and Stationery	646,682	762,183
IV. Advertisement and Publicity	75,439	251,485
V. Depreciation on Bank's property	3,722,039	3,847,777
VI. Directors' fees, allowances and expenses	4,295	5,070
VII. Auditors' fees and expenses (Including branch Auditors' fees & expenses)	802,916	787,984
VIII. Law Charges	274,646	493,620
IX. Postage, Telegrams, Telephones, etc.	1,776,218	1,657,425
X. Repairs and Maintenance	600,363	725,422
XI. Insurance	6,994,167	5,059,416
XII. Other Expenditure	21,246,169	22,297,704
TOTAL	108,391,063	104,514,011

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT

बैंक ऑफ़ इंडिया
Bank of India BOI

SCHEDULE-17

SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF PREPARATION:

The financial statements are prepared following the going concern concept, on historical cost basis unless otherwise stated and conform, in all material aspects, to the Generally Accepted Accounting Principles (GAAP) in India, which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI), Accounting Standards (AS), pronouncements issued by The Institute of Chartered Accountants of India (ICAI), Banking Regulation Act, 1949 and accounting practices prevalent in the banking industry in India. In respect of foreign offices/branches, statutory provisions and accounting practices prevailing in the respective foreign countries are complied with, except as specified elsewhere.

2. USE OF ESTIMATES:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. However, actual results can differ from estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. REVENUE RECOGNITION:

a. Income/Expenditure is recognised on accrual basis, unless otherwise stated. In respect of foreign offices, income/expenditure is recognised as per local laws/standards of host country.

b. Interest income is recognised on time proportion basis except interest on non-performing assets.

c. Commission on issue of Bank Guarantee and Letter of Credit is recognised over the tenure of BG/LC.

d. All other Commission and Exchange, Brokerage, Fees and other charges are recognised as income on realisation.

Classification: Internal BANK OF INDIA H.O. प्र. का. वित्त विभाग FINANCE DEPT.	V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS	LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS	MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS

e. Income (other than interest) on investments in "Held to Maturity" category acquired at a discount to the face value, is recognised as follows:

i. On Interest bearing securities, it is recognised only at the time of sale/ redemption.
ii. On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

f. Profit or loss on sale of investments is recognised in the Profit and Loss account. As per RBI Guidelines, in case of profit on sale of investments under 'Held to Maturity' category, an equivalent amount (net of taxes and amount required to be transferred to Statutory Reserves) is appropriated to 'Capital Reserve Account'.

g. Dividend Income is recognised when the right to receive the dividend is established.

h. Interest Income on Income-tax refund is recognised in the year of passing of assessment order.

i. **Appropriation of recoveries in NPAs:**

In respect of NPAs, recoveries effected except through a.) compromise settlement /special OTS, b.) Judgement of a Court/DRT/NCLT and c.) Assignment to ARC's/SC's. are to be made in the following order:-

- Charges debited to borrower's account,
- Expenses/out of pocket expenses incurred but not debited,
- Unrealised interest,
- Uncharged interest,
- Principal

In other cases, the recoveries made are appropriated as per the order of relevant authority.

4. ADVANCES:

a. Advances are classified into "Performing" and "Non-Performing Advances" (NPAs) in accordance with the applicable regulatory guidelines.

b. NPAs are further classified into Sub-Standard, Doubtful and Loss Assets in terms of applicable regulatory guidelines.

c. In respect of domestic branches, NPA Provisions are made at the rates given as under:

Category of NPAs	Provision % on net outstanding advance
Sub Standard:*	
Exposures, which are unsecured ab initio	25%
Unsecured exposure in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available (unsecured – infra)	20%
Others	15%
Doubtful:	
Secured portion (Period for which advance has remained in doubtful category)	
- Upto one year	25%
- One year to three years	40%
- More than three years	100%
Unsecured portion	100%
Loss	100%

* On the outstanding advance

d. In respect of foreign branches, classification of advances as NPAs and provision in respect of NPAs is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

e. Provisions in respect of NPAs, unrealised interest, ECGC claims, etc. are deducted from total advances to arrive at net advances as per RBI norms.

f. In respect of Rescheduled/Restructured advances, provision is made for the diminution in the fair value of restructured advances measured in present value terms as per RBI guidelines. The said provision is reduced to arrive at Net advances.

g. In case of financial assets sold to Asset Reconstruction Company (ARC) / Securitisation Company (SC), if the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is debited to the Profit and Loss account as per the extant RBI guidelines issued from time to time. If the sale is at a price higher than the NBV, the excess provision on sale of NPAs may be reversed to profit and loss account in the year the amounts is received. However, any excess provision is reversed only when the cash received (by way of initial consideration only/or redemption of SR's/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

h. Provision for Standard assets, including restructured advances classified as standard, is made in accordance with RBI guidelines. In respect of foreign branches provision for Standard Assets is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

i. Provision for net funded country exposures (Direct/Indirect) is made on a graded scale in accordance with the RBI guidelines.

5. FLOATING PROVISION:

The bank has framed a policy for creation and utilisation of floating provisions. The quantum of floating provisions to be created is assessed at the end of each financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India or on being specifically permitted by Reserve Bank of India for specific purposes. These provisions are netted off from gross NPAs to arrive at Net NPAs.

6. DEBIT/CREDIT CARDS REWARD POINTS:

Provision for reward points in relation to the debit cards is provided for on actuarial estimates and Provision for Reward Points on Credit cards is made based on the accumulated outstanding points.

7. INVESTMENTS:

a. Transactions in Government Securities are recognised on Settlement Date and all other Investments are recognised on trade date.

b. Investments are classified under `Held to Maturity', 'Held for Trading' and 'Available for Sale' categories as per RBI guidelines. For the purpose of disclosure in the Balance Sheet in Schedule 8, (I) 'Investments in India' are classified under six categories viz. i.) Government Securities, ii.) Other Approved Securities, iii.) Shares, iv.) Debentures and Bonds, v.) Subsidiaries and Joint Ventures and vi.) Others and (II) 'Investments outside India' are classified under three categories viz. i.) Government Securities, ii.) Subsidiaries and Joint Ventures abroad and iii.) Other Investments.

A. <u>Basis of classification</u>

Classification of an investment is done at the time of its acquisition.

(i) Held to Maturity

These comprise investments that the Bank intends to hold till maturity. Investments in equity of subsidiaries, joint ventures and associates are also categorised under Held to Maturity.

Classification: Internal			

(ii) Held for Trading

These comprise investments acquired with the intention to trade by taking advantage of short term price/interest rate movements. Securities are to be sold within 90 days from the purchase date.

(iii) Available for Sale:

These comprise investments which do not fall either under "Held to Maturity" or "Held for Trading" category.

B. Acquisition Cost of Investment:

(i) Brokerage, commission, securities transaction tax, etc. paid on acquisition of equity investments are included in cost.

(ii) Brokerage, commission, broken period interest paid/ received on debt investments is treated as expense/income and is excluded from cost/sale consideration.

(iii) Brokerage and Commission, if any, received on subscription of investments is credited to Profit and Loss Account.

C. Method of valuation:

Investments in India are valued in accordance with the RBI guidelines and investments held at foreign branches are valued at lower of the value as per the statutory provisions prevailing at the respective foreign countries or as per RBI guidelines issued from time to time.

Treasury Bills and all other discounted instruments are valued at carrying cost (ie acquisition cost plus discount accrued at the rate prevailing at the time of acquisition)

(i) Held to Maturity:

1. Investments included in this category are carried at their acquisition cost, net of amortisation, if any. The excess of acquisition cost, if any, over the face value is amortised over the remaining period of maturity using constant yield method. Such amortisation of premium is adjusted against income under the head "interest on investments".

2. Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost except for investments in Regional Rural Banks, which are valued at carrying cost (i.e. book value). Suitable provision is made for diminution, other than of temporary nature, for each investment individually.

(ii) **Held for Trading / Available for Sale:**

1. Investments under these categories are individually valued at the market price or fair value determined as per Regulatory guidelines and only the net depreciation in each classification for each category is provided for and net appreciation is ignored. On provision for depreciation, the book value of the individual securities remains unchanged after marking to market.

For the purpose of valuation of quoted investments in "Held for Trading" and "Available for Sale" categories, the market rates / quotes on the Stock Exchanges, the rates declared by Fixed Income Money Market and Derivatives Association (FIMMDA)/ Financial Benchmark India Pvt. Ltd. (FBIL) are used. Investments for which such rates/quotes are not available are valued as per norms laid down by RBI, which are as under:

Classification	**Basis of Valuation**
Government Securities	on Yield to Maturity basis
Other Approved Securities	on Yield to Maturity basis
Equity Shares, PSU and Trustee shares	at break-up value as per the latest Balance Sheet (not more than 18 months old), otherwise Re.1 per company.
Preference Shares	on Yield to Maturity basis
PSU/Corporate Bonds	on Yield to Maturity basis
Units of Mutual Funds	at the latest repurchase price/NAV declared by the fund in respect of each scheme
Units of Venture Capital Funds (VCF)	declared NAV or break-up NAV as per audited financials which are not more than 18 months old. If NAV/audited financials are not available for more than 18 months then at Re. 1/- per VCF.
Security Receipts	at NAV as declared by Securitisation Companies which is not more than 6 months old.

D. Transfer of Securities between Categories:

A) HTM to AFS/HFT –

i) If the security was originally placed under the HTM category at a discount it is transferred at the acquisition price / book value. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

ii) If the security was originally placed in the HTM category at a premium, it is transferred to the AFS / HFT category at the amortised cost. After transfer,

Classification: **Internal**

these securities are immediately re-valued and resultant depreciation, if any, is provided.

B) AFS/HFT TO HTM- Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In cases where the market value is higher than the book value at the time of transfer, the appreciation is ignored. In cases where the market value is less than the book value, the provision against depreciation held against this security is adjusted to reduce the book value to the market value and the security is transferred at the market value.

C) AFS TO HFT AND VICE-VERSA - In the case of transfer of securities from AFS to HFT category or vice-versa, the securities are not re-valued on the date of transfer and the provisions for the accumulated depreciation, if any, held are transferred to the provisions for depreciation against the HFT securities and vice-versa.

E. Non-performing Investments (NPIs) and valuation thereof:

(i) Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in case of domestic offices and respective regulators in case of foreign offices.

(ii) In respect of non-performing investments, income is not recognised and provision is made for depreciation in value of such securities as per RBI guidelines.

(iii) Matured NPIs are shown under 'Other Assets' Schedule11 (Net of Provision).

F. Repo / Reverse Repo:

The securities sold and purchased under Repo/ Reverse repo are accounted as Collateralised lending and borrowing transactions. However, securities are transferred as in case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo Account is classified as Borrowings and balance in Reverse Repo account is classified as Balance with Banks and Money at Call & Short Notice in the Balance sheet.

G. Investment in Security Receipts (SRs) backed by assets:-

In terms of RBI guidelines issued vide circular no RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021, the bank has revised valuation methodology in respect of SRs under securitization,

a) Investments by banks in SRs / PTCs / other securities issued by ARCs shall be valued periodically by reckoning the Net Asset Value (NAV) declared by the ARC based on the recovery ratings received for such instruments.

Provided that when bank invest in the SRs/PTCs issued by ARCs in respect of the stressed loans transferred by them to the ARC, the bank shall carry the investment in their books on an ongoing basis, until its transfer or realization, at lower of the redemption value of SRs arrived based on the NAV as above, and the NBV of the transferred stressed loan at the time of bank.

Provided further that when the investment by bank in SRs backed by stressed loans transferred by it, is more than 10 percent of all SRs backed by its transferred loans and issued under that securitisation, the valuation of such SRs by the bank will be additionally subject to a floor of face value of the SRs reduced by the provisioning rate as applicable to the underlying loans, had the loans continued in the books of the bank.

b) SRs/PTCs which are not redeemed as at the end of the resolution period (i.e., five years or eight years as the case may be) shall be treated as loss asset in books of the bank and fully provided for.

c). The valuation, classification and other norms applicable to investment in non-SLR instruments prescribed by RBI from time to time shall be applicable to bank investment in debentures/ bonds/ SRs /PTCs issued by ARC. However, if any of the above instruments issued by ARC is limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the bank shall reckon the NAV obtained from ARC from time to time, for valuation of such investments.

8. DERIVATIVES:

The Bank presently deals in Forex Forward Contracts, interest rate, and currency derivatives. The interest rate derivatives dealt with by the Bank are Rupee Interest Rate Swaps, Foreign Currency Interest Rate Swaps, Forward Rate Agreements and Interest Rate Futures. Currency Derivatives dealt with by the Bank are Options, Currency Swaps and Currency Futures. Based on RBI guidelines, Derivatives are valued as under:

a. The hedge/non hedge (market making) transactions are recorded separately.

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b. Income/expenditure on hedging derivatives are accounted on accrual basis.

c. Forex forward contracts are marked to market and the resultant gains and losses are recognized in the profit and loss account

d. MTM appreciation/ depreciation of hedging derivative is first set off with the depreciation / appreciation of the corresponding underlying and the resultant depreciation is recognized. Resultant appreciation, if any, is ignored.

e. Interest Rate Derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit & Loss account. Net Profit if any, is ignored.

f. Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

g. Gains/ losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

h. Option fees/premium is amortised over the tenor of the option contract.

9. PROPERTY, PLANT & EQUIPMENT:

a. Fixed assets are stated at historic cost, except in the case of assets which have been revalued, which are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve.

b. Cost includes cost of purchase and all expenditure such as site preparation, installation costs, professional fees, etc. incurred on the asset before it is ready to use or capable of ready to use. Subsequent expenditure incurred on assets ready to use is capitalised only when it increases the future benefits from such assets or their functioning capability.

c. 5% residual value has been kept for all the assets except for the assets with estimated useful life less than 5 Years (eg. Mobile Phones, Computers and Computer Software forming integral part of hardware), where the entire cost of the assets is amortised over the useful life.

d. The rates of depreciation and method of charging depreciation is given below:

Sr. No.	Particulars	Rate of Depreciation	Estimated useful life as determined by the Bank	Method of charging depreciation
1	**Land & Building:**			
1.a.	Land (Freehold)	NIL		
1.b.	Leasehold Land		Lease premium is amortised over the period of lease	
1.c.	Building (including cost of land if not ascertained separately)	1.58%	60 Years	Straight Line
2.	**Other Fixed Assets:-**			
a.	Furniture, Fixtures, Electrical fittings and Equipment's	9.50%	10 Years	Straight Line
b.	Electrical Fitting and Equipment's	9.50%	10 Years	Straight Line
c.	Air-conditioning plants, etc. and business machines	6.33%	15 Years	Straight Line
d.	Motor cars, Vans & Motor cycles	11.88%	8 Years	Straight Line
e.	Cycle	20.00%	5 Years	Straight Line
f.	Mobile phones	33.33%	3 Years	Straight Line
g.	Computers and Computer Software forming integral part of hardware	33.33%	3 Years	Straight Line
h.	Servers	20%	5 Years	Straight Line
i.	Computer Software, which do not form integral part of computer hardware	20%	5 Years	Straight Line

e. In respect of additions/sale during the year, depreciation is provided on proportionate basis for the number of days the assets have been ready to use during the year.

f. The revalued portion is depreciated over the balance useful life of the assets as assessed at the time of revaluation. Such depreciation is charged to Profit & loss and equivalent amount is transferred from Revaluation Reserve to Revenue Reserve.

g. Depreciation on fixed assets outside India is provided on Straight Line Method, except at the centres where different rates/method have been prescribed by the local statutory authorities.

10. TRANSACTION INVOLVING FOREIGN EXCHANGE:

Transactions involving foreign exchange are accounted for in accordance with AS 11, "The Effect of Changes in Foreign Exchange Rates" read with extant RBI guidelines:

A. Translation in respect of Integral Foreign operations: Foreign currency transactions of Indian branches have been classified as integral foreign operations and foreign currency transactions of such operations are translated as under:

i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount, the daily closing rate as available from Cogencis/ Reuter's page on date of the transaction.

ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing spot rates.

iii. Foreign currency non-monetary items, which are carried in terms of historical cost, are reported using the exchange rate at the date of the transaction.

iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting notional profit or loss is recognised in the Profit and Loss account.

vi. Outstanding Foreign exchange forward contracts which are not intended for trading are valued at the closing spot rate as advised by FEDAI. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii. Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss account.

B. Translation in respect of Non-Integral Foreign operations: Transactions and balances of foreign branches are classified as non-integral foreign operations and their financial statements are translated as follows:

i. Assets and Liabilities (monetary and non-monetary as well as contingent liabilities) are translated at the closing rates notified by FEDAI.

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ii. Income and expenses are translated at the quarterly average closing rates notified by FEDAI.

iii. All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments by the bank in the respective foreign branches.

iv. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country.

11. EMPLOYEE BENEFITS:

A. Short Term Employee Benefits:

The undiscounted amount of short-term employee benefits, such as medical benefits etc. which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

B. Long Term Employee Benefits:

a. <u>Defined Benefit Plan:-</u>

i.) Gratuity:

The Bank provides gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to a maximum prescribed as per The Payment of Gratuity Act, 1972 or Bank of India Gratuity Fund Rules,1975, whichever is higher. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by trustees based on an independent actuarial valuation carried out quarterly.

ii.) Pension:

The Bank provides pension to all eligible employees. The benefit is in the form of monthly payments as per rules and payments to vested employees on retirement, on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the pension fund at 10% of pay in terms of Bank of India Pension Regulations, 1995. The pension liability is reckoned based on an independent actuarial valuation carried out quarterly and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

b. **Defined Contribution Plan:**

i.) Provident Fund:

The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a trust established for this purpose and are charged to Profit and Loss Account. The bank recognises such annual contributions as an expense in the year to which it relates.

ii.) Pension:

All Employees of the bank, who have joined from 1st April, 2010 are eligible for contributory pension. Such employees contribute monthly at a predetermined rate to the pension scheme. The bank also contributes monthly at a predetermined rate to the said pension scheme. Bank recognises its contribution to such scheme as expenses in the year to which it relates. The contributions are remitted to National Pension System Trust. The obligation of bank is limited to such predetermined contribution.

C. Other Long term Employee Benefit:

All eligible employees are entitled to the following-

i.) Leave encashment benefit, which is a defined benefit obligation, is provided for on the basis of an actuarial valuation in accordance with AS 15 - Employee Benefits.

ii.) Other employee benefits such as Leave Fare Concession, Milestone award, resettlement benefits, Sick leave etc. which are defined benefit obligations are provided for on the basis of an actuarial valuation in accordance with AS 15 - Employee Benefits.

iii.) In respect of overseas branches and offices, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

12. SEGMENT REPORTING:

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

13. EARNINGS PER SHARE:

Basic and Diluted earnings per equity share are reported in accordance with AS 20 "Earnings per share". Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the period.

14. TAXES ON INCOME:

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - "Accounting for Taxes on Income" respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions.

Deferred Tax adjustments comprise changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable income.

15. IMPAIRMENT OF ASSETS:

"Impairment losses, if any on Fixed Assets (including revalued assets) are recognised and charged to Profit and Loss account in accordance with AS 28 "Impairment of Assets". However, an impairment loss on a revalued asset is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset."

16. PROVISIONS, CONTINGENT LIABLITIES AND CONTINGENT ASSETS:

As per AS 29 "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be

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required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

Contingent Assets are not recognised in the financial statements.

17. SHARE ISSUE EXPENSES:

Share issue expenses are charged to Share Premium Account in the year of issue of shares.

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All figures are in ₹ crore unless specifically stated, figures in brackets relate to previous year.

NOTES FORMING PART OF ACCOUNTS

1. During the year ended March 31, 2021, the Government of India has infused ₹ 3,000 towards preferential allotment of equity shares. The same is kept in Share Application Money, pending allotment and considered as part of CET 1 Capital as on March 31, 2021 in terms of RBI communication reference no. DOR.CAP.S82/21.01.002/2021-22 dated April 30, 2021.

2. During the year ended March 31, 2021, Bank has issued Basel-III Compliant Additional Tier-1 Bonds Series VI and Series VII of ₹ 750 & ₹ 602, respectively, through private placement.

3. Balancing of Subsidiary Ledger Accounts, confirmation/reconciliation of balances with foreign branches, Inter-office accounts, NOSTRO Accounts, Suspense, Draft Payable, Clearing Difference, other office accounts, etc. is in progress on an on-going basis. In the opinion of the management, the overall impact on the financial statements, if any, of pending final clearance/adjustment of the above, is not likely to be significant.

4. The audited financial results for the year have been arrived at on the basis of the same accounting policies as those followed in the preceding financial year ended 31st March, 2020.

5. The following information is disclosed in terms of guidelines issued by RBI:

5.1. Capital (As per BASEL-III):

Sr. No.	Particulars	31.03.2021	31.03.2020
i)	Common Equity Tier 1 Capital ratio (CET1) (%)	11.51%	9.88%
ii)	Tier I Capital ratio (%)	11.96%	9.90%
iii)	Tier II Capital ratio (%)	2.97%	3.20%
iv)	Total Capital ratio (CRAR) (%)	14.93%	13.10%
v)	Percentage of the shareholding of the Government of India	89.10%	89.10%
vi)	Amount of Equity Capital Raised during the year	0.00	*4,638.00
vii)	Share application money pending for allotment	**3,000.00	0.00
viii)	Amount of Additional Tier 1 capital raised during the year; of which		
	a) PNCPS	0.00	0.00
	b) PDI	1,352.00	0.00
ix)	Amount of Tier-II capital raised, i.e. Debt Capital Instruments, during the year		

Sr. No.	Particulars	31.03.2021	31.03.2020
	a) Debt capital instruments	0.00	0.00
	B) PCPS / RNCPS / RCPS	0.00	0.00

*The share application money of ₹ 4,638 was received in FY 2018-19 and allotment was made in FY 2019-20.

**In terms of RBI communication reference no. DOR.CAP.S82/21.01/002/ 2021-22 dated April 30, 2021, the share application money of ₹ 3,000 received on March 31, 2021 has been considered for computation of CET-1 capital as on March 31, 2021.

Pursuant to RBI Circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated March 1, 2016, the Bank has considered revaluation reserve, foreign currency translation reserve and deferred tax assets in calculation of Capital Adequacy Ratios as on March 31, 2021.

Details of outstanding Additional Tier 1 (AT-1) bonds raised to augment Tier-1 Capital are as under:-

Raised during the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2020-21	Additional Tier 1	1,352.00	1,352.00
	Total	1,352.00	1,352.00

Details of outstanding Tier-II Instruments raised to augment Tier -II capital are as under:

Raised during the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2013-14	Tier-II	1,500.00	600.00
2015-16	Tier-II	3,000.00	2,400.00
2016-17	Tier-II	2,500.00	2,500.00
	Total	7,000.00	5,500.00

Bank has exercised call option and redeemed Upper Tier II Bonds Series VI amounting to ₹ 1,000 on June 11, 2020. Bank has also exercised call option to redeem Innovative Perpetual Bonds (IPDI) Series VI amounting to ₹ 300 on September 9, 2020.

5.2 Investments

Sr. No.			Particulars	As at 31.03.2021	As at 31.03.2020
1			Value of Investments		
	i)		Gross Value of Investments	1,91,731.42	1,62,182.50
		a)	In India	1,84,932.54	1,55,322.66
		b)	Outside India	6,798.88	6,859.84

Sr. No.			Particulars	As at 31.03.2021	As at 31.03.2020
	ii)		Provisions for Depreciation	4,478.58	3,609.51
		a)	In India	4,456.08	3,570.22
		b)	Outside India	22.50	39.29
	iii)		Net Value of Investments	1,87,252.84	1,58,573.00
		a)	In India	1,80,476.46	1,51,752.44
		b)	Outside India	6,776.38	6,820.56
2			Movement of provisions held towards depreciation on investments		
	i)		Opening balance	3,609.51	3,579.14
	ii)		Add: Provisions made during the year	1,086.35	928.63
	iii)		Less: Write-off/reduction/write-back of excess provisions during the year	217.69	899.74
	iv)		Add/(Less): Adjustments on account of exchange difference	0.41	1.48
	v)		Closing balance	4,478.58	3,609.51

(i) Government Securities (Face Value) amounting to ₹ 36,705.27 (previous year 28,547.42) are kept as margin with RBI, CCIL, Clearing House and Exchange towards margin/security settlement.

(ii) Bank has invested additional ₹5.79 in its subsidiary - 'BOI AXA Investment Managers Private Limited'. As a result, the stake of the Bank has increased from 51% as on March 31, 2020 to 52.29% as on March 31, 2021.

(iii) Bank has infused additional proportionate capital in the following associate Regional Rural Banks:

a. ₹23.79 in Madhya Pradesh Gramin Bank

b. ₹27.45 in Vidharbha Konkan Gramin Bank

5.2.1. Repo Transactions (in face value terms) undertaken during the year:

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2021
Securities sold under repo:				
i) Government Securities	0.00 (0.00)	19,307.26 (18,928.84)	7,119.86 (1,348.69)	3,519.00 (18,877.00)
ii) Corporate Debt Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2021
Securities purchased under reverse repo:				
i) Government Securities	0.00 (0.00)	41,612.00 (12,500.00)	7,607.89 (1,819.93)	9,500.00 (11,000.00)
ii) Corporate Debt Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

5.2.2. Non-SLR Investment Portfolio:

i. Issuer Composition of Non SLR Investments

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities*	Extent of 'Unrated' Securities*	Extent of 'Un-listed' Securities*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	PSUs	2,561.83 (2,035.38)	1,944.05 (1,284.02)	0.00 (0.00)	616.25 (616.25)	0.00 (0.00)
ii.	FIs	2,593.84 (3,971.28)	2,593.84 (3,830.22)	0.00 (0.00)	0.00 (0.00)	337.40 (120.10)
iii.	Banks	520.29 (1,018.90)	340.00 (570.00)	0.00 (75.91)	0.00 (0.00)	0.00 (0.00)
iv.	Private Corporates	4,216.25 (5,546.74)	3,206.52 (4,270.03)	1,590.56 (861.53)	56.35 (56.35)	12.40 (20.10)
v.	Subsidiaries/ Joint Ventures#	1,534.64 (1,477.61)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
vi.	Others $	39,187.52 (30,387.88)	31,104.19 (22,693.81)	0.00 (0.00)	0.00 (0.19)	0.00 (0.00)
	Total	50,614.37 (44,437.83)	39,188.60 (32,648.09)	1,590.56 (937.44)	672.60 (672.79)	349.80 (140.20)
vii.	Less: Provision held towards Depreciation	4,272.31 (3,609.51)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
	Net	46,342.06 (40,828.29)	39,188.60 (32,648.09)	1,590.56 (937.44)	672.60 (672.79)	349.80 (140.20)

* Investment in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central Govt. Securities, Security Receipts, etc. are not segregated under these categories as these are exempt from rating/listing guidelines.

Investment in Subsidiaries/Joint Ventures/Associates have not been segregated into various categories as these are not covered under relevant RBI guidelines.

$ includes investment in GOI Non-SLR re-capitalisation bonds of ₹ 24,699 (previous year ₹ 21,699)

ii. Non-performing Non-SLR Investments:

Particulars	2020-21	2019-20
Opening balance	2,195.89	2,468.11
Additions during the year	319.15	235.65
Less: Reductions during the year	50.12	473.00
Add/(Less): Exchange difference	(-)9.12	37.83
Closing balance	2,455.80	2,268.59
Total provisions held	2,455.80	2,195.89

5.2.3. (i) Sale and transfer of securities to/from HTM Category during the financial year 2020-21:

The total value of sale and transfers of securities from HTM category during April 1, 2020 to March 31, 2021 has not exceeded 5% of the book value of investments held in HTM category as on March 31, 2020. The 5 per cent threshold referred to above will exclude:

(a) The one-time transfer of securities to/from HTM category with the approval of Board of Director permitted to be undertaken by banks at the beginning of the accounting year.

(b) Sale to the Reserve Bank of India under pre-announced OMO auctions.

(c) Repurchase of Government Securities by Government of India from banks.

(d) Sale of securities or transfer to AFS/HFT consequent to the reduction of ceiling on SLR securities under HTM, in addition to the shifting permitted at the beginning of the accounting year..

Sale of Securities from HTM during FY 2020-21 (Other than one time Shifting & sale under OMO)	4,382.58	Sale in % (<5%) =4.90%
Securities held in HTM Category as on 31.03.2020	89,512.29	

(ii) Details pertaining to Profit on Sale of Investment under HTM and amortisation of premium thereof:-

Sr No	Particulars	Amount
1	Sale of Securities from HTM during 2020-21 (Face Value) (Other than one time Shifting & sale under OMO)	4,382.58
2	Profit earned by sale of securities from HTM during 2020-21 (including sale under OMO)	1,015.53
3	Amortization of premium in HTM securities during 2020-21	294.00

5.3. Derivatives

5.3.1. Forward Rate Agreement/ Interest Rate Swap

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020
i)	The notional principal of swap agreements	1,486.60	10,963.83
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	0.05	99.00
iii)	Collateral required by the bank upon entering into swaps	No collaterals were required for the swaps as counterparties were either banks or premier corporate	
iv)	Concentration of Credit Risk arising from the swaps	There is no concentration of credit risk arising from the interest rate swaps undertaken during the year	
v)	The fair value of the swap book	(-)2.08	(-)1.66

5.3.2 Exchange Traded Interest Rate Derivatives

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	0.00	0.00
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March(instrument-wise)	0.00	0.00

(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	0.00	0.00
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	0.00	0.00

There was no default and penalty imposed by Reserve Bank of India in Repo/ Reverse Repo transactions and in RRC Account with RBI during the Financial year 2020-21.

5.3.3 Disclosures on risk exposure in derivatives

i. Qualitative Disclosure

The Bank enters into derivative contracts such as interest rate derivatives, currency swaps and currency options to hedge on balance sheet assets and liabilities or to meet client requirements as well as for trading purpose as per policy approved by the Board. These products are used for hedging risk, reducing cost and increasing the yield. In such transactions, the types of risks to which the bank is exposed to, are credit risk, market risk, operational risk etc.

Risk management is an integral part of bank's business management. Bank has risk management policies designed to identify and analyse risks, to set appropriate risk limits and to monitor these risks and limits on an on-going basis by means of reliable and up to date management information systems. The risk management policies and major control limits are approved by the Board of Directors and they are monitored and reviewed regularly. The organization of the Bank is conducive to managing risks. There is sufficient awareness of the risks and the size of exposure of the trading activities in derivative operations.

The Bank has a Risk Management Committee of Directors presided over by the Chairman.

The hedge/non-hedge (market making) transactions are recorded separately. Income/expenditure on hedging derivatives is accounted on accrual basis.

Forex forward contracts are marked to market and the resultant gains and losses are recognized in the profit and loss account.

Interest rate derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit & Loss account. Net Profit, if any, is ignored.

Exchange traded derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit & Loss account.

Gains/losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

Option fees/premium is amortised over the tenor of the option contract.

Bank has a proper system of submitting periodical reports to Senior and Top Management and Board as well as regulatory authorities as required by RBI and/or as per operational requirements. Bank has clearly spelt derivative guidelines on various aspects approved by the Board of Director. The derivative transactions are subject to concurrent, internal, statutory and regulatory audits.

The counter parties to the transactions are banks, primary dealers and corporate entities. The deals are done under approved exposure limits. The Bank has adopted the Current Exposure method prescribed by Reserve Bank of India for measuring Credit Exposures arising on account of interest rate and foreign exchange derivative transactions. Current exposure method is the sum of current credit exposure and potential future exposure of these contracts.

The current credit exposure is the sum of positive mark to market value of these contracts i.e. when the Bank has to receive money from the counter party.

Potential future credit exposure is determined by multiplying the notional principal amount of these contracts irrespective of whether the contract has zero, positive or negative mark to market value by the relevant add-on factors as under according to the nature and residual maturity of the instrument.

Residual Maturity	Credit Conversion factor applied on Notional Principal Amount	
	Interest Rate Contract	Exchange Rate Contract
One year or less	0.50%	2.00%
Over one year to five years	1.00%	10.00%
Over five years	3.00%	15.00%

While computing the credit exposure, "sold options" are excluded wherever the entire premium/fee or any other form of income is received / realized.

As per the extant RBI guidelines, credit exposures computed as per the current Mark to Market value of the contracts, also attracts provisioning requirement as applicable to the loan assets in the "Standard" category, of the concerned counterparty. At present, the provision is to be maintained at 0.40% of the risk weighted assets. The Bank makes the requisite provision as aforesaid in the books.

ii. Quantitative Disclosures

Sr No	Particulars	Currency Derivatives		Interest Rate Derivatives	
1	Derivatives (Notional Principal Amount)	13,837.86		1,486.60	
	a) For hedging	11,846.17 (6,282.54)		1,461.60 (10,963.83)	
	b) For trading	1,991.69 (9,895.65)		25.00 (0.00)	
2	Marked to Market Positions [1]				
	a) Asset (+)	119.31 (27.87)		0.05 (99.00)	
	b) Liability (-)	8.84 (15.93)		68.86 (101.48)	
3	Credit Exposure [2]	395.80 (179.31)		14.87 (241.22)	
4	Likely impact of one percentage change in interest rate (100*PV01)				
	a) On hedging derivatives	0.00 (0.00)		24.81 (37.68)	
	b) On trading derivatives	0.00 (0.00)		1.11 (0.00)	
5	Maximum & Minimum of 100*PV01 observed during the year	Max	Min	Max	Min
	a) On hedging	0.00 (0.00)	0.00 (0.00)	1.88 (2.76)	0.46 (0.20)
	b) On trading	0.00 (0.00)	0.00 (0.00)	1.11 (0.00)	1.11 (0.00)

5.4 Asset Quality

5.4.1 Non-Performing Asset - Non performing Advances

Particulars	2020-21	2019-20
(i) Net NPAs to Net Advances (%)	3.35%	3.88%
(ii) Movement of NPAs (Gross)		
a) Opening balance	61,549.93	60,661.12
b) Additions during the year	8,540.03	16,328.81
c) Reductions during the year	13,555.02	15,440.00
d) Closing balance	56,534.94	61,549.93
(iii) Movement of Net NPAs		

Particulars	2020-21	2019-20
a) Opening balance	14,320.10	19,118.96
b) Additions during the year	898.84	5,704.77
c) Reductions during the year	2,956.92	10,503.63
d) Closing balance	12,262.02	14,320.10
(iv) Movement of provision for NPAs (excluding provisions on standard assets)		
a) Opening balance	45,081.34	39,391.69
b) Provisions made during the year	6,612.54	14,248.41
c) Write-off/write-back of excess provisions	9,620.00	8,558.76
d) Closing balance	42,073.88	45,081.34

Divergence in Asset Classification, and Provisioning for NPAs:

Accordingly, the following disclosure is made in respect of divergences for the FY 2019-20:

As per RBI circular No.DBR.BPBC.No.32.21.04.018.2018-19 dated 01.04.2019, in case the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies and for additional gross NPAs identified by RBI exceeds 15% of published incremental gross NPAs for the reference period, then the Banks are required to disclose divergence from prudential norms on income recognition, assets classification and provisioning. In view of the above, details of divergence of our Bank is as under:

Particulars	Amount
Gross NPA as on 31.03.2020 as reported by the Bank	61,549.93
Gross NPA as on 31.03.2020 as assessed by the RBI	61,612.93
Divergences in Gross NPA (2-1) (*)	63.00
Net NPA as on 31.03.2020 as reported by the Bank	14,320.10
Net NPA as on 31.03.2020 as assessed by the RBI	14,383.10
Divergences in Net NPA (5-4)	63.00
Provision for NPA as on 31.03.2020 as reported by the Bank	45,081.34
Provision for NPA as on 31.03.2020 as assessed by the RBI	45,475.34
Divergences in Provisioning (8-7)*	394.00
Reported Net Profit after tax (PAT) for the year ended 31.03.2020	(-)2,956.89
Adjusted (Notional) Profits after Tax (PAT) for the year ended 31.03.2020 after taking into account divergence in provisioning	(-)3,886.89

(*) Total provision as per RBI report was ₹ 930, which include divergence in provision for NPA of ₹ 394, provision for Investments of ₹ 23 and shortfall in standard assets of ₹ 513. The entire provision of ₹ 930 was provided by the Bank during the Financial Year 2020-21.

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5.4.2 Non-Performing Asset -

(a) Non performing Investments

Particulars	2020-21	2019-20
(i) Net NPIs to Net Investment (%)	0.28%	0.05%
(ii) Movement of NPIs (Gross)		
a) Opening balance	2,268.60	2,468.12
b) Additions during the year	774.21	273.48
c) Reductions during the year	67.19	473.00
d) Closing balance	2,975.62	2,268.60
(iii) Movement of NPIs (Net)		
a) Opening balance	2,195.90	2,257.41
b) Additions during the year	310.02	341.72
c) Reductions during the year	50.12	403.23
d) Closing balance	2,455.80	2,195.90
(iv) Movement of provision for NPIs		
a) Opening balance	72.70	210.70
b) Provisions made during the year	464.19	(-)68.23
c) Write-off/write-back of excess provisions	17.07	69.77
d) Closing balance	519.82	72.70

(b) Matured NPI (included in Schedule 11 'Other Assets'):

(i) Value of Investments:

Particular	2020-21	2019-20
(i) Gross Value of Investments	1246.38	1,204.94
(a) In India	790.81	740.25
(b) Outside India	455.57	464.69
(ii) Provision for Depreciation	1246.38	1,204.94
(a) In India	790.81	740.25
(b) Outside India	455.57	464.69
(iii) Net Value of Investments	-	-
(a) In India	-	-
(b) Outside India	-	-

(ii) Movement of provisions held towards depreciation on investments:

Particular	2020-21	2019-20
Opening Balance	1,204.94	822.02
Add: Provisions made during the year	50.56	348.30
Sub-total	1,255.50	1,170.32
Less: Write off/ write-back of excess provision during the year	0.00	3.22
Add/(Less): Adjustments on account of Exchange Diff	(-)9.12	37.84
Closing Balance	1,246.38	1,204.94

BANK OF INDIA H.O. FINANCE DEPT. | CHATURVEDI & CO. KOLKATA Chartered Accountants | V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS | LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

4.2 **Particulars of Accounts Restructured- Details of Loan assets subjected to restructuring during 2020-21 (As compiled by the management and relied upon by the Auditors):**

Sr No	Type of Restructuring / Details	Asset Classification	Under CDR Mechanism					Under SME Debt Restructuring				
			Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured Account As on April 1 of FY (Opening figure)	No. of Borrowers	1.00	0.00	12.00	4.00	17.00	102359.00	1548.00	121.00	6.00	104034.00
			(1.80)	(0.00)	(21.00)	(1.00)	-23.00	(14864.00)	(142.00)	(130.00)	(1.00)	(14812.00)
		Amount Outstanding	17.83	0	1695.93	1908.01	3621.78	2693.63	143.22	338.43	28.68	3203.06
			(32.00)	(8.00)	(3,411.07)	(947.79)	(4,390.86)	(628.69)	(12.96)	(406.46)	(0.23)	-1048.36
		Provision thereon	0.00	0.00	0.04	0.00	0.04	131.94	2.49	0.28	0.00	142.73
			(0.00)	(0.00)	(0.29)	(0.00)	(1.29)	(26.09)	(0.52)	(0.18)	•	-28.77
2	Fresh restructuring during the year	No. of Borrowers	0.00	0.00	0.00	0.00	0.04	80074.00	413.00	59.00	0.00	90846.00
			(0.00)	(0.00)	(0.00)	(0.[illegible])	(0.08)	(87,789.00)	(1,422.00)	(16.86)	(1.08)	-89230.00
		Amount Outstanding*	0.00	0.00	0.07	4.12	4.19	1854.02	21.55	9.99	0.01	1885.37
			(0.00)	(0.00)	(10.32)	(0.00)	(10.12)	(2,113.25)	(141.22)	(9.87)	(1.10)	-2265.44
		Provision thereon	0.00	6.00	0.00	0.00	0.00	103.59	0.84	0.04	0.00	104.42
			(0.00)	(0.00)	(0.06)	(0.00)	(0.00)	(97.02)	(2.85)	(0.07)	(0.00)	-99.94
3	Upgradations to restructured standard category during the FY	No. of Borrowers	-1.00	0.00	0.00	0.00	-1.00	3.00	3.00	0.00	0.00	0.00
			(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	1.00	(-1.00)	(0.00)	(0.00)	(0.00)
		Amount Outstanding	-17.83	8.00	0.00	8.00	-17.83	52.19	-52.19	0.00	0.00	0.00
			(-16.00)	(0.00)	(-112)		(-128)	(1.14)	(-3.14)	0.00	0.00	0.00
		Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0)	(0)
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	0.00	0.00	0.00	0.00	0.00	13130.00	0.00	0.00	0.00	13130.00
			(0.04)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
		Amount Outstanding	0.00	0.00	0.00	0.00	0.00	294.73	0.00	0.00	0.08	294.73
			(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
		Provision thereon	0.00	0.00	0.00	0.00	0.00	16.49	0.00	0.00	0.00	16.48
			(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.0)	(0.00)
5	Downgradations of restructured accounts during the FY	No. of Borrowers	0.00	0.00	-3.00	3.00	0.00	-83.00	-1.00	29.00	5.00	0.00
			.	-	(-3)	(3.00)		(10.00)	(6.00)	-	(4.00)	0.00
		Amount Outstanding	0.00	0.00	-610.73	610.71	0.00	-100.78	-31.49	77.24	85.23	0.00
			(0.00)	(0.00)	(963.34)	963.34	(0.00)	(68.88)	45.63	(3.29)	28.34	(0)
		Provision thereon	0.00	0.00	0.00	0.00	0.00	-1.92	-0.91	2.72	0.11	0.00
			(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(-1.82)	(0.33)	(0.75)	(0.04)	(0)
6	Write-offs of restructured accounts during the FY	No. of Borrowers	0.00	0.00	1.00	0.00	1.00	7.00	1.00	0.00	0.00	8.00
			(0.00)	(0.00)	(3.00)	(0.00)	(3.00)	(5.00)	(3.00)	(6.00)	(0.00)	(12.00)
		Amount Outstanding	0.00	0.00	181.41	15.62	197.03	67.45	1.85	18.48	13.09	100.81
			(0.00)	(0.00)	(297.90)	(3.11)	(301.01)	(35.48)	(0.59)	30.61	1.21	67.84
		Provision thereon	0.00	0.00	0.04	0.00	0.04	25.38	0.05	0.00	0.11	25.54
			(0.00)	(0.00)	(0.28)	(0.00)	(0.25)	(14.98)	(0.24)	(0.72)	(0.04)	-15.98
7	Restructured Accounts as on March 31 of the FY (closing figures)	No. of Borrowers	0.00	0.00	6.00	7.00	13.00	139266.00	1956.00	209.00	11.00	143442.00
			(1.00)	(0.00)	(14.00)	(4.00)	(19.00)	(1,02,330.00)	(1,568.00)	(122.00)	(6.00)	-104035.00
		Amount Outstanding	0.00	0.00	669.92	2907.23	3177.15	6136.90	78.86	407.18	70.83	4693.77
			(17.00)	(0.00)	(1,927.93)	(1,908.02)	(3,852.97)	(2,438.77)	(196.08)	(380.43)	(28.68)	-3245.96
		Provision thereon	0.00	0.00	0.00	0.00	0.00	281.75	2.37	3.04	0.00	207.16
			(8.00)	(0.00)	(0.04)	(0.00)	(0.04)	(138.77)	(5.66)	(0.28)	(0.00)	-142.71

Sr No	Type of Restructuring / Details	Asset Classification	Others: Standard	Others: Sub-standard	Others: Doubtful	Others: Loss	Others: Total	Total: Standard	Total: Sub-standard	Total: Doubtful	Total: Loss	Total: Total
1	Restructured Account As on April 1 of FY (Opening Figure)	No. of Borrowers	47	12042	858	22	12946	102407	13590	948	32	116497
			(2680)	(12046)	(853)	(8)	(15542)	(17200)	(12188)	(984)	(10)	-30382.00
		Amount Outstanding	2081.38	342.08	8764.96	1568.62	12658.74	4732.74	485.3	10761.32	3515.12	19464.48
			(1697.72)	(1179.86)	(9932.84)	(816.18)	(13626.5)	(2358.41)	(1192.32)	(13770.57)	(1444.22)	(18765.52)
		Provision thereon	48.8	0.5	198.37	61.34	318.71	188.44	10.99	198.69	61.34	459.46
			(62.47)	(13.56)	(11.65)	(0)	(88.18)	(90.36)	(14.38)	(12.32)	(0)	(117.26)
2	Fresh restructuring during the year	No. of Borrowers	5992	2.00	1.00	0.00	5995	56066	415	60	0	56541.00
			(6.00)	(0.00)	(0.00)	(0.00)	(6.00)	(87799.00)	(1422.00)	(18.00)	(1.00)	(89236.00)
		Amount Outstanding*	3111.27	4.48	94.91	0.00	3210.16	4965.29	25.83	104.47	4.13	5099.72
			(520.32)	(0.00)	(10.40)	(0.00)	(530.92)	(2403.77)	(142.22)	(30.59)	(1.30)	(2808.48)
		Provision thereon	65.80	0.33	8.8	0.00	74.61	169.17	0.97	8.84	0.00	178.98
			(12.79)	(0.00)	(3.18)	(0.00)	(15.97)	(109.81)	(2.86)	(3.28)	(0.00)	(115.91)
3	Upgradations to restructured standard category during the FY	No. of Borrowers	1.00	-1.00	-1.00	0.00	-1.00	5	-4	-1.00	0.00	-2.00
			(1)	(0)	(-2)	(0)	(-1)	(2)	(-1)	(-3)	(0.00)	(-2)
		Amount Outstanding	4.74	-12.94	-40.978	0.00	-49.18	39.1	-45.13	-40.98	0.00	67.01
			(120.14)	(0)	(-173.14)	(0.00)	(-53)	(185.28)	(-1.14)	(-245.14)	(0.00)	(-1811)
		Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			(4.69)	(0)	(-4.69)	(0.00)	(0.00)	(4.69)	(0.00)	(-4.69)	(0.00)	(0.00)
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	31	0.00	0.00	0.00	31	13161	0.00	0.00	0.00	13161.00
			(2590)	(0)	(0)	(0)	(2590)	(2590)	(0.00)	(0.00)	(0.00)	(2590)
		Amount Outstanding	1373.59	0.00	0.00	0.00	1373.59	1668.32	0.00	0.00	0.00	1668.32
			(26.02)	(0.00)	(0.00)	(0.00)	(26.02)	(26.02)	(0.00)	(0.00)	(0.00)	(26.02)
		Provision thereon	40.81	0.00	0.00	0.00	40.81	57.29	0.00	0.00	0.00	57.24
			(1.50)	(0.00)	(0.00)	(0.00)	(1.50)	(1.50)	(0.00)	(0.00)	(0.00)	(1.5)
5	Downgradations of restructured accounts during the FY	No. of Borrowers	-1.00	-2.00	-16.00	19.00	0.00	-24.00	-3.00	10.00	27.00	0.00
			(-3)	(-4.00)	(-5.00)	(12.00)	(0.00)	(-15.00)	(2.00)	(-8.00)	(19.00)	0.00
		Amount Outstanding	-1.72	-106.75	-932.29	1040.74	0.00	-102.5	-138.42	-1465.77	1706.68	0.00
			(-167.15)	(-818.87)	(12.31)	(967.81)	(0)	(-250.83)	(-773.24)	(956.42)	(1959.49)	(0)
		Provision thereon	-0.38	0	-1.98	2.16	0.00	-2.1	-0.97	0.74	2.27	0.00
			(-3.61)	(-2.57)	(-0.25)	(6.30)	(0)	(-4.89)	(-1.98)	(0.49)	(6.42)	(0)
6	Write-offs of restructured accounts during the FY	No. of Borrowers	2	0	14	0	16	9	1	16	0	26.00
			(2)	(0)	(12)	(0)	(14)	(7)	(1)	(21)	(0)	(29)
		Amount Outstanding	364.98	0	857.32	51.07	1273.36	436.59	1.87	1057.21	83.79	1577.22
			(128.62)	(16.47)	(1079.48)	(9.19)	(1233.76)	(164.13)	(17.06)	(1407.99)	(13.03)	(1601.03)
		Provision thereon	0.22	0	0.08	2.16	2.46	23.6	0.03	0.12	2.27	26.04
			(26.54)	(2.85)	(2.81)	(6.38)	(38.78)	(17.36)	(5.09)	(3.48)	(6.42)	(24.38)
7	Restructured Accounts as on March 31 of the FY (closing figures)	No. of Borrowers	6806	12001	805	41	18899	145272	13997	1020	59	160348.00
			(47)	(12042)	(864)	(20)	(12948)	(102387)	(13610)	(970)	(30)	(116997)
		Amount Outstanding	3593.02	226.89	6104.62	2590.07	12008.91	7551.72	305.78	7914.02	8128.18	21879.48
			(2021.39)	(544.72)	(8622.83)	(1474.8)	(12445.84)	(4677.56)	(542.9)	(10931.21)	(3301.5)	(19542.52)
		Provision thereon	72.87	8.40	203.11	61.34	347.95	274.82	11	208.15	61.34	565.71
			(48.5)	(8.5)	(7.87)	(0)	(64.57)	(187.27)	(12.16)	(7.89)	(0)	(207.32)

BANK OF INDIA HEAD OFFICE FINANCE DEPT.

CHATURVEDI & CO. KOLKATA Chartered Accountants

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

5.4.3.2. Disclosure on Stressed Assets

(1) Disclosure on Flexible Structuring of Existing Loans:

Period	No. of borrowers taken up for flexible structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
Previous Financial Year	0	0.00	0.00	0	0
Current Financial Year (From April 2020 to March 2021)	0	0.00	0.00	0	0

(2) Disclosure on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period):

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
Nil						

(3) Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period):

No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
Nil								

(4) Disclosure on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period):

No. of project loan accounts where the Bank has decided to effect change in ownership	Amount outstanding as on the reporting date		
	Classified as Standard	Classified as Standard restructured	Classified as NPA
Nil			

(5) Disclosure on Scheme for Sustainable Structuring of Stressed Assets (S4A), wherever implemented:

Sr. No.	Aggregate Amount Outstanding	Amount Outstanding		Provision Held
		In Part A	In Part B	
Classified as Standard				
4	406.06	164.56	241.50	140.75
Classified as NPA				
3	231.77	111.51	120.26	218.43
Total				
7	637.83	276.07	361.76	359.18

5.4.4 Details of financial assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

A: Details of Sales:

Sr. No.	Particulars	2020-21	2019-20
i.	Number of accounts	06	04
ii.	Aggregate value (net of provision) of accounts sold to SC/RC	20.36	36.59
iii.	Aggregate consideration	91.44	85.33
iv.	Additional consideration realized in respect of accounts transferred in earlier years	0.00	0.00
v.	Aggregate gain/(loss) over net book value	71.08	48.74

B. Details of Investments in Security Receipts against NPAs sold to Securitisation Company (SC)/Reconstruction Company (RC):

Book Value of Investments in Security Receipts:

Particulars	Backed by NPAs sold by the Bank as underlying		Backed by NPAs sold by other banks/financial institutions/NBFC as underlying		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Book Value of investments in securities receipts	2,209.67	2,305.43	0.00	0.00	2,209.67	2,305.43

C. Disclosure on Provision in respect of sale of NPA to SCs/RCs:

S.No.	Amount	Provision made during the year	Unamortised provision debited from 'other reserves' as on 31.03.2021
NIL			

D. Profit from sale of NPA:

Sr. No.	Particular	2020-21	2019-20
1	Profit booked in respect of sale of NPA	71.08	48.74

E. Disclosure of Investment in Security Receipts:

Book value of Security Receipts backed by NPAs sold by the Bank:

Particulars	SRs issued within past 5 Years	SRs issued more than 5 years ago but within past 8 Years ago	SRs issued more than 8 Years ago	Total
(i) Book value of SRs backed by NPAs sold by the bank as underlying	351.28 (387.31)	1,711.48 (1,767.62)	146.91 (150.49)	2,209.67 (2,305.43)
Provision held against (i) above	350.65 (357.26)	1,447.37 (1,085.55)	146.91 (150.49)	1,944.93 (1,593.31)
(ii) Book value of SRs backed by NPAs sold by other banks/financial institutions/non-banking financial companies as underlying	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

Provision held against (ii) above	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

5.4.5 Details of non-performing financial assets purchased/sold (from/to other banks)

(a) Details of non-performing financial assets purchased:

Particulars	2020-21	2019-20
1 (a) No. of accounts purchased during the year	NIL	NIL
(b) Aggregate outstanding	NIL	NIL
2 (a) Of these, number of accounts restructured during the year	NIL	NIL
(b) Aggregate outstanding	NIL	NIL

(b). Details of non-performing financial assets sold:

Particulars	2020-21	2019-20
1. No. of accounts sold	NIL.	NIL
2. Aggregate outstanding	NIL	NIL
3. Aggregate consideration received	NIL	NIL

5.4.6 Provisions on Standard Assets:

Particulars	As at 31.03.2021	As at 31.03.2020
Provisions towards Standard Assets held as per RBI Norms	2,723.10	2,766.56

5.5 Business Ratios:

Sr. No.	Particulars	31.03.2021 (in %)	31.03.2020 (in %)
(i)	Interest Income as a percentage to average Working Funds	5.35	6.11
(ii)	Non-interest income as a percentage to average Working Funds	0.98	0.97
(iii)	Operating Profit as a percentage to average Working Funds	1.43	1.66
(iv)	Return on Assets	0.28	(-)0.43
(v)	Business per employee(deposits plus advances including interbank deposits)	19.94	19.40
(vi)	Profit per employee	0.042	(-)0.059

5.6 Asset Liability Management

Maturity pattern of certain items of assets and liabilities as on 31st March, 2021

Details	Day 1	2 to 7 days	8 TO 14 DAYS	15 TO 28 DAYS	Over 28 days up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and upto 3 years	Over 3 years and up to 5years	Over 5 years	TOTAL (1 TO 10)
Deposits	17,083.61	26,879.61	14,132.55	20,450.70	40,914.67	22,093.67	16,050.26	1,53,562.56	1,05,156.51	2,10,789.43	6,27,113.56
	(13,794.07)	(15,815.30)	(12,337.73)	(18,308.09)	(42,855.90)	(23,968.48)	(18,057.22)	(1,34,034.43)	(93,076.41)	(1,83,257.35)	(5,55,504.98)
Advances	17,301.50	6,654.55	6,901.82	6,513.82	16,019.42	11,523.67	18,142.69	1,59,972.93	34,387.93	88,268.22	3,65,686.52
	(14,345.63)	(4,863.44)	(4,938.30)	(6,877.62)	(21,871.07)	(11,000.43)	(18,739.01)	(1,47,515.56)	(45,830.55)	(92,901.68)	(3,68,883.30)
Investments	129.53	618.01	469.84	279.77	857.00	10,891.04	7,603.22	24,775.16	18,780.34	1,22,848.95	1,87,252.85
	(0.00)	(901.90)	(275.23)	(443.94)	(5,455.33)	(1,531.22)	(8,071.68)	(19,127.76)	(22,351.24)	(1,00,414.68)	(1,58,572.99)
Borrowings	5.81	16,494.36	154.54	154.54	87.06	0.00	463.62	8,252.18	3,000.00	3,852.00	32,464.11
	(824.70)	3,379.94)	(8,500.00)	(10.49)	(5,675.93)	(150.45)	(3,893.49)	(9,017.46)	(1,500.00)	(6,800.00)	(39,752.47)
(a) Foreign Currency Assets	3,639.63	11,756.73	1,540.71	8,344.24	13,249.85	6,838.28	7,831.55	14,422.27	7,540.31	12,171.47	87,335.03
	(2,777.42)	(2,028.95)	(1,334.84)	(8,539.80)	(24,622.65)	(9,170.14)	(14,413.44)	(7,943.67)	(9,630.96)	(14,578.65)	(95,040.52)
(b) Foreign Currency Liabilities	5,957.14	15,181.40	3,897.11	8,855.61	37,987.01	23,801.82	10,906.35	9,111.30	654.29	482.01	1,16,834.03
	(5,615.00)	(5,477.49)	(2,840.75)	(8,344.92)	(43,766.77)	(21,347.83)	(14,288.85)	(7,093.07)	(3,308.09)	(2,200.60)	(1,14,283.35)

5.7 **Exposures**

The Bank is lending to sectors, which are sensitive to asset price fluctuation.

5.7.1 **Exposure to Real Estate Sector, as compiled by the management**

Sr. No.	Category		31.03.2021	31.03.2020
1	Direct Exposure		50,782.70	48,452.49
	(a)	Residential Mortgages	46,285.36	42,942.12
		(i) Lending fully secured by Mortgages on residential property that is or will be occupied by the borrower or that is rented (other than (ii) below);	18,767.32	25,731.79
		(ii) Individual housing loans eligible for inclusion in priority sector	27,518.04	17,210.33
	(b)	Commercial Real Estate-	4,248.61	5,260.32
		Lending secured by mortgages on commercial real estate's (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	4,248.61	5,260.32
	(c)	Investments in Mortgage Backed duties (MBS) and other securitised Exposures	248.73	250.05
		a) Residential b) Commercial Real Estate	0.10 248.63	1.42 248.63
2	Indirect Exposure		29,450.23	27,360.06
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		29,450.23	27,360.06
Total exposure to Real Estate Sector (1+2)			80,232.93	75,812.55

5.7.2 **Exposure to Capital Market**

Sr. No	Category	31.03.2021	31.03.2020
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of	1,006.84	1,022.96

Sr. No	Category	31.03.2021	31.03.2020
	which is not exclusively invested in corporate debt;		
ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	5.44	4.16
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	407.23	4.32
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	2.69	0.24
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	1,121.13	1,102.46
vi)	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new Companies in anticipation of raising resources;	0.00	0.00
vii)	Bridge loans to Companies against expected equity flows/issues;	0.00	0.00
viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	0.00	0.00
ix)	Financing to stockbrokers for margin trading;	0.00	0.86
x)	All exposures to Venture Capital Funds (both registered and unregistered)	256.68	261.65
	Total Exposure to Capital Market	2,800.01	2,396.65

5.7.3 Risk Category wise Country Exposure

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table.

Sr. No.	Risk Category	As at 31.03.2021		As at 31.03.2020	
		Exposure (Net)	Provision held	Exposure (Net)	Provision held
1	Insignificant	62,168.11	36.53	46,417.29	38.29
2	Low	22,183.03	15.21	22,932.16	18.98
3	Moderate	4,358.89	0.00	53.56	0.00
4	High	5,590.86	0.00	6,029.39	0.00
5	Very High	6.48	0.00	4.51	0.00
6	Restricted	0.00	0.00	0.00	0.00
7	Off credit	0.52	0.00	0.45	0.00
	Total	94,307.89	51.74	75,437.36	57.27

5.7.4 Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the Bank:

The Bank had taken single borrower exposure and Group Borrower exposure within the prudential limit prescribed by RBI.

Sr. No.	Name of the Borrower	Exposure Ceiling	Limit Sanctioned	Outstanding as on 31.03.2021
1.	Single Borrower			
	None	NIL (NIL)	NIL (NIL)	NIL (NIL)
	Group Borrower			
2.	None	NIL (NIL)	NIL (NIL)	NIL (NIL)

5.7.5 Unsecured Advances:

Particulars	2020-21	2019-20
Total Unsecured Advances	83,337.74	85,218.21
Out of which i) Amount of advances outstanding against charge over intangible securities such as rights, licenses, authorizations etc. charged to the Bank as collateral	2,651.15	731.88
ii) The estimated value of such intangible securities (as in (i) above)	18,491.55	2,284.30

5.7.6 MSME Restructuring -

In accordance with RBI circular no. DBR.No.BP. BC.18/21.04.048/2018-19 dated 01.01.2019, DOR.No.BP.BC.34/21.4.048/ 2019-20 dated 11.02.2020 and RBI/2020-21/17 DOR.No. BP.BC/4/ 21.04.048/ 2020-21 dated 06.08.2020, on "Relief for MSME borrowers". The details of MSME restructured accounts are as under:

No. of Account Restructured	Amount
1,43,512	3,086.81

5.7.7 Miscellaneous: Nil

5.7.8 Amount of Provisions made for Income-tax during the year

Particulars	2020-21	2019-20
Current Tax	138.31	177.28
Deferred Tax	938.10	(-)1,823.12
Total Tax Expense	**1,076.41**	**(-)1,645.84**

Government of India has pronounced section 115BAA of Income Tax Act 1961 through Taxation Laws (Amendment) Act, 2019. The Bank has evaluated the options available under section 115BAA of the Act and opted to continue to recognise the taxes on income for the year ended 31st March, 2021 as per the earlier provisions of Income-tax Act.

5.7.9 Disclosures of Penalties imposed by RBI & Other Regulators

Particulars	2020-21	2019-20
Penalty imposed under Section 46(4) of The Banking Regulation Act, 1949 and under other regulations	5.13	6.98

Disclosure requirements as per Accounting Standards (AS):

6.1 Accounting Standard - 5 Net Profit / loss for the period, Prior Period Items and changes in accounting policies:

(i) Prior Period Items:

During the year, there were no material prior period income / expenditure items.

(ii) Change in accounting policy:

There is no change in the Significant Accounting Policies adopted during the year ended March 31, 2021 as compared to those followed in the previous financial year ended March 31, 2020.

6.2 Accounting Standard 9 – Revenue recognition

Certain items of income are recognised on realisation basis as per Accounting Policy para 3 of Schedule 17: Significant Accounting Policies. However, the said income is not considered to be material..

6.3 Accounting Standard 15 – Employee Benefits:

Sr. No	Particulars	FY 2020-21		FY 2019-20	
		Gratuity	Pension	Gratuity	.Pension
(i)	Principal actuarial assumptions used:				
	Discount Rate	6.96%	6.49%	6.82%	6.59%
	Expected Rate of Return on Plan Assets	8.04%	10.85%	8.65%	8.62%
	Salary Escalation Rate	5.50%	5.50%	5.50%	5.50%
	Attrition Rate	1.00%	1.00%	1.00%	1.00%
	Mortality Table	IALM (2006-08) ULTIMATE		IALM (2006-08) ULTIMATE	
(ii)	Table showing change in present value of obligation:				
	Liability at the beginning of the year	1747.81	16065.92	1,683.78	14,709.20
	Interest Cost	108.69	989.13	102.87	925.49
	Current Service Cost	166.37	873.16	75.36	729.39
	Benefit Paid	372.36	1650.19	350.68	1,330.55
	Actuarial (gain)/loss on Obligation	284.81	559.03	236.48	1,032.39
	Liability at the end of the year	1935.32	16837.05	1,747.81	16,065.92
(iii)	Table of Fair value of Plan Assets:				
	Fair Value of Plan Assets at the Beginning of the year	1649.47	15827.60	1,592.38	14,314.88
	Expected return on Plan Assets	132.62	1717.29	137.74	1,233.94
	Contributions	444.70	903.63	335.84	1,405.03
	Benefit Paid	372.36	1650.19	350.68	1,330.55

Sr. No	Particulars	FY 2020-21		FY 2019-20	
		Gratuity	Pension	Gratuity	Pension
	Actuarial gain/(loss) on Plan Assets	76.19	(-)267.31	(-)65.81	204.30
	Fair Value of Plan Assets at the end of the year	1930.62	16531.02	1,649.47	15,827.60
	Total Actuarial Gain/(Loss) to be recognised	(-)208.62	(-)826.34	(-)302.29	(-)828.09
(iv)	Actual return on Plan Assets:				
	Expected Return on Plan Assets	132.62	1717.29	137.74	1,233.94
	Actuarial gain/(loss) on Plan Assets	76.19	(-)267.31	(-)65.81	204.30
	Actual return on Plan Assets	208.81	1449.98	71.93	1,438.24
(v)	Amount recognised in the Balance Sheet:				
	Liability at the end of the year	1935.32	16837.05	1,747.81	16,065.92
	Fair Value of Plan Assets at the end of the year	1930.62	16531.02	1,649.47	15,827.60
	Amount Recognised in the Balance Sheet	4.70	306.03	98.34	238.32
(vi)	Expenses recognised in the Income-Statement:				
	Current Service Cost	166.37	873.16	75.36	729.39
	Interest Cost	108.69	989.13	102.87	925.49
	Expected Return on Plan Assets	(-)132.62	(-)1717.29	(-)137.74	(-)1,233.94
	Expenses recognized relating to prior years	0.00	0.00	0.00	0.00
	Recognition of Transition Liability	0.00	0.00	0.00	0.00
	Actuarial (Gain) or Loss	208.62	826.34	302.29	828.09
	Expense Recognised in P & L	351.06	971.34	342.78	1,249.03
	Unamortised expenses (not charged to P&L Account)	0.00	0.00	0.00	0.00
(vii)	Balance Sheet Reconciliation:				
	Opening Net Liability (Last period's net amount recognized in the balance sheet)	98.34	238.32	91.39	394.32
	Expenses as above	351.06	971.34	342.78	1,249.03
	Employer's Contribution	(-)444.70	(-)903.63	(-)335.83	(-)1,405.03
	Amount Recognised in Balance Sheet	4.70	306.03	98.34	238.32

Sr. No	Particulars	FY 2020-21		FY 2019-20	
		Gratuity	Pension	Gratuity	Pension
(viii)	Category of Assets:				
	Government of India Securities	73.81	2,198.78	73.99	2,192.01
	Equity	0.00	316.89	0.00	161.97
	Corporate Bonds	134.42	5,184.24	142.46	4,605.86
	State Government Securities	248.27	5,363.35	300.91	5,012.41
	Other	1,474.12	3,467.76	1,132.11	3,855.35
	Total	1,930.62	16,531.02	1,649.47	15,827.60
(ix)	Experience Adjustment:				
	On Plan Liability (Gain)/Loss	315.39	791.71	(-)86.04	808.90
	On Plan Asset (Loss)/Gain	86.25	(-)620.28	100.21	155.64

<u>Other long term employee benefits*:</u>

Particulars	31.03.2021		31.03.2020	
	Liability	Provisions made/ (w/back) during the year	Liability	Provisions made/(w/back) during the year
Leave Encashment	1283.57	437.52	846.05	54.62
Leave Travel Concession	62.23	0.14	62.09	(-)1.87
Resettlement Benefits	7.33	(-)0.54	7.87	0.64
Milestone Awards	4.52	0.03	4.49	0.26
Sick Leave**	3.00	0.00	3.00	0.00

* The actuarial assumptions for other long term benefits are same which are used for Gratuity.

The bank has recognised contribution to employees' Provident Fund/Defined contribution scheme as an expense. During the year, the bank has contributed ₹ 229.26 (Previous Year ₹ 161.42) towards such fund which is a defined contribution plan.

** The bank has been recognising the liability of sick leave to full extent hitherto i.e. entire outstanding leave balance. In line with the Guidance Note on implementation of Employee Benefits (AS-15) - (revised 2005) in respect of Sick Leave, the liability in this regard is recognised based on probability of availing such leaves by employees..

The Bank's best estimate of contributions expected to be paid during the annual period beginning after the Balance sheet date, towards Pension is ₹ 1,548.05 (Previous Year ₹ 756.04) and towards Gratuity is ₹ 331.98 (Previous Year: ₹ 428.10).

Surplus/Deficit in the Plan:

Particular	Gratuity Plan				
	FY2020-21	FY2019-20	FY2018-19	FY2017-18	FY2016-17
Defined benefit obligation	1,935.33	1,747.81	1,683.78	1,754.54	1,410.08
Plan assets	1,930.62	1,649.47	1,592.38	1,319.42	1,360.32
Unrecognised Transitional liability	0.00	0.00	0.00	326.34	0.00
Surplus/(deficit)	(-)4.70	98.35	91.40	108.78	(-) 49.76
Experience Adjustment On Plan Liability (Gain)/Loss	315.39	(-)86.04	54.03	(-)22.79	38.41
Experience Adjustment On Plan Asset (Loss)/Gain	86.25	100.21	14.29	(-)4.76	1.71

Particular	Pension Plan				
	FY2020-21	FY2019-20	FY2018-19	FY2017-18	FY2016-17
Defined benefit obligation	16,837.05	16,065.92	14,709.20	13,716.87	12,851.12
Plan assets	16,531.02	15,827.60	14,314.88	13,330.64	12,321.80
Unrecognised Transitional liability	0.00	0.00	0.00	0.00	0.00
Surplus/(deficit)	(-)306.03	(-)238.32	(-)394.32	(-)386.23	(-)529.32
Experience Adjustment On Plan Liability (Gain)/Loss	791.71	808.90	546.91	(-)66.62	198.92
Experience Adjustment On Plan Asset (Loss)/Gain	(-)620.28	155.64	37.73	33.27	103.05

6.4 Accounting Standard 17 - Segment Reporting

Part A: Business Segment

Business Segment	Treasury Operations		Wholesale Banking Operations		Retail Banking Operations		(*)Other Banking Operations		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue	17,158.41	15,237.64	15,531.21	17,953.98	15,100.47	15,872.39	0.00	0.00	47,790.09	49,064.01
Unallocated revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	283.48	127.38
Inter segment revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	32.64	126.05
Total Revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	48,040.93	49,066.34
Results	5,470.24	4,237.12	(-)1,466.93	(-)8,537.03	(-)15.67	736.79	0.00	0.00	3,987.64	(-)3,563.12
Unallocated Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	(-)750.92	(-)1,039.61
Operating Profit/(Loss)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	3,236.72	(-)4,602.73
Income Tax	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	1,076.42	(-)1,645.84
Extraordinary Profit/ (Loss)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Net Profit/(Loss)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	2,160.30	(-)2,956.89
Other information :										
Segment Assets	277,688.87	235,484.12	237,987.82	238,264.83	185,138.74	155,174.22	0.00	0.00	700,815.43	629,923.17
Unallocated Assets									25,041.02	27,072.31
Total Assets	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	725,856.45	656,995.48
Segment Liabilities	266,000.92	227,077.33	254,595.41	257,652.67	151,080.44	122,971.51	0.00	0.00	671,676.77	807,701.51
Unallocated Liabilities									5,494.09	5,477.66
Total Liabilities	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	677,170.86	613,179.17

(*) The Bank does not have any significant "Other Banking Operations".

Part B: Geographical Segment

Geographical Segments	Domestic		International		Total	
Particulars	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue	45,814.67	44,985.39	2,226.26	4,080.95	48,040.93	49,066.34
Assets	641,265.29	563,189.32	84,591.16	93,806.16	725,856.45	656,995.48

The Bank has recognised Business Segments as Primary reporting segment and Geographical Segments as Secondary segment in line with RBI guidelines in compliance with Accounting Standard 17.

Primary Segment: Business Segments

a) **Treasury Operations:** 'Treasury' for the purpose of Segment Reporting includes the entire investment portfolio i.e: dealing in Government and other Securities, Money Market Operations and Forex Operations.

b) **Wholesale Banking:** Wholesale Banking includes all advances which are not included under Retail Banking.

c) **Retail Banking :** Retail Banking includes exposures which fulfil following two criteria:
i)Exposure – The maximum aggregate exposure up to ₹ 5.
ii) The total annual turnover is less than ₹ 50 i.e. the average turnover of the last three years in case of existing entities and projected turnover in case of new entities.

Pricing of Inter-Segmental transfers
Retail Banking Segment is a Primary resource mobilising unit and Wholesale Segment and Treasury Segment compensates the Retail banking segment for funds lent by it to them taking into consideration the average cost of deposits incurred by it.

Allocation of Costs:
a) Expenses directly attributed to particular segment are allocated to the relative segment.
b) Expenses not directly attributable to specific segment are allocated in proportion to number of employees/business managed.

Secondary Segment: Geographical Segments
a) Domestic Operations
b) International Operations

6.5 Accounting Standard 18 - Related Party Transactions (As compiled by the management and relied upon by the Auditors):

I) **List of Related Parties:**

a. Key Managerial Personnel:

Managing Director & CEO:	Shri Atanu Kumar Das
Executive Directors:	Shri C. G. Chaitanya (superannuated on 31.08.2020) Shri P R Rajagopal Shri Swarup Dasgupta (from 10.03.2021) Shri M. Karthikeyan (from 10.03.2021) Smt. Monika Kalia (from 10.03.2021)

b. Subsidiaries

i. BOI Shareholding Limited
ii. BOI AXA Investment Managers Private Limited
iii. BOI AXA Trustee Services Private Limited
iv. BOI Merchant Bankers Limited
v. PT Bank of India Indonesia Tbk
vi. Bank of India (Tanzania) Limited
vii. Bank of India (New Zealand) Limited
viii. Bank of India (Uganda) Limited

c. Associates

i. STCI Finance Limited
ii. ASREC (India) Limited
iii. Indo Zambia Bank Limited

d. 3 Regional Rural Banks sponsored by the Bank

i. Madhya Pradesh Gramin Bank (erstwhile Narmada Jhabua Gramin Bank)
ii. Vidarbha Konkan Gramin Bank
iii. Aryavart Bank

e. Joint Venture:

Star Union Dai-Ichi Life Insurance Co. Limited

a) Transactions with Related Parties (As compiled by Management and relied upon by the Auditors)

Particulars	With Subsidiaries/ Associates/Joint Ventures		Key Management Personnel & their relatives		TOTAL	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Transactions during the year						
Interest Received	-	-	-	-	-	-
Interest Paid	155.42	115.80	-	-	155.42	115.80
Dividend received	3.98	6.57	-	-	3.98	6.57
Other Income	86.74	79.88	-	-	86.74	79.88
Sale of Govt. Securities/Treasury Bills	-	-	-	-	-	-
Purchase of Govt. Securities/Treasury Bills	-	-	-	-	-	-
Puchase of Corporate Bonds and Other money market instruments	-	-	-	-	-	-
Deposits accepted	-	-	-	-	-	-
Matured Deposits	-	-	-	-	-	-
Loans Provided	-	-	-	-	-	-
Loans Repaid	-	-	-	-	-	-
Sale of NPA	-	-	-	-	-	-
Investments made	5.79	-	-	-	5.79	-
Equity shares issued under Employee's Stock Purchase Scheme (ESPS)	-	-	-	-	-	-
Outstanding as at year end						
Payable	-	-	-	-	-	-
Deposits accepted	149.71	15.17	-	-	149.71	15.17
Borrowing	-	-	-	-	-	-
Loans given	-	-	-	-	-	-
Placement of the Deposits	-	-	-	-	-	-
Other Liabilities	4.01	3.25	-	-	4.01	3.25
Receivables (Advances)	-	-	-	-	-	-
Investments	189.07	183.28	-	-	189.07	183.28
Non Funded Commitment	-	-	-	-	-	-
Leasing / HP arrangements availed	-	-	-	-	-	-
Leasing / HP arrangements provided	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
Other Assets	8.06	7.37	-	-	8.06	7.37

The transactions with wholly owned subsidiaries and regional rural banks being state controlled, have not been disclosed in view of Para 9 of AS - 18 on Related Party disclosure issued by ICAI exempting 'State Controlled Enterprises' from making any disclosure pertaining to their transactions with other related parties which are also 'State Controlled Enterprises'. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker - Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel, since the disclosure would conflict with Bank's duties of confidentiality.

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b) **Key Management Personnel: Remuneration paid in ₹:**

Sr. No	Particulars	2020-21	2019-20
1	Shri Atanu Kumar Das	30,02,820	27,92,421
2	Shri P. R. Rajagopal	31,52,053	89,146
3	Shri M Karthikeyan	1,46,801	0
4	Shri Swarup Dasgupta	1,46,801	0
5	Smt. Monika Kalia	1,46,801	0
6	Shri C. G. Chaitanya	47,68,776	26,90,263
7	Shri Dinabandhu Mohapatra	0	8,57,839
8	Shri Neelam Damodharan	0	17,66,707

6.6 Accounting Standard 19 – Lease Financing: - Nil

6.7 Accounting Standard 20 - Earnings per Share in ₹:

Sr. No.	Particulars	2020-21	2019-20
1.	Basic EPS	6.59	(-)9.10
2.	Diluted EPS	6.59	NA

Calculation of Basic & Diluted E.P.S.:

Sr. No.	Particulars	2020-21	2019-20
(A)	Net Profit/(Loss) for the year attributable to Equity Shareholders	2160.30	(-)2,956.89
(B)	Weighted Average Number of Equity shares (in crore)	327.69	325.01
(C)	Basic Earnings per Share (A/B) (₹)	6.59	(-)9.10
(D)	Weighted Average Number of Equity shares including dilutive potential equity shares (in crore)	327.81	NA
(E)	Dilutive Earnings per Share (A/B) (₹)	6.59	NA
(F)	Nominal Value per Share (₹)	10.00	10.00

6.8 Accounting Standard 22 – Accounting for Taxes on Income

The major components of Deferred Tax Assets and Deferred Tax Liabilities are as under:

Sr No	Particulars	31.03.2021	31.03.2020
	Deferred Tax Assets		
i)	On account of timing difference towards provision for doubtful debt and advances	14,139.07	14,949.33

Sr No	Particulars	31.03.2021	31.03.2020
ii)	On account of timing difference towards other provisions/items	113.49	132.21
iii)	On account of Foreign Currency Translation Reserve (FCTR)	209.92	234.08
iv)	Others	449.96	392.16
	Total Deferred Tax Assets	**14,912.44**	**15,707.78**
	Deferred Tax Liabilities		
i)	On account of Depreciation on fixed assets	279.12	287.02
ii)	On account of interest accrued but not due on investments	943.32	952.07
iii)	On account of Deduction in respect of special reserve u/s 36(1)(viii) of the Income Tax Act 1961*	915.53	758.28
iv)	Others	3.85	1.69
	Total Deferred Tax Liabilities	**2,141.82**	**1,999.06**
	Net Deferred Tax Assets / (Liabilities)	**12,770.62**	**13,708.72**

* ₹ 431.67 out of past reserves and balance out of profit

6.9 Accounting Standard 24 - Discontinuing Operations: During the FY 2019-20, Bank sold its overseas subsidiary i.e. Bank of India (Botswana) Ltd. for consideration of ₹ 14.64. The remaining cost of investment of ₹ 19.18 has been fully provided.

6.10 Accounting Standard 27 – Investments in Joint Venture

Investments include ₹ 75 (Previous year ₹ 75) representing Bank's interest in the following jointly controlled entity:

Sr. No.	Name of the Company	Amount	Country of Residence	Holding %
1	Star Union Dai-Ichi Life Insurance Company Ltd.	75	India	28.96%

Aggregate amount of assets, liabilities, income and expenses related to the group's interest in jointly controlled entities:

Particulars	31.03.2021	31.03.2020
Liabilities		
Capital & Reserves	208.63	190.24
Deposits	-	-

Particulars	31.03.2021	31.03.2020
Borrowings	-	-
Other Liabilities & Provisions	3,390.38	2,607.69
Total	3,599.02	2,797.93
Assets		
Cash and Balances with Reserve Bank of India	54.56	10.62
Balances with Banks and Money at call and short notice	-	-
Investments	3,386.41	2,640.40
Advances	3.74	3.03
Fixed Assets	7.51	6.77
Other Assets	146.80	137.11
Total	3,599.02	2,797.93
Capital Commitments	-	-
Other Contingent Liabilities	27.13	20.99
Income		
Interest Earned	11.30	10.39
Other Income	50.56	29.75
Total	61.86	40.14
Expenditure		
Interest Expended	-	-
Operating Expenses	37.77	13.27
Provisions & Contingencies	5.14	9.71
Total	42.91	22.98
Profit / (Loss)	18.95	17.16

6.11 Impairment of Assets (Accounting Standard 28): ₹ Nil

6.12 "Provisions, Contingent Liabilities and Contingent Assets" (Accounting Standard 29)

A. Movement of Provisions for contingent liabilities:

Particulars	Legal cases/contingencies*	
	2020-21	2019-20
Opening Balance	99.19	100.28
Provided during the year	11.01	0.87
Amounts used during the year	9.29	1.96
Closing Balance	100.91	99.19
Timing of outflow/uncertainties	Outflow on settlement / Crystallization	

*Excluding provisions for others

B. Contingent Liabilities:

Such liabilities are dependent upon, the outcome of court order/arbitration/out of court settlement, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be. No reimbursement is expected in such cases.

7. Additional Disclosures

7.1 Provisions and Contingencies

The break-up of "Provisions and Contingencies" appearing in the Profit and Loss Account is as under:

Particulars	2020-21	2019-20
Provision for Depreciation on Investment	868.65	341.92
Provision towards NPA	6,612.54	14,415.39
Provision towards Standard Assets	(-)40.74	858.63
Provision made towards Income Tax (including Deferred Tax)	1,076.41	(-)1,645.84
Other Provision & Contingencies		
• Provision for Sacrifice in Restructured Accounts	199.70	(-)34.67
• Provision for Country Risk	(-)5.53	7.08
• Other Provisions	0.89	533.02
Total	8,711.92	14,475.53

7.2 Floating Provisions:

Particulars	2020-21	2019-20
Opening Balance in the floating provisions account	232.22	232.22
Add: The quantum of floating provisions made in the accounting year	0.00	0.00
Less: Amount of draw down made during the accounting year	0.00	0.00
Closing Balance in the floating provisions account	232.22	232.22

7.3 Drawdown from Reserves:

In terms of Gazette notification No. CG-DL-E-23032020-218862 dated 23.03.2020 issued by Ministry of Finance (Department of Financial Services) containing amendment in Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, after complying with the regulatory requirements and after getting approval from Reserve Bank of India vide their communication reference no. DOR.CO.BP.1052/21.01.002/2020-21 dated October 29, 2020, Bank has appropriated accumulated losses of ₹ 23,782.39 from its share premium account on November 3, 2020.

7.4 Disclosure of complaints:

Summary information on complaints received by the bank from customers and from the OBOs (Offices of the Banking Ombudsman)

Sr. No		Particulars	2020-21	2019-20
Complaints received by the bank from its customers				
1		Number of complaints pending at beginning of the year	12194	10275
2		Number of complaints received during the year	446921	509359
3		Number of complaints disposed during the year	445927	507440
	3.1	Of which, number of complaints rejected by the bank	1452	143
4		Number of complaints pending at the end of the year	13188	12194
Maintainable complaints received by the bank from OBOs				
5		Number of maintainable complaints received by the bank from OBOs	7099	2853
	5.1	Of 5, number of complaints resolved in favour of the bank by BOs	1908	709
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs	5191	2144
	5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	1	7
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2006 and covered within the ambit of the Scheme

Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6

Account Operation related	68 (22)	6433 (3715)	73.16 (-17.57)	141 (68)	0 (2)
Debit Card Related	95 (79)	5688 (9225)	(-)38.34 (-7.05)	77 (95)	2 (6)
Internet Banking	35 (25)	3080 (2462)	25.1 (-24.8)	67 (35)	0 (1)
Charges Related	34 (22)	1778 (1966)	(-)9.56 (-6.65)	52 (34)	1 (2)
Credit Related	24 (31)	1693 (1652)	2.48 (93.89)	35 (24)	1 (2)
Others	91 (102)	8736 (6434)	35.76 (-54.28)	160 (91)	2 (14)
Total	**347 (281)**	**26954 (25454)**	**5.89 (-26.70)**	**532 (347)**	**6 (27)**

7.5 Disclosure of Letters of Comfort (LoCs) issued by bank for Subsidiaries (As compiled by the management)

During the year 2020-21, the bank has not issued any Letter of Comforts on behalf of Subsidiaries.

During the year 2010-11, the bank had issued parental guarantee in favour of Royal Bank of New Zealand Ltd., for its wholly owned subsidiary, BOI (New Zealand) Ltd. to meet its financial obligations, if they fall due.

As on 31.03.2021, no financial obligations have arisen on the above commitments.

7.6 Provisioning Coverage Ratio (PCR)

The Provisioning to Gross Non-Performing Assets of the Bank as on 31st March 2021 is 86.24% (Previous year: 83.74%).

7.7 Fees, remuneration received from Bancassurance business:

Particulars	2020-21	2019-20
Life Insurance Business	77.64	78.60
Non-Life Insurance Business	21.26	18.59
Health Insurance Business	5.25	4.16
Mutual Funds	3.14	3.19
Total	**107.29**	**104.54**

7.8 Concentration of Deposits, Advances, Exposures and NPAs

7.8.1 Concentration of Deposits -

Particulars	2020-21	2019-20
Total Deposits of twenty largest depositors	44,183.35	35,480.63
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	7.05%	6.39%

7.8.2 Concentration of Advances –

Particulars	2020-21	2019-20
Total Advances to twenty largest borrowers	72,236	76,397
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	15.84%	16.59%

7.8.3 Concentration of Exposures -

Particulars	2020-21	2019-20
Total Exposure to twenty largest borrowers/customers	79,163	69,877
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	12.22	11.22%

7.8.4 Concentration of NPAs

Particulars	2020-21	2019-20
Total Exposure to top four NPA accounts	9,655	9,731

7.9 Sector-wise Advances (Including Prudential/Technical write off) (As compiled by management)

Sr. No.	Sector	2020-21			2019-20		
		O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector	O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector
A	Priority sector						
1	Agriculture & allied activities	52,892.30	8500.69	16.07	50,631.18	11,027.65	21.78
2	Advances to industries sector	21,676.01	4096.13	18.90	31,106.70	7,769.97	24.98

Sr. No.	Sector	2020-21			2019-20		
		O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector	O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector
	eligible as priority sector lending						
3	Services	35,118.65	5246.06	14.94	39,676.84	6,605.99	16.65
4	Personal loans	21,833.57	949.01	4.35	15,662.24	746.24	4.76
	Sub-total (A)	1,31,520.53	18791.89	14.29	1,37,076.96	26,149.85	19.08
B	Non Priority Sector						
1	Agriculture & allied activities	2807.65	0.00	0.00	1,191.93	231.19	19.40
2	Industry	78821.23	13,654.41	17.32	85,816.60	31,217.46	36.38
3	Services	103365.02	13,340.73	12.91	1,26,180.58	20,576.18	16.31
4	Personal loans	45846.76	1214.00	2.65	35,804.38	1,764.38	4.93
	Sub-total (B)	230840.66	28209.14	12.22	2,48,993.49	53,789.21	21.60
	Total (A+B)	362361.19	47001.03	12.97	3,86,070.45	79,939.05	20.71

7.9.1 Disclosure of Priority Sector Lending Certificates (PSLCs) (As compiled by the Management):

Purchased during the year	Sold During the Year
2,000.00 (0.00)	0.00 (0.00)

7.10 Movement of NPAs:

Particulars	2020-21	2019-20
Gross NPAs as on 01.04.2019 (Opening Balance)	61,549.93	60,661.12
Additions(Fresh NPAs) during the year	8,540.03	16,328.81
Sub-total(A)	70,089.96	76,989.93
Less:		
(i) Up gradations	635.34	1,303.25
(ii) Recoveries-excluding recoveries made from upgraded accounts	4,188.22	6,509.26
(iii) Technical/Prudential Write Offs	5,800.40	4,105.80
(iv) Write offs other those under (iii) above	2,931.06	3,521.69
Sub-total (B)	13,555.02	15,440.00

Particulars	2020-21	2019-20
Gross NPAs as on 31.03.2020 (Closing Balance) (A-B)	56,534.94	61,549.93

7.11 Movement of Technically/Prudentially written-off accounts:

Particulars	2020-21	2019-20
Opening Balance of Technical/prudential written-off accounts	26,530.43	22,291.32
Add: Technical/prudential written-offs during the year*	8,022.95	7,054.28
Sub-total(A)	34,553.38	29,345.60
Less: Recoveries/regular write off made from previously technical/prudential written-off accounts during the year*(B)	1,992.01	2,815.17
Closing Balance (A-B)	32,561.37	26,530.43

*including exchange difference

7.12 Overseas Assets, NPAs and Revenue:

Sr. No.	Particulars	2020-21	2019-20
1	Total Assets	84,591.16	93,806.16
2	Total NPAs	11,713.93	11,956.14
3	Total Revenue	2,226.26	4,080.95

7.13 Off-Balance Sheet SPVs sponsored:

Name of the sponsored SPV	
Domestic	Overseas
NIL	NIL

7.14 Disclosure relating to Securitisation:

The Bank has not floated any Special purpose Vehicle (SPV) during the Financial Year 2020-21.

7.15 Credit Default Swaps:

The bank has not dealt with any Credit Default Swap.

7.15.1 Intra-Group Exposures (As compiled by the management and relied upon by the Auditors):

Sr. No.	Particulars	2020-21	2019-20
A	Total amount of intra group exposures	6,373.59	4,474.40
B	Total amount of top 20 intra group exposure	6,373.59	4,474.40
C	% of Intra group Exposure to total exposure on Borrowers/Customers	1.07%	0.78%
D	Details of breach of limits on intra group exposures and regulatory action thereon, if any.	Nil	Nil

7.16 Transfers to Depositors Education and Awareness Fund (DEAF)

Particulars	2020-21	2019-20
Opening balance of amounts transferred to DEAF	1,137.94	784.01
Add : Amounts transferred to DEAF during year	367.76	369.73
Less : Amounts reimbursed by DEAF towards claims	17.44	15.80
Closing balance of amounts transferred to DEAF	1,488.26	1,137.94

7.17 Unhedged Foreign Currency Exposure (UFCE): As compiled by the management

Sr. No.	Particulars	2020-21	2019-20
A	Opening balance provisions account	76.75	36.09
B	The quantum of provisions made in the accounting year	53.71	41.33
C	Amount Reverse during the accounting year	68.44	0.67
D	Closing balance in the provisions account	62.03	76.75

The bank has a policy with regard to capital and provisioning requirements for exposure to entities with unhedged foreign currency exposure (UFCE) which is based on RBI Circulars.

As on 31.03.2021, based on available data and declaration from the borrowers, wherever received in accordance with the policy, the additional RWA on this exposure is ₹ 431.80 (Previous Year ₹ 950.38). As against this, additional minimum capital requirement is ₹ 46.96 (Previous Year ₹ 103.35).

7.18 COVID 19 Regulatory Package:

The spread of COVID-19 across the globe has resulted in significant decline in Indian as well as global economic activities and increase in volatility in financial markets. The current 'second wave' of COVID-19 pandemic, in which number of cases has increased significantly, has resulted in re-imposition of lockdown measures in various parts of the country. Major challenges for the Bank would arise from extended working capital cycles and probability of increase in customer defaults. The extent to which, including the current 'second wave' will continue to impact Bank's results will depend on ongoing as well as future developments, which are highly uncertain.

In this situation, though the challenges continue to unfold, the Bank is evaluating the same on an ongoing basis and gearing up itself at all fronts to meet the same. The management, however, believes that no adjustments are required for these challenges as they may not significantly impact the financial results of the Bank.

In accordance with RBI guidelines relating to "COVID 19 Regulatory Package" on Asset Classification and Provisioning, dated March 27, 2020, April 17, 2020 and May 23, 2020, Bank has granted a moratorium on payment of installments and / or interest as applicable, falling due between March 1, 2020 and August 31, 2020 to eligible borrowers classified as Standard, even if overdue as on February 29, 2020 without considering the same as restructuring. The moratorium period, wherever granted, is excluded by the Bank from the number of days the account is past due for the purpose of Asset Classification under RBI's Income Recognition and Assets Classification norms. The disclosures as required by RBI Circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 is given below:

Sr. No.	Particulars	Amount
1	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	29,266.93
2	Respective amount where asset classification benefits is extended	-
3	Provisions made in quarter ended March 31, 2020 and June 30, 2020, in terms of para 5 of the above circular	1,031.82
4	Provisions adjusted during the year ended March 31, 2021 against slippages	1,031.82
5	Provision held as on March 31, 2021	-

The Honorable Supreme Court of India, in a public interest litigation case of Gajendra Sharma Vs. Union of India & Another, vide an Interim order dated September 3, 2020 had directed that the accounts which were not declared as Non-Performing Assets (NPA) till August 31, 2020 shall not be declared as NPA till further orders. Accordingly, the bank had not declared any domestic loan accounts as NPA which were Standard as on August 31, 2020. Pending disposal of the case, the Bank had made additional provision of ₹ 864 crore till December 31, 2020 for such borrower accounts not classified as non-performing.

Pursuant to the Hon'ble Supreme Court's final order dated March 23, 2021, vacating the above Interim order dated September 3, 2020, and the related RBI notification issued on April 7, 2021, Bank has classified these borrower accounts as per the extant IRAC norms with effect from September 1, 2020 and utilised the said above-mentioned additional provision towards provision for these accounts.

8. **Liquidity Coverage Ratio: As compiled by the management**

Quantitative Disclosure:

	AMOUNT IN RS CRS	As on 31.03.2021* Total Unweighted Value (average) @	As on 31.03.2021* Total Weighted Value(average) @	As on 31.03.2020* Total Unweighted Value (average) @	As on 31.03.2020* Total Weighted Value(average) @
HIGH QUALITY LIQUID ASSETS					
1	Total High Quality Assets(HQLA)		1,42,882.62		95,695.78
CASH OUTFLOW					
2	Retail deposits and deposits from small business customers, of which:	4,22,053.05	38,301.74	3,79,311.25	37,419.47
(i)	Stable deposits	77,198.78	3,814.62	10,236.15	511.80
(ii)	Less stable deposits	3,44,854.27	34,487.12	3,69,075.08	36,907.68
3	Unsecured wholesale funding of which:	78,645.06	42,663.37	55,721.87	29,813.41
(i)	Operational deposits (all counterparties)	70.41	17.62	142.09	10.52
(ii)	Non-operational deposits (all counterparties)	59,026.50	23,501.40	43,123.34	17,252.55
(iii)	unsecured debts	19,548.15	19,144.35	12,556.44	12,550.34
4	Secured wholesale funding		78.51		
5	Additional requirements, of which	22,320.24	7,081.92	18,021.05	5,447.80
(i)	Outflows related to derivative exposures and other collateral requirement	3,057.01	3,046.87	3,444.87	3,443.54
(ii)	Outflows related to loss of funding on debt products	228.50	91.40		
(iii)	Credit and liquidity facilities	19,034.72	3,943.65	14,576.59	2,004.27
6	Other contractual funding obligations	14,596.73	14,534.23	24,900.20	24,876.79
7	Other contingent funding obligations	33,118.98	1,050.29	[illegible]	[illegible]
8	TOTAL CASH OUTFLOWS		1,03,710.05		98,600.92
CASH INFLOWS					
9	Secured lending (e.g. reverse repos)	10,992.44	8,867.75	6,824.06	4,470.43
10	Inflows from fully performing exposurs	23,154.33	15,306.84	17,039.02	11,557.83
11	Other cash inflows	18,424.21	17,353.96	12,198.89	10,393.72
12	TOTAL CASH INFLOWS	52,570.98	41,528.56	36,061.96	26,421.98
			Total Adjusted Value 3		Total Adjusted Value 3
21	TOTAL HQLA		1,42,882.62		95,695.78
22	TOTAL NET CASH OUTFLOWS		62,181.50		72,178.94
23	LIQUIDITY COVERAGE RATIO(%)		229.78		132.58

Note:-

*On consolidated basis (including domestic operations , overseas centres and overseas subsidiaries)

@ Disclosure as on 31.03.2021 as well as 31.03.2020 has been done by taking simple averages of daily observations over previous 4 quarters (i.e. average for the FY 2020-21 & FY 2019-20). This is as per RBI guidelines ref. no. DBR.No.BP.BC.80 /21.06.201/2014-15 dated March 31, 2015.

Qualitative disclosures with regard to LCR

KOLKATA

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES CHARTERED ACCOUNTANTS

W.e.f. 1st January 2015, the Bank has implemented guidelines on Liquidity Coverage Ratio (LCR) as directed by Reserve Bank of India.

The LCR standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until next 30 calendar days under a severe liquidity stress scenario.

$$LCR = \frac{\text{High Quality Liquid Assets (HQLA)}}{\text{Total net cash outflows over the next 30 calendar days}}$$

Here,

- HQLA comprises of level 1 and level 2 assets, in other words these are cash or near to cash items which can be easily used / discounted in the market in case of need.
- Net cash outflows are excess of total inflows over total outflows under stressed situation as defined by Basel / RBI. While arriving at the net cash outflow, the inflows are taken with pre-defined hair-cuts and the outflows are taken at pre-defined run-off factors.
- In case stressed inflows are more than the stressed outflows, 25% of total outflows shall be taken as total net cash outflows to arrive at the LCR.
- With effect from 01.01.2015, Banks are required to maintain minimum 60% LCR on an ongoing basis. The same shall reach 100% as on 01.01.2019 with incremental increase of 10% each year.

	01.01.2015	01.01.2016	01.01.2017	01.01.2018	01.01.2019	01.04.2020	01.10.2020
Minimum LCR	60%	70%	80%	90%	100%	80%	90%

However , in order to accommodate the burden on bank's cash flow on account of Covid 19 pandemic , RBI vide circular no DOR.BP.BC.No.65/21.04.098/2019-20, dated April 17,2020 permitted Banks to maintain LCR as under:

From date of Circular to September 30, 2020	80%
Oct 1, 2020 to March 31, 2021	90%
April 1, 2021 onwards	100%

Main Drivers of LCR: The main drivers of the LCR are adequacy of High Quality Liquid Assets (HQLA) and lower net cash outflow on account of higher funding sources from retail customers. Sufficient stock of HQLA helped the Bank to maintain adequate LCR.

Composition of HQLA: The composition of High Quality Liquid Assets (HQLA) mainly consists of cash balances, excess SLR, excess CRR and FALLCR (Facility to Avail Liquidity for Liquidity Coverage Ratio).

The composition of HQLA as on date of disclosure is given below:

Cash in hand	2.29%
Excess CRR balance	12.71%
Government securities in excess of minimum SLR Requirement	18.61%
Government securities within the mandatory SLR Requirement, to the extent allowed by RBI under MSF including FALLCR (presently to the extent of 15 percent of NDTL as allowed for MSF)	10.20%
Marketable securities issued or guaranteed by foreign sovereigns having 0% risk weight under Basel II standardized approach and other securities adjustments on account of Repo/Reverse Repo transactions	3.00%
Facility to Avail Liquidity for Liquidity Coverage Ratio	51.20%
Level 2 Assets	2%

Concentration of funding sources: Majority of Bank's funding sources are from retail customers (about 60%) therefore the stressed outflows are comparatively lower. However, in absence of any non-callable option for term deposits, the Bank has considered almost all deposits under outflow section as per RBI guidelines. Bank also does not have funding concentration from any significant counterparty. A significant counterparty is defined as a single counterparty or group of connected or affiliated counter parties accounting in aggregate for more than 1% of the bank's total liabilities.

Derivative Exposures and potential collateral calls: Bank has very little exposure in derivative business which is not very significant.

Currency mismatch in the LCR: In terms of RBI guidelines, a significant currency is one where aggregate liabilities denominated in that currency amount to 5 per cent or more of the bank's total liabilities.

Description of the degree of centralization of liquidity management and interaction between the group's units: The liquidity management of the Bank at enterprise level is a Board level function and a separate sub-committee of the Board (R.Com.) keeps close watch on that. The periodical monitoring of the liquidity management is being monitored by the

ALCO on regular intervals. The entire liquidity management process of the Bank is being governed by ALM Policy of the Bank.

The liquidity management for domestic operations is the central function, being managed at Head Office level. The overseas liquidity management is being handled at each centre, jurisdiction wise to keep close monitoring and control and also to comply with the local regulatory requirements as well. International Division of the Bank keeps watch on the overseas liquidity position and the overall liquidity monitoring is done at Head Office level centrally.

Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile: No such items as per our notice.

9. Other Notes:

a) Income Tax:

(i) Claims against the Bank not acknowledged as debt under contingent liabilities (Schedule 12) include disputed income tax/interest tax liabilities of ₹ 1,186.47 (previous year ₹ 581.40) for which no provision is considered necessary based on various judicial decisions in respect of past assessments on such disputes. Payments/adjustments against the said disputed dues are included under Other Assets (Schedule 11).

(ii) Provision for taxes has been arrived at after due consideration of the provisions of the applicable tax laws and relevant judicial decisions on certain disputed issues.

b) Movement of Reward Points for 2020-21:

(in Units)

Sr. No.	Particulars	Reward points on Debit Card	Reward points on Credit Card	Total
1	Opening Balance	3,82,10,64,037 (3,07,55,40,977)	31,39,34,925 (33,82,63,818)	4,13,49,98,962 (3,41,38,04,795)
2	Add: Reward points accrued during the Year by Customers	1,25,36,90,259 (1,77,26,50,463)	13,89,06,561 (14,26,08,013)	1,39,25,96,820 (1,91,52,58,476)
3	Less: Reward Points availed by customers	18,86,23,058 (36,02,52,229)	5,36,79,158 (8,41,28,064)	24,23,02,216 (44,43,80,293)
4	Less: Reward Points Expired (FY 2019-20)	92,47,95,062 (66,68,75,174)	4,95,49,517 (8,28,08,842)	97,43,44,579 (74,96,84,016)
5	Closing Balance	3,96,13,36,176 (3,82,10,64,037)	34,96,12,811 (31,39,34,925)	4,31,09,48,987 (4,13,49,98,962)

c) Disclosure regarding frauds:

Financial Year	Number of frauds	Amount involved	Probable Loss	Quantum of Provision made during the year	Quantum of unamortized provision debited from other reserve
2020-21	177 (203)	12,184.32 (8,071.23)	11,627.84 (5,894.48)	592.49 (418.93)	0.00 (0.00)

d) In terms of RBI Cir No DOR.No.BP.BC.62/21.04.048/2019-20 dated April 17, 2020 and DOR.No.BP.BC.72/21.04.048/2019-20 dated May 23, 2020, extended timelines for resolution from the date where review period of 30 days are over but the 180 days of resolution period had not expired as on March 1, 2021 are as under:

Particular	No. of Accounts	Amount (₹)
Revised Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets	6	9,836.64

e) Bank was holding 100% provision in a particular account, recovery of which is under dispute with another PSU Bank. The account has been reported as fraud to RBI. As both the Banks were holding 100% provision, RBI vide its communication (Ref. DoS.Co.SSM(BOI)/6557/13.37.007/2019-20) dated April 13, 2020 permitted the Bank to maintain a provision of 50% of the disputed amount on an ongoing basis (i.e. 50% of ₹ 291.63) subject to certain conditions. Accordingly, the Bank now holds provision of ₹ 145.81 for the disputed amount.

f) In terms of Supreme Court Order and necessary guidelines issued by Reserve Bank of India, the Bank has kept Delhi Airport Metro Express Pvt. Ltd as 'Standard'. However, necessary provisions as per IRAC Norms have been made which are detailed as under:-

Amount not treated as NPA as per IRAC norms	Provisions required to be made as per IRAC norms	Provision actually held
215.25	93.32	93.32

g) In accordance with the RBI guidelines, during the year ended March 31, 2021, Bank has shifted the Central Government securities with a book value of ₹ 7,485.60 and State Government securities with a book value of ₹ 7,715.20 from HTM to AFS category. Venture Capital Fund for an amount of ₹ 14.08 has been shifted from HTM to AFS category.

h) In respect of RBI referred NCLT accounts (List 1 & 2) as on March 31, 2021, Bank holds 100% provision of the outstanding value of ₹ 4227.96.

i) In accordance with the instructions of RBI circular dated April 7, 2021 on "Asset Classification and Income Recognition following the expiry of COVID-19 Regulatory package", the Bank has refunded "interest on interest" charged to all borrowers including those who had availed of working capital facilities during the moratorium period i.e. March 1, 2020 to August 31, 2020, irrespective of whether moratorium had been fully or partially availed, or not availed. As required by the RBI notification, the methodology for calculation of such interest on interest was circulated by the Indian Bank's Association. Accordingly, a liability of ₹ 128.43 towards the same has been created and reduced from interest income for the year ended March 31, 2021.

j) As per RBI Circular No.DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, as on March 31, 2021, Bank holds additional Provision of ₹ 976.21 in respect of 8 borrower accounts, where the viable Resolution Plan has not been implemented within 180 days/365 days of review period.

k) Details of the resolution plan implemented under the Resolution Framework for COVID-19 Stress as per RBI circular dated August 6, 2020 are given below:

Type of Borrower	A) Number of accounts where resolution plan has been implemented under this window	B)Exposure of accounts mentioned at (A) before implementation of the plan	C)Of (B), aggregate amount of debt that was converted into other securities	D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	E) Increase in provisions on account of the implementation of the resolution
Personal Loans	8401	749.26	-	-	74.92
Corporate Persons	3	743.92	-	-	74.39
of which, MSMEs	-	-	-	-	-
Others	6	44.95	-	-	4.49
Total	8410	1538.13	-	-	153.80

l) During FY 2020-21, Bank has made provision of ₹ 460.92 towards the 11th Bi-Partite Wage Settlement effective November 1, 2017.

m)The Bank has received eight Investor complaints during the year ended March 31, 2021 which have been disposed-off. There are no pending investor complaints at the beginning or end of the year.

n) Figures of the previous period have been regrouped / reclassified, wherever considered necessary to conform to the current period's classification.

Chaturvedi & Co. **Chartered Accountants** Park Centre, 24, Park Street, Kolkata – 700 016	**V Sankar Aiyar & Co.** **Chartered Accountants** 2C Court Chambers, 35, New Marine Lines, Mumbai – 400 020.	**Laxmi Tripti & Associates** **Chartered Accountants** 2/9, Shireen Complex. BDA Colony, KOH-E-FIZA, Bhopal - 462001

Independent Auditors' Report on Audited Standalone Quarterly Financial Results and Year to Date Financial Results of the Bank of India Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015

To
The Board of Directors,
Bank of India,
Mumbai

Report on the Audit of the Standalone Financial Results

Opinion

1. We have audited the accompanying statement of Standalone Financial Results of **Bank of India** (the 'Bank') for the quarter ended March 31, 2021 and the year to date Financial Results for the period from April 1, 2020 to March 31, 2021 attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") except for the disclosures relating to Pillar 3 disclosure as at March 31, 2021, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Standalone Financial Results and have not been audited by us.

   The Standalone Financial Results included the returns for the year ended on that date of:-
   (i) 20 Domestic branches, Treasury Branch and Digital Banking department audited by us;
   (ii) 3138 domestic branches and processing centres audited by respective Statutory Branch Auditors and
   (iii) 22 Foreign branches audited by respective local Auditors

   The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also included in the Balance Sheet, the Statement of Profit and Loss and Statement of Cash Flows are the returns from 2126 domestic branches and one foreign branch which have not been subjected to audit. These unaudited branches account for 5.46% of advances, 16.73% of deposits, 4.37% of interest income and 16.60% of interest expenses.

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid statement:

   (a) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at March 31,2021, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Standalone Financial Results and have not been audited by us; and

   (b) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India, of the net profit and other financial information for the quarter ended March 31, 2021 as well as the year to date results for the period from 1st April 2020 to 31st March 2021.

CHATURVEDI & CO. KOLKATA Chartered Accountants

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

3. a) Note No.9 regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the management of the Bank is evaluating the situation and impact on its business operations of the Bank on an ongoing basis; and

   b) Note No. 28 of the statement relating to utilisation of share premium for setting of accumulated losses

Board of Directors' Responsibility for the Standalone Financial Results

4. These Standalone Financial Results have been compiled from the related Standalone Financial Statements. The Bank's Board of Directors is responsible for the preparation of these Standalone Financial Results that give a true and fair view of the financial position, financial performance, cash flows and other financial information in accordance with the recognition and measurement principles laid down in Accounting Standards issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Banking Regulations Act, 1949 for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the Standalone Financial Results, the Board of Directors is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

   The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

5. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Results. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

6. We did not audit the financial statements / financial information of 3160 branches and processing centres including 22 foreign branches included in the Standalone Financial Results of the Bank whose financial statements/financial information reflects total assets of Rs.3,41,493.50 crore at March 31, 2021 and total revenue of Rs 16,945.41 crore for the year ended on that date as considered in the Standalone Financial Results. These branches and processing centres cover 52.82% of advances, 80.99% of deposits and 51.77% of Non-performing assets as on 31st March 2021 and 35.53% of revenue for the period 1st April 2020 to 31st March 2021.The Financial statements/financial information of these branches and processing centres have been audited by the branch auditors whose reports have been furnished to us, and in our opinion, in so far as it relates to the amounts and disclosures included in respect of these branches and processing centres, are solely based on the report of such branch auditors.

7. In conduct of our audit, we have taken note of the unaudited returns in respect of 2126 domestic branches and one foreign branch certified by the respective branch's management. These unaudited branches cover 5.46% of advances, 16.73% of deposits and 3.00% of Non-performing assets as on 31st March 2021 and 4.74% of revenue for the period 1st April 2020 to 31st March 2021.

8. Due to the COVID-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes were carried out based on the remote access to the extent available/feasible and necessary records made available by the management through digital medium / emails.

9. The Standalone Financial statements of the Bank for the previous year ended March 31,2020 were audited by the joint auditors, two of which are predecessor audit firms and have expressed unmodified opinion on such Financial statements. Further the Standalone financial results of the Bank as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended, for the quarter ended on March 31, 2020 were audited by the joint auditors, two of which are predecessor audit firms and have expressed their unmodified opinion on such results.

KOLKATA MUMBAI

10. The statement includes the results for the quarter ended 31st March, 2021 being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to 31st December 2020, which were subjected to limited review by us.

Our opinion on the Standalone Financial Results is not modified in respect of above matters.

For Chaturvedi & Co. **Chartered Accountants** (FRN 302137E) **R.K.Nanda** **Partner** **M. No. 510574** **UDIN: 21510574AAAABX1517**	**For V Sankar Aiyar & Co.** **Chartered Accountants** (FRN 109208W) **G Sankar** **Partner** **M. No. 046050** **UDIN: 21046050AAAAEY8827**	**For Laxmi Tripti & Associates** **Chartered Accountants** (FRN 009189C) **L.N. Agrawal** **Partner** **M.No.078427** **UDIN: 21078427AAAACL5939**

Place: Mumbai
Date: June 4, 2021

DECLARATION

Our Bank certifies that all relevant provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Bank's business have been obtained, are currently valid and have been complied with.

Our Bank further certifies that all the statements in this Placement Document are true and correct.

Signed by:

________________________ **RAJNEESH KARNATAK** Managing Director and Chief Executive Officer	________________________ **B KUMAR** Chief Financial Officer

Place: Mumbai

Date: December 8, 2023

HEAD OFFICE OF OUR BANK

Bank of India
Star House C - 5, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.
Telephone: +91 6668 4444; **Website:** www.bankofindia.co.in, **Email:** headoffice.share@bankofindia.co.in

BOOK RUNNING LEAD MANAGERS

IDBI Capital Markets & Securities Limited
6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005, Maharashtra, India

DAM Capital Advisors Limited
One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India

IIFL Securities Limited
24th Floor, One Lodha Place, Senapati Bapat Marg Lower Parel, (West), Mumbai 400013 Maharashtra, India

SBI Capital Markets Limited
1501, 15th Floor, A & B wing, Parinee Crescenzo Building, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400 051, Maharashtra, India

BNP Paribas
1 North Avenue, Maker Maxity, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, IndiaTI House 36, Dr. R. K. Shirodkar Marg, Parel Mumbai Mumbai 400012, Maharashtra, India

Nuvama Wealth Management Limited
(formerly known as Edelweiss Securities Limited)
801 - 804, Wing A, Building No 3 Inspire BKC, G Block Bandra Kurla Complex, Bandra East Mumbai - 400 051 Maharashtra, India

BOI Merchant Bankers Limited*
"G" BLK, C/5 Bank of India Star House
Bandra Kurla Complex
Bandra (E), Mumbai 400051, Maharashtra, India

**BOI Merchant Bankers Limited, a subsidiary of our Bank, shall be involved only in marketing of the Issue in compliance with Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 174(2) of the SEBI ICDR Regulations.*

Legal Advisor to the Bank
As to Indian law

M/s. Crawford Bayley & Co.
State Bank Buildings
N.G. N. Vaidya Marg
Fort, Mumbai 400 023
Maharashtra, India

Legal Advisors to the Book Running Lead Managers

As to Indian law

Dentons Link Legal
Aiwan-e-Ghalib Complex
Mata Sundari Lane
New Delhi-110 002
Delhi, India

As to U.S. law

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore 049321

STATUTORY AUDITORS

M/s Mukund Chitale & Co, Chartered Accountants
2nd Floor, Kapur House, Paranjape B Scheme Road No. 1, Vile Parle (East), Mumbai - 40057

M/s S. Jaykishan, Chartered Accountants
2nd Floor, Suite No. 2D, 2E & 2F, 12, Ho Chi Minh Sarani, Kolkata - 700071

M/s A. Bafna & Co, Chartered Accountants
K-2, Keshav Path, Ahinsa Circle, C-Scheme, Jaipur - 302001

M/s. SCV & Co. LLP, Chartered Accountants
B-41 Panchsheel Enclave, Malviya Nagar, New Delhi, Delhi 110017

SAMPLE APPLICATION FORM

Following is the indicative Application Form that formed part of the Preliminary Placement Document

APPLICATION FORM

BANK OF INDIA
Head Office: Star House C - 5, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.
Website: www.bankofindia.co.in**, Tel:** +91 22 6668 4444**;**
Email: headoffice.share@bankofindia.in
Legal Entity Identifier: 21380058KMSRJIL8C294 | **ISIN**: INE084A01016

(a) Name of the Bidder:

____

(b) Form No.: ___________

(c) Date: _______________

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH, AT A PRICE OF ₹[●] PER EQUITY SHARE (THE "ISSUE PRICE"), INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, AGGREGATING UPTO ₹[●] CRORES IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), THE BANKING COMPANIES (ACQUISITION AND TRANSFER OF UNDERTAKINGS) ACT, 1970, AS AMENDED ("THE BANKING COMPANIES ACT"), THE BANKING REGULATION ACT, 1949, AS AMENDED (THE "BANKING REGULATION ACT"), THE BANK OF INDIA (SHARES AND MEETINGS) REGULATIONS, 2007, AS AMENDED (THE "BANK OF INDIA REGULATIONS") AND THE NATIONALISED BANKS (MANAGEMENT AND MISCELLANEOUS PROVISIONS) SCHEME, 1970, AS AMENDED (THE "NATIONALISED BANKS SCHEME"), BY BANK OF INDIA (THE "BANK") (AND SUCH ISSUE, THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 105.42 PER EQUITY SHARE AND OUR BANK MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY OUR SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or other applicable laws, including foreign exchange related laws; or (b) prohibited or debarred by any regulatory authority from buying, selling or dealing in securities, and are eligible to invest in this Issue. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs participating through Schedule II of the FEMA Rules. Further, except as provided in (ii) above, other non-resident QIBs including foreign venture capital investors and multilateral and bilateral development financial institutions are not permitted to participate in the Issue. Also, please note that AIFs or VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules are not permitted to participate in this Issue

The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or any other state securities laws of the United States and, unless so registered may not be offered, sold or delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act ("Rule 144A") and referred to herein as "U.S. QIBs") pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act; for avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in the PPD (as defined hereinafter) as "QIBs"; and (b) outside the United States, in "offshore transactions" as defined in and in reliance on Regulation S under the Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled "Selling Restrictions" and "Transfer Restrictions" on pages 258 and 267, respectively, in the accompanying preliminary placement document dated December 5, 2023 (the "PPD").

ONLY ELIGIBLE QIBs ARE PERMITTED TO PARTICIPATE IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH SCHEDULE II OF THE FEMA RULES, IN THIS ISSUE, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS, INCLUDING THE BANKING COMPANIES ACT, IN THIS REGARD. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. AIFs AND VCFs WHOSE SPONSOR AND MANAGER ARE NOT INDIAN OWNED AND CONTROLLED IN TERMS OF THE FEMA RULES, OR FVCIs, MULTILATERAL OR BILATERAL DEVELOPMENT FINANCIAL INSTITUTIONS ARE NOT PERMITTED TO PARTICIPATE IN

THE ISSUE.

To,

The Board of Directors
Bank of India
Head Office: Star House C - 5, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.

Dear Sir/ Madam,

On the basis of the serially numbered PPD of the Bank and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, on the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179 of the SEBI ICDR Regulations or other applicable laws, including foreign exchange related laws; or (b) been prohibited or debarred by any regulatory authority from buying, selling or dealing in securities, and are eligible to invest in this Issue. We are not a promoter of the Bank (as defined in the SEBI ICDR Regulations) or any person related to the promoter of the Bank, directly or indirectly.

STATUS (Please tick for applicable category)			
FI	Scheduled Commercial Bank and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds**
NIF	National Investment Fund	**FPI**	Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Funds
SI-NBFC	Systematically Important Non – Banking Financial Companies	**OTH**	Others ________________ (Please specify)

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended.*

*** Sponsor and Manager should be Indian owned and controlled.*

Further, we confirm that we do not have any right under a shareholders' agreement, veto rights or right to appoint any nominee director on the Board. We confirm that we are either an Eligible QIB resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules nor a FVCI participating in this Issue. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation of the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020 and that we are neither an entity of a country which shares a land border with India nor is the beneficial owner of our investment situated in or a citizen of such country and that our investment is in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India. We confirm that the bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid does not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We further understand and agree that (i) our names, address, contact details, PAN and bank account details will be recorded by the Bank; and (ii) in the event that Equity Shares are Allotted to us in the Issue, the Bank will place our name in the register of members of the Bank or the relevant depository will record our name in the beneficial owner records maintained by the respective depositories, as a holder of such Equity Shares that may be Allotted to us. Further, we are aware and agree that if we are Allotted more than 5% of the Equity Shares in the Issue, the Bank will disclose our name and the number of Equity Shares Allotted to us on the websites of National Stock Exchange of India Limited and BSE Limited (together referred to as the "**Stock Exchanges**"), and we consent to such disclosure. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations and other applicable laws. We are aware that, in accordance with Section 12B of the Banking Regulation Act, 1949 and the Master Direction – Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023 issued by the RBI on January 16, 2023 read together with the Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies issued by the Reserve Bank of India on January 16, 2023, no person (along with his relatives, associate enterprises or persons acting in concert with) can acquire or hold 5% or more of the total paid-up share capital of our Bank, or be entitled to exercise 5% or more of the total voting rights of our Bank, without prior approval of the RBI. Accordingly, a Bidder's aggregate holding in the paid-up share capital of our Bank, whether beneficial or otherwise: after subscription to the Equity Shares in the Issue by such Bidder, his or her relatives, associate enterprises or persons acting in concert with such Bidder, aggregated with any pre-Issue shareholding in the Bank of such Bidder, his or her relatives, associate enterprises or persons acting in concert; or after subscription to the Equity Shares in the Issue aggregated with any pre-Issue shareholding in our Bank of such Bidder, his or her relatives, associate enterprises or persons acting in concert; shall not amount to 5% or more of the total paid-up share capital of our Bank or would not entitle such Bidder to exercise 5% or more of the total voting rights of our Bank, except with the prior approval of the RBI. Accordingly, we hereby represent that our (direct or indirect) aggregate holding in the paid-up share capital of the Issuer, whether beneficial or otherwise: (i) after subscription to the Equity Shares in the Issue by us, our relatives, our associate enterprises or persons acting in concert with us, aggregated with any pre-Issue shareholding in the Bank of us, our relatives, our associate enterprises or persons acting in concert; or (ii) after subscription to the Equity Shares in the Issue by us aggregated with any pre-Issue shareholding in the

Bank of us, our relatives, our associate enterprises or persons acting in concert with us shall not amount to 5% or more of the total paid-up share capital of the Bank or would not entitle us to exercise 5% or more of the total voting rights of the Bank, except with the prior approval of the RBI. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations and other applicable laws. We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("FPI") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "Eligible FPIs"), have submitted separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the price and amount of Equity Shares to be Allotted under each such scheme. We undertake that we will sign and submit all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the undersigned is duly authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue. We note that the Board of Directors of the Bank, or any duly authorized committee thereof is entitled, in its absolute discretion in consultation with the BRLMs (as defined hereunder), to accept or reject this Application Form without assigning any reason thereof. We hereby accept the Equity Shares that may be Allocated to us pursuant to the CAN and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of this Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to or on Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole and absolute discretion of the Bank, in consultation with the IDBI Capital Markets & Securities Limited, BNP Paribas, DAM Capital Advisors Limited, IIFL Securities Limited, Nuvama Wealth Management Limited *(formerly known as Edelweiss Securities Limited)*, SBI Capital Markets Limited and BOI Merchant Bankers Limited ("**BRLMs**"); and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Bank is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount has been paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Bank to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" of the PPD are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Bank and the BRLMs, each of which is entitled to rely on and is relying on these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Bank, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the CAN and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment and in compliance with the restrictions included in the section titled "*Transfer Restrictions*" in the PPD; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Bank in consultation with the BRLMs and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue. For the purposes of this representation: The expression Eligible QIBs 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations i.e. entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, amongst the Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (8) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the Banking Companies Act, the Banking Regulation Act, the Bank of India Regulations and the Nationalised Banks Scheme, other applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and

agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

We acknowledge that the Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. By submitting this Application Form and checking the applicable box above, we hereby represent that we are either (i) a U.S. QIB and acquiring the Equity Shares pursuant to Section 4(a)(2) or another available exemption from registration under the Securities Act, or (ii) located outside the United States and purchasing the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of an Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		**FAX NO.**	
MOBILE NO.			
EMAIL ID			
LEGAL ENTITY IDENTIFIER			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO. ___________________________		
FOR MF	SEBI MF REGISTRATION NO		
FOR AIFs***	SEBI AIF REGISTRATION NO.		
FOR VCFs***	SEBI VCF REGISTRATION NO.		
FOR SI-NBFC	RBI REGISTRATION DETAILS		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS.		

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Bank and the BRLMs.*
*** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

NO. OF EQUITY SHARES BID FOR		**PRICE PER EQUITY SHARE (RUPEES)**	
(In Figures)	(In Words)	(In Figures)	(In Words)
BID AMOUNT (RUPEES)			
(In Figures)		(In Words)	

DEPOSITORY ACCOUNT DETAILS									
Depository Name	National Securities Depository Limited								Central Depository Services (India) Limited
Depository Participant Name									
DP – ID	I	N							
Beneficiary Account Number									(16-digit beneficiary A/c. No. to be mentioned above)

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Bid Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

PAYMENT DETAILS

DEPOSITORY ACCOUNT DETAILS
REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 3.00 p.m. (IST), December 8, 2023, ("Issue Closing Date")

ESCROW BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	Bank of India - QIP 2023 Escrow Account	**Account Type**	Escrow Account
Name of Bank	Bank of India	**Address of the Branch of the Bank**	C 5, G Block, BKC, Bandra, Mumbai
Account No.	012220110000679	**IFSC**	BKID0000122
Legal Entity Identifier	21380058KMSRJIL8C294	**Email id**	BKC.MumbaiNorth@bankofindia.co.in

The Bid Amount should be transferred pursuant to this Application Form only by way of electronic fund transfers, towards the Escrow Account. Payment of the entire Bid Amount should be made along with this Application Form on or before the closure of the Issue Period i.e. prior to or on the Bid/Issue Closing Date. All payments must be made in favor of "**Bank of India QIP 2023 Escrow Account**". The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in this Application Form.

You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by you. The Bank and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Mobile No.		Email:	

OTHER DETAILS	
PAN	
Signature of Authorised Signatory (may be signed either physically or digitally)	

ENCLOSURES ATTACHED
☐ Copy of PAN Card or PAN allotment letter**
☐ FIRC
☐ Copy of the SEBI registration certificate as a Mutual Fund
☐ Copy of the SEBI registration certificate as an Eligible FPI
☐ Copy of the SEBI registration certificate as an AIF
☐ Copy of the SEBI registration certificate as a VCF
☐ Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
☐ Copy of the IRDA registration certificate
☐ Intimation of being part of the same group
☐ Certified true copy of the power of attorney
☐ Other, please specify ___________________

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

***Please note that the Bidder should not mention the GIR number or any other identification number instead of the PAN, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961, as the application is liable to be rejected on this ground.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD.
Note 2: This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Bank in consultation with the BRLMs.

The Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.