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IDBI BANK

IDBI BANK LIMITED

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

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Disclosure Document for 10,000 Unsecured Redeemable Non-Convertible Long Term Bonds (in the nature of debentures) of ₹10,00,000 each for cash at par, amounting to ₹1,000 crore on private placement basis

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

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

Credit Rating:

Senior Bonds	*:*	"CRISIL AA+/Stable" (CRISIL Double A plus with stable outlook) "[ICRA] AA+/Negative" (ICRA Double A plus with negative outlook) "IND AA+/Stable" (Double A plus with stable outlook)

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

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

Registrars to the Issue
Karvy Computershare Pvt. Ltd.
Plot No.17-24, Vittal Rao Nagar,
Madhapur, Hyderabad – 500081

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

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

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I. RISK FACTORS

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

1. Risks relating to the Bank

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

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

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

Any lending activity is exposed to credit risk arising from the risk of default by borrowers. As of 31 March 2014, 2.48% of the Bank's net loan assets were classified as NPAs. The Bank may face difficulties in maintaining its existing NPA levels due to several factors, including uncertain economic conditions such as the on-going slowdown of most global economies, increased competition faced by its borrowers, variable industrial growth, the high level of debt in the financing of projects and relatively high inflation and interest rates in the Indian economy, which have reduced profitability for certain of the Bank's borrowers. In the past the Bank formulated packages for the financial restructuring of certain Indian companies primarily in view of the above factors and a number of other factors which affect the Bank's ability to control and reduce non-performing and restructured loans including developments in the global economic and financial scenario and its impact on the Indian economy and financial systems movements in interest rates and exchange rates, that are not within the Bank's control. Despite the creation of the Stressed Assets Stabilisation Fund, to which the Bank transferred stressed assets in the total amount of ₹9,000 crore on 1 October 2004 and efforts by the Bank to tighten its credit appraisal systems, credit risk monitoring and management systems and improved collections on existing NPAs, there is no assurance that the overall quality of its loan portfolio will not deteriorate in the future. Since its conversion to a banking company and the commencement of its banking operations, the Bank has been exposed to the credit risk of retail customers and, recently to an increased degree, small and medium-sized businesses. If the Bank is not able to control its existing NPAs, or if there is a further significant increase in the amount of new loans classified as non-performing or total loans being restructured by the Bank, the Bank's asset quality may deteriorate, its provisioning for probable losses may increase and its business, future financial performance and the trading price of the Bonds could be adversely affected.

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

As of 31 March 2014 the Bank's total customer exposure (**TCE**) (comprising credit exposure, both fund based and non-fund based, as well as investment exposure) to borrowers was ₹4,48,964 crore. The single largest borrower accounted for 1.01% of TCE and the ten largest individual borrowers of the Bank in aggregate accounted for 8.42% of TCE. Its largest single borrower group accounted for 2.51% of TCE and its ten largest borrower groups accounted for 17.53% of TCE. Credit losses on account of these group exposures could significantly affect the Bank's future performance, financial condition and the trading price of the Bonds. The Bank's major exposures by industry are to the power sector, oil, gas and petroleum products sector, other infrastructure sector, roads, bridges and ports sector, and iron and steel sector, which together accounted for about 34.98% of TCE as of 31 March 2014. As a prudential measure, the Bank has set its exposure limits to each individual industry at 10.0% of its TCE with the exception of 15.00% of TCE for the power sector, 20.00% of TCE for the real estate sector (with a sub-ceiling of 2.50% of TCE for the commercial real estate segment), 10.00% of TCE for the NBFC sector (including micro-finance institutions (**MFI**s) and excluding housing finance companies), 1.50% of TCE for the gems and jewellery (diamond) sector and 2.00% of TCE for the non-NBFC-MFI sector. As of 31 March 2013, the highest exposure was to the power sector at 10.78% of TCE, followed by the oil, gas and petroleum products sector at 6.63% of TCE and other infrastructure sector at 6.42% of TCE.

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

As of 31 March 2014, the Bank had credit exposure to various industrial sectors in India. As of that date, the Bank's three largest exposures were to the power sector, oil, gas and petroleum sectors and other infrastructure sectors at ₹48,397.72 crore – ₹29,752.28 crore and ₹28,848.13 crore, respectively, comprising a total of ₹1,06,998.13 crore. The global and domestic trends in these industries may have a bearing on the Bank's financial position. Any significant deterioration in the performance of a particular sector, driven by events outside the Bank's control, such as falling consumer demand, regulatory action or policy announcements by the Government or state government authorities, would adversely impact the ability of borrowers in that industry to service their debt obligations to the Bank. As a result, the Bank would experience increased delinquencies which may adversely affect its business, its future financial performance, shareholders' funds and the price of the Bonds.

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

As of 31 March 2014, the Bank's net NPAs amounted to ₹4,902 crore or 2.48% of its net advances as compared to ₹3,100 crore or 1.58% of its net advances as of 31 March 2013, an increase of 1.00% over the year. A number of factors may affect the Bank's ability to control and reduce non-performing and restructured loans. Some of these factors, including developments in the Indian economy, movements in global commodity markets, global competition, interest rates and exchange rates, are not within the Bank's control. Although the Bank is increasing its efforts to improve collections and to foreclose on existing non-performing loans, there is no assurance that it will be successful in its efforts or that the overall quality of its loan portfolio will not deteriorate in the future. If the Bank is not able to control and reduce its non-performing loans, or if there is a further significant increase in its stressed assets under restructured loans, its business, future financial performance, shareholders' funds and the price of the Bonds could be adversely affected.

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

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

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

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

As of 31 March 2014, the amount of assets maturing within five years was lower than the amount of liabilities maturing within that period resulting in a cumulative negative gap of ₹42,018 crore. Any gap resulting at any future date will be managed through a suitable structuring of the maturity profile of the Bank's investment products, asset portfolio and liability products. Although the Bank has access to various short term borrowing options and has contracted certain revolving lines of credit with other banks and financial institutions to manage liquidity positions, there can be no assurance that such action will be successful and a significant mismatch in the maturity profile of the Bank's assets and liabilities may adversely affect its future performance, financial results and the trading price of the Bonds.

The Bank has large contingent liabilities.

As of 31 March 2014, the Bank had estimated contingent liabilities of ₹1,88,203 crore on account of swaps, forward rate agreements, options, acceptance, endorsement, guarantees, letters of credit, underwriting commitments, uncalled monies on partly paid shares and debentures, claims against the Bank not acknowledged as debt and disputed tax claims. The contingent liabilities are solely on account of normal operations and are subject to the prudential norms applicable to lending and investment operations. If the Bank's contingent liabilities crystallise, this may have an adverse effect on the Bank's business, its future financial performance and the trading price of the Bonds.

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

As of 31 March 2014, the gross demand raised by the Income Tax Department against the Bank on account of income tax, wealth tax, interest tax, penalty and interest demand was ₹1,443 crore. The demands include ₹154 crore in respect of matters similar to those in which the Bank has received favourable decisions from the appellate authorities in previous years. The Bank has made provision for an amount of ₹24 crore in respect of certain disputed tax assessments. The net contingent liability is ₹1,265 crore. There can be no assurance, however, that these disputed cases will be decided in the Bank's favour or that the provision will be sufficient to cover all of the Bank's tax liability which may adversely affect the Bank's business, its future financial performance and the trading price of the Bonds.

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

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

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

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

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

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

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

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

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

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

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

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

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

The failure of the Bank's systems or a third party to perform on its obligations to deliver systems creation, management and support, could materially and adversely affect the Bank's business, results of operations and financial condition.
The Bank's businesses are heavily dependent on the ability to timely and accurately collect and process a large amount of financial and other information across numerous and diverse markets and products at the Bank's various branches, at a time when the management of transaction processes have become increasingly complex due to increasing volume. The proper functioning of the Bank's financial control, risk management, accounting or other data collection and processing systems, together with the communication networks connecting the Bank's various branches and offices is critical to the Bank's businesses and the Bank's ability to compete effectively. Although the Bank has backup data that could be used in the event of a catastrophe involving or failure of the primary systems, a partial or complete failure of any of these primary

systems or communication networks could materially and adversely affect the Bank's decision-making process, risk management or internal controls as well as the Bank's timely response to market conditions. If the Bank cannot maintain an effective data collection and management system or the strategy of outsourcing information technology (**IT**) and systems management proves unsuccessful or unreliable, the Bank's business, financial condition and results of operations could be materially and adversely affected.

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

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

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

In December 2009, the Bank obtained a Category-1 licence from the Dubai Financial Services Authority (**DFSA**) to establish the DIFC Branch to cater largely to the wholesale banking business. The DIFC Branch commenced operations on 7 December 2009. The DIFC Branch is the Bank's first overseas banking branch and the Bank will face intense competition from international banks operating in the same region as well as operational, legal and regulatory risks that are unfamiliar to the Bank. There can be no assurance that such factors will not have a material adverse effect on the financial condition and operations of the DIFC Branch in the future. There is also no guarantee that the Bank will be able to realise the projected benefits of setting up the DIFC branch. The Bank may continue to seek to establish banking operations in other countries and may pursue such opportunities globally. As a result of its overseas operations and given that the Bank may establish more foreign branches in the future, the Bank is and will continue to be subject to a wide variety of international banking and financial services laws and regulations and a large number of regulatory and enforcement authorities in the jurisdictions in which it operates. Failure to comply with applicable laws and regulations in various jurisdictions, including unauthorised actions by employees, representatives, agents and third parties, may result in regulatory action including financial penalties and restrictions on or suspension of the related business operations. In addition, failure to comply with the applicable laws and regulations in various jurisdictions by the employees, representatives, agents and third party service providers of the Bank, its overseas branches, overseas subsidiaries and overseas affiliates, either in or outside the course of their services, or suspected or perceived failures by them, may result in inquiries or investigations by regulatory and enforcement authorities, in regulatory or enforcement action against either, the Bank, its overseas branches, overseas subsidiaries, overseas affiliates or such employees, representatives, agents and third party service providers. Such actions may, amongst other consequences, impact the reputation of the Bank, its overseas branches, overseas subsidiaries and overseas affiliates, result in adverse media reports, lead to increased or enhanced regulatory or supervisory concerns, lead to additional costs, penalties, claims and expenses being incurred by the Bank, its overseas branches, overseas subsidiaries and overseas affiliates or impact adversely its ability to conduct business owing to implications on business continuity, possible distraction, lack of proper attention or time by such employees, representatives, agents and third party service providers to their official roles and duties, or suspension or termination by the Bank of their services and having to find suitable replacements apart from personal liability, financial or other penalties and restrictions that may be imposed on or suffered by them including personal liability for criminal violation. If the Bank, its overseas branches, overseas subsidiaries and overseas affiliates fail to manage their legal and regulatory risk in the jurisdictions in which they operate, their business could suffer, their reputation could be harmed and they would be subject to additional legal risk. This could, in turn, increase the size and number of claims and damages asserted against the Bank, its overseas branches, overseas subsidiaries and overseas affiliates or subject them to regulatory investigations, enforcement actions or other proceedings, or lead to increased regulatory or supervisory concerns. The Bank, its overseas branches, overseas subsidiaries and overseas affiliates may also be required to spend additional time and resources on any remedial measures which could have an adverse effect on its business. Despite the best efforts of the Bank, its overseas branches, overseas subsidiaries and overseas affiliates to comply with all applicable regulations, there are a number of risks that cannot be completely controlled. The international expansions of the Bank, its overseas branches, overseas subsidiaries and overseas affiliates have led to increased risk in this respect. Regulators in the jurisdictions in which the Bank, its overseas branches, overseas subsidiaries and overseas affiliates operate have the power to bring administrative or judicial proceedings against the Bank, its overseas branches, overseas subsidiaries and overseas affiliates (or its employees, representatives, agents and third party service providers), which could result, among other things, in suspension or revocation of one or more of the licences of the Bank, its overseas branches, overseas subsidiaries and overseas affiliates, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action which could materially harm its results of operations and financial condition.

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

Banks are subject to detailed supervision and regulation by the RBI. In addition, banks are subject generally to changes in Indian law, as well as to changes in regulation, government policies and accounting principles. The laws and regulations governing the banking sector could change in the future and any such changes may adversely affect the Bank's business, future financial performance and the price of the Bonds. In accordance with current RBI guidelines, banks are required to maintain a minimum of 22.00% and 4.00% of its net demand and time liabilities (**NDTL**) by way of the statutory liquidity ratio (**SLR**) and cash reserve ratio (**CRR**), respectively. Furthermore, banks are required to lend a minimum of 40.00% of their adjusted net bank credit (**ANBC**) or equivalent amount of off-balance sheet exposure (**OBE**), whichever is higher, to **Priority Sector**, such as agriculture, micro and small-scale industries, education and housing finance, which are categorised as "Priority Sectors". Assistance to the agriculture sector is required to comprise at least 18.00% of ANBC or the credit equivalent amount of OBE whichever is higher. These deposits and/or advances could carry rates of interest lower than the prevailing market rates. Consequent to its conversion into a universal bank in October 2004, the Bank is required to comply with SLR and CRR requirements and is required to comply, in a phased manner, with Priority Sector Lending requirements by March 2013. The Bank has been in compliance with CRR requirements since the date of conversion and SLR requirements with effect from 1 October 2009. There are a number of restrictions under the Banking Regulation Act, 1949 (the **Banking Regulation Act**) which impact the Bank's operating flexibility and affect or restrict investors' rights. These include the following:

- Section 15(a) of the Banking Regulation Act, states that "no banking company shall pay any dividend on its shares until all its capitalised expenses (including preliminary expenses, organisation expenses, share-selling commission, brokerage, amounts of losses incurred and any other item of expenditure not represented by tangible assets) have been completely written-off.
- The forms of business in which the Bank and any subsidiaries of the Bank may engage are specified and regulated by the Banking Regulation Act. Pursuant to the provisions of Section 8 of Banking Regulation Act, the Bank cannot directly or indirectly deal in the buying, selling or bartering of goods by itself or for others, except in connection with the realisation of security given to it or held by it, or engage in any trading, buying, selling or bartering of goods for others other than in connection with bills of exchange received for collection or negotiation, or in connection with the administration of estates as executor, trustee or otherwise, or in connection with any business specified under Section 6(1)(o) of the Banking Regulation Act. Goods for this purpose means every kind of movable property, other than actionable claims, stocks, shares, money, bullion and all instruments referred to in Section 6(1)(a) of Banking Regulation Act. Unlike a company incorporated under the Companies Act, 2013 (the **Companies Act**) which may amend the objects clause of its Memorandum of Association to commence a new business activity, banking companies may only carry on business activities permitted by Section 6 of the Banking Regulation Act or specifically permitted by the RBI. This may restrict the Bank's ability to pursue profitable business opportunities as they arise.
- Section 17(1) of the Banking Regulation Act requires every banking company to create a Reserve Fund and out of the profit balance of each year as disclosed in the profit and loss

account transfer a sum equivalent to not less than 20.00% of such profit to the reserve fund before paying any dividend.

- Under Sections 35A and 36 of the Banking Regulation Act (which apply to the Bank), the RBI is empowered to give directions to, prohibit from entering into any transactions, and advise generally the Bank. Consequently, the performance of obligations by the Bank, may be restricted by the directions or advice given by the RBI under the aforesaid provision.
- Under Section 50 of the Banking Regulation Act (which applies to the Bank), no person shall have a right, whether in contract or otherwise, to any compensation for any loss incurred by reason of operation of certain provisions of the Act, including Sections 35A and 36. Therefore, holders of the Bonds may not be able to claim any compensation for a failure by the Bank to perform its obligations, consequent to the operation of the aforesaid provisions.

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

The RBI requires Indian banks to maintain a minimum Tier I capital adequacy ratio of 6.00% and a minimum risk weighted capital adequacy ratio of 9.00%. As per Basel II norms, the Bank's standalone Tier I and total capital adequacy ratios were 8.02% and 13.13%, respectively, while the Group's consolidated Tier I and total capital adequacy ratios were 8.08% and 13.22%, respectively, as of 31 March 2014. Further as per Basel III norms, the Bank's standalone Tier I and total capital adequacy ratios were 7.79% and 11.68%, respectively, while the Group's consolidated Tier I and total capital adequacy ratios were 7.88% and 11.8%, respectively, as of 31 March 2014. The Bank is exposed to the risk of the RBI increasing the applicable risk weight for different asset classes from time to time. The Bank's current capitalisation levels are in line with these requirements. However, unless the Bank is able to access the necessary amount of additional capital, any incremental increase in the capital requirement may adversely impact the Bank's ability to grow its business and may even require the Bank to withdraw from or to curtail some of its current business operations. There can also be no assurance that the Bank will be able to raise adequate additional capital in the future at all or on terms favourable to it. Moreover, if the Basel Committee on Banking Supervision releases additional or more stringent guidance on capital adequacy norms which are given the effect of law in India in the future, the Bank may be forced to raise or maintain additional capital in a manner which could materially adversely affect its business, financial condition and results of operations.

The Bank's funding is a mix of short and long term wholesale borrowings and wholesale and retail deposits. If lenders and depositors fail to roll over deposited funds upon maturity, the Bank's business could be adversely affected.

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

If the Bank is not able to integrate any future acquisitions, the Bank's business could be disrupted.

The Bank may seek opportunities for growth through acquisitions or be required to undertake mergers mandated by the RBI. Any future acquisitions or mergers may involve a number of risks, including diversion of its management's attention required to integrate the acquired business and failure to retain key acquired personnel and clients, leverage synergies, rationalise operations, or develop the skills required for new businesses and markets, or unknown and known liabilities, some or all of which could have an adverse effect on its business.

Any inability to attract and retain talented professionals may negatively affect the Bank.

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

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

As of 31 March 2014, the Bank was required to maintain 5.15% of its NDTL in the form of balances with the RBI in accordance with Section 42 of the Reserve Bank of India Act, 1934. Under the current provisions, the Bank does not earn any interest on such balances held with the RBI.

The Bank is required to apply the revised Accounting Standard 15 – Accounting for Retirement Benefits (the Revised AS-15), which will result in the Bank having to set aside additional provisions in respect of employee retirement benefits. This in turn may have a material adverse effect on the Bank's financial performance.

The Revised AS-15 issued by the Institute of Chartered Accountants of India became effective for accounting periods commencing on or after 7 December 2006. Prior to 7 December 2006, the amount of employee retirement benefits was determined based on an aggregate basis and the provisioning for such retirement benefits for a given financial period was made accordingly. Under the Revised AS-15, however, the amount of employee retirement benefits is determined on a Projected Unit Credit Method, which is a method prescribed under the International Accounting Standard 19, and the provisioning for such amount is mandatory. The amount of provisions that needs to be set aside by banks in India under the Revised AS-15 may be higher than such provision determined under the previous standard. As a result of the application of the Revised AS-15, the Bank is required to set aside an additional amount of provisions in respect of the employee retirement benefits. It is valued that such additional amount would be ₹64 crore, which the Bank is setting aside over a period of five years commencing from the fiscal year ending 31 March 2008. The Bank has provided for the entire amount of ₹64 crore. Consequently, there is no contingent liability on account of the transition to revised AS-15.

2. Risks Relating to India

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

Recent market conditions and the risk of continued market deterioration could adversely affect the Bank's business.
The global equity and credit markets have been going through substantial dislocations, liquidity disruptions and market corrections. Liquidity and credit concerns and volatility in the global credit and financial markets increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major US and European financial institutions. These and other related events have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States and global credit and financial markets.
In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects. In the event that the current difficult conditions in the global credit markets continue or if there are any significant financial disruptions, the Bank's cost of funding, loan portfolio, business, future financial performance and the trading price of the Bonds may be adversely affected. Furthermore, as the values of many investment securities that the Bank holds are sensitive to the volatility of the credit markets, to the extent that turmoil and uncertainty in the credit market continues and/or intensifies, such investment securities may be adversely affected by future developments in the credit markets. In addition, the ongoing financial stress in several global economies may adversely affect the ability of the Bank's borrowers to fulfil their debt obligations, which in turn could adversely affect the Bank's business and results of operations.

The Indian banking sector is subject to external economic forces.
As reported by the RBI in its financial stability report released on 30 December 2013, the realignment of global growth is likely to result in volatile cross-border money flows, thus posing threats to financial stability especially in the emerging market and developing economies (**EMDEs**). With the growth differential between advanced economies (**AEs**) and EMDEs narrowing, large gyrations in financial markets are likely with every re-pricing of risk. Relatively slower growth in EMDEs may tilt the risk-return structure in favour of AEs which could lead to capital outflows from EMDEs when global liquidity falls. Further the strain on asset quality in the Indian banking sector continues to be a major concern. A few sectors, namely, infrastructure, iron and steel, aviation, textiles and mining, continue to contribute significantly to the problem assets of the banking sector, while the performance of the retail sector has been good. Some factors affecting the asset quality adversely are (i) the current economic slowdown of growth-global and domestic, (ii) persistent policy logjams, (iii) delayed clearances of various projects,

(iv) aggressive expansion by corporates during the boom phase with resultant excess capacities, and (v) deficiencies in credit appraisal, and others. However, under improved macro conditions, the present trend in credit quality may reverse during the second half of fiscal year 2015. The Bank has little or no control over any of these risks or trends and may be unable to anticipate changes in economic conditions. Adverse effects on the Indian banking system could impact the Bank's funding, profitability, asset quality or NPAs and adversely affect the Bank's business growth and as a result, impact future financial performance and the market price of the Bonds.

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

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

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

The Government has traditionally exercised, and continues to exercise, a dominant influence over many aspects of the economy. Its economic policies have had and could continue to have a significant effect on public sector entities, including the Bank, and on market conditions and prices of Indian securities, including securities issued by the Bank. Significant change in the Government's policies could adversely affect business and economic conditions in India and could also adversely affect the Bank's business, its future financial performance and the trading price of the Bonds.

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

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

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

India's trade relationships with other countries can influence Indian economic conditions. India's trade deficit has ranged between 6.23% and 10.30% of the gross domestic product (**GDP**) during the years 2007-13. Rising gold imports have been a continuing concern in terms of a rising trade deficit. The share of gold in total imports has been increasing since 2007-08 and was close to 3.00% of the GDP in 2012-13. Several policy measures aimed at reducing vulnerabilities arising from gold imports have been taken recently including increase of import duty on gold etc. Coupled with the improvement in exports, these measures have started reflecting in the recent trade figures. India's current account deficit also narrowed sharply to U.S.$4.2 billion (0.9% of GDP) in the quarter of 2013-14 from U.S.$31.7 billion (6.5% of GDP) in quarter of 2012-13. If India's trade deficits increase or become unmanageable, the Indian economy, and therefore the Bank's business, future financial performance and the trading price of the Bonds could be adversely affected.

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

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

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

On 25 November 2013, S&P downgraded the long-term rating assigned to the Bank to below investment grade, citing weak asset quality. As of the date of this Offering Circular, the Bank has investment grade ratings from Moody's and Fitch. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact the Bank's ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. Any of these developments may materially and adversely affect the cost of funds available to the Bank and the trading price of any Bonds.

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

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

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

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

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

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

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

On 25 February 2011, the Ministry of Corporate Affairs of the Government of India announced through a press release that 35 Indian Accounting Standards (**Ind AS**) were to be converged with the IFRS. However, the date of implementation of convergence is yet to be notified by the

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

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

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

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

India imports approximately 75.00% of its crude oil requirement. During the fiscal year ended 2012, crude oil prices remained high. The price of Brent Crude oil, traded in the range of U.S.$110-115 per barrel for the most of fiscal 2012 but touched a high of U.S.$125.66 per barrel by 28 March 2012. Any sharp increase in global crude oil prices combined with an adverse exchange rate may adversely affect the Indian economy. The continuing instability in the Middle East and other parts of the world have negatively impacted the supply of crude oil. Furthermore, the economic sanctions imposed on certain oil-producing countries in the Middle East have also affected supply. Continuance of economic sanctions, tensions or hostilities including terrorist activities in regions in which most of the world's oil production facilities are located may lead to increase or greater volatility in oil prices. Any significant increase in the crude oil prices could adversely affect the Indian economy and the Indian banking and financial system. Further, in June 2010, the Government of India deregulated the price of petrol in the domestic market to ensure closer links with movements in crude oil prices in the international markets. Since the deregulation in June 2010, the price of petrol has increased substantially, which has also affected the prices of other commodities. The Government of India may also further deregulate the price of other by-products of crude oil, such as diesel and LPG, which could lead to increased volatility in the prices of these by-products in the domestic market, which may, in turn, have an adverse impact on the prices of other goods and services. The increased volatility in the price of the by-products of crude oil, and the effect such price volatility has on the prices of other commodities, may adversely affect the Bank's borrowers and contractual counter parties and, in turn, impact the Bank's business and operations. All of this could adversely affect the Bank's business, quality of its assets, its financial performance and the trading price of the Bonds.

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

The Government has proposed two major reforms in Indian tax laws, namely the goods and services tax and the direct taxes code. The goods and services tax would replace the indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, surcharge and cess currently being collected by the central and state Governments. As of the date of this Offering Circular, the goods and services tax has not been implemented, and the Government has not indicated an implementation date. The direct taxes code aims to reduce distortions in tax structure, introduce moderate levels of taxation and expand the tax base. It also aims to provide greater tax clarity and stability to investors who invest in Indian projects and companies. It seems to consolidate and amend laws relating to all direct taxes like income tax, dividend distribution tax, fringe benefit tax and wealth tax and facilitate voluntary compliance. As the taxation system is going to undergo significant overhaul, its long-term effects on the banking system are unclear as of the date of this Offering Circular and there can be no assurance that such effects would not adversely affect the Bank's business, future financial performance and the trading price of the Bonds .

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

All Bonds being offered under this Offer Document are unsecured and RBI prescribes certain restrictions in relation to the terms of these Bonds.

All Bonds being issued under this Offer Document are unsecured which means that they are not secured by any of the Bank's assets. The claims of the investors in the Bonds being issued shall rank pari passu along with claims of other uninsured, unsecured creditors of the Bank.

The Bonds shall not be redeemable at the initiative of the holder at any time during the tenure of the Bonds or otherwise. These Bonds do not have features like Put option or / and Call option and thus investors would not be able to withdraw their investments in the Bonds.

These Bonds are being issued under various rules, regulations and guidelines issued by the RBI. Further, Bank may be forced to redeem the Bonds prior to maturity or to take such other action in relation to these Bonds as may be required pursuant to the law and regulations then in force.

There has been no prior public market for the Bonds.

Very few institutions have issued bonds in terms of aforementioned RBI Circular. There is no established market for such kind of bonds and there is no assurance that a market for trading of such instruments would develop. Since there are no Call or Put option in the Bond, exit opportunities from the investment would be limited. Further, in the absence of an active market the Bonds run the risk of trading at a discount and restrict the opportunity to exit the investment at a fair price.

II. ISSUER INFORMATION

A	**Name and Address of the Issuer :**	
i.	Registered Office of the Issuer	IDBI Bank Limited IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005 Tel.No.022-66553355 Fax No. 022-22180930 www.idbi.com
ii.	Corporate Office of the Issuer	IDBI Bank Limited IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005 Tel.No.022-66553355 Fax No. 022-22180930 www.idbi.com
iii.	Compliance Officer	Shri Pawan Agrawal, Company Secretary (Nodal Officer for compliance activities relating to Bond issue – Shri Partha Patnaik, DGM, Domestic Resources Department, IDBI Tower, 22nd floor, WTC Complex, Cuffe Parade, Mumbai – 400005 E-mail: partha.patnaik@idbi.co.in)
iv.	Chief Financial Officer	Shri P Sitaram, CFO, IDBI Bank Ltd.,IDBI Tower, WTC Complex, Cuffe Parade, Mumbai - 400005
v.	Arranger, if any, of the Issue	IDBI Capital Market Services Ltd.
vi.	Trustee of the issue	SBICAP Trustee Company Ltd., Apeejay House, 6th Floor, 3, Dinshaw Wachha Road, Churchgate, Mumbai - 400020

vii.	Registrar of the issue	Karvy Computershare Pvt. Ltd., Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500081
viii.	Credit Rating Agencies	CRISIL Ltd., CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400 076 ICRA Ltd., 1802, 18th floor, Tower 3, Indiabulls Finance Centre, Senpati Bapat Marg, Elphinstone, Mumbai – 400013 India Ratings and Research Pvt.Ltd., Wockhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra East, Mumbai – 400051
ix.	Auditors	M/s. Khimji Kunverji & Co., Chartered Accountants, Sunshine Tower, Level-19, Senapati Bapat Marg, Dadar (W), Mumbai – 400 028 M/s. G.D Apte & Co., Chartered Accountants, GDA House, plot No.85, Bhusari Colony (right), Paud Road, Pune – 411 038.

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

i. Overview and History:

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

The Bank was originally known as Industrial Development Bank of India (IDBI) and was established in 1964 by the Government under the Industrial Development Bank of India Act, 1964 (the **IDBI Act**). Initially, IDBI was set up as a wholly-owned subsidiary of the RBI to provide credit and other facilities for the development of industry. In 1976, the ownership of IDBI was transferred to the Government and it was entrusted with the additional responsibility of acting as the principal financial institution for co-ordinating the activities of institutions engaged in the financing, promotion or development of industry. On 1 October 2004, the undertaking of IDBI was transferred to the Bank. For over four decades, the Bank has primarily provided financing to large and medium industrial enterprises engaged or planning to engage in the manufacturing, processing or preservation of goods, mining, shipping, transport, hotel industry, IT, medical and health, leasing generation and distribution of power, maintenance, repair, testing, servicing of vehicles, setting up of industrial estates and also in research and development for the promotion of industrial growth.

In the past, the Government has provided direct and indirect financial assistance and support to the Bank, including access to low cost funding and assistance by way of restructuring of high cost liabilities. The Government, however, has no legal obligation to provide financial assistance or support to the Bank. The Bank's total assets were ₹3,22,768.51 crore and ₹3,28,996.63 crore as of 31 March 2013 and 2014, respectively. The Bank's advances to customers were ₹1,96,306.45 crore and ₹1,97,686 crore as of 31 March, 2013 and 2014, respectively. The Bank's total profit was ₹2,554.73 crore and ₹2,025.26 crore for the fiscal year ended 31 March 2013 and 2014, respectively.

Ownership:

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

The IDBI Act was amended in October 1994 to permit IDBI, *inter alia*, to raise equity from the public subject to the Government's shareholding in IDBI not falling below 51.00%. Pursuant to the amendment, IDBI made its initial public offering (**IPO**) in July 1995 and raised ₹2184 crore. The percentage of Government ownership was reduced from 100.00% to 72.14% following the IPO.

The Government's shareholding was further reduced to 55.99% with effect from 5 June 2000 as the Government converted 24.7 crore equity shares into 24.7 crore fully paid preference shares of ₹10 each redeemable within three years. These preference shares were redeemed in 2001. In December 2000, the Board recommended a bonus share issue in the ratio of three equity shares for every five equity shares held. Consequently on 29 March 2001, IDBI issued 244,811,400 fully paid equity shares of ₹10 each as bonus shares by capitalisation of the capital reserve account of ₹4.52 crore and the share premium account of ₹240 crore. Subsequent to the merger of the Bank with IDBI Bank Ltd., the Government's shareholding fell further to 52.80%. As of 31 March 2014, the authorised capital of the Bank was ₹3,000 crore and paid-up capital of the Bank was ₹1,604 crore. As of 31 March 2014, the Government held approximately 76.50% of the shares of the Bank.

The Bank is listed on the BSE Ltd. (the **BSE**) and the National Stock Exchange of India Ltd. (the **NSE**). As of 31 March 2014, the market capitalisation of the Bank on the NSE was ₹10,473.72 crore and BSE was ₹10,497.78 crore.

Conversion into a Universal Bank :

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

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

- all contracts, deeds, bonds, guarantees, powers of attorney, other instruments and working arrangements subsisting immediately before the Appointed Day and affecting IDBI shall cease to have effect or to be enforceable against IDBI and shall be of full force and effect against or in favour of the Bank as if instead of IDBI, the Bank had been named therein or had been a party thereto;
- with effect from the Appointed Day, all fiscal and other concessions, licences, benefits, privileges and exemptions granted to IDBI in connection with the affairs and business of IDBI under any law for the time being in force (including those granted by the IDBI Act, 1964 prior to its repeal), were deemed to have been granted to the Bank;
- the transfer of the undertaking of IDBI to the Bank shall not be construed as a transfer within the meaning of the Income Tax Act, 1961 (**Income Tax Act**). Where any exemption from, or any assessment with respect to, any tax has been granted or made, or any set off or carry forward benefit has been extended, such exemption will continue to be available to the Bank;
- any guarantee given for or in favour of IDBI shall continue to be operative in relation to the Bank (as of 1 October 2004, all guarantees given for or in favour of IDBI were from the Government); and
- in every Act, regulation or notification in force on the Appointed Day:

(a) the words "Industrial Development Bank of India", wherever they occur, the words "Industrial Development Bank of India Limited referred to in clause (b) of section 2 of the Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003" shall be substituted;

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

(c) the words "the Development Bank means the Industrial Development Bank of India, established under section 3 of the Industrial Development Bank of India Act, 1964", the words "the Industrial Development Bank of India Limited referred to in clause (b) of section 2 of the Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003" shall be substituted; and

(d) the words “the Industrial Development Bank of India, established under Section 3 of the Industrial Development Bank of India Act, 1964”, the words “the Industrial Development Bank of India Limited referred to in clause (b) of section 2 of the Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003” shall be substituted.

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

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

The Bank has since complied with the SLR requirements with effect from June 2009. As of 31 March 2014, the SLR holding of the Bank is 25.70%, as compared to the RBI’s stipulated norms of 23.00%.

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

- Exemption from the 30.00% limit with respect to outstanding exposure through equity investment, stipulated under Section 19(2) of Banking Regulation Act, as of the Appointed Day. The exposure was to be brought within the stipulated limit within a period of five years from the Appointed Day. On the recommendation of the RBI, the Government had granted a further grace period until 30 September 2011 for the Bank to comply with the regulation. Compliance was completed by 30 September 2011. During the first quarter of fiscal year 2014, the regulatory limit was breached in relation to two companies by virtue of the Bank holding the shares of the companies by way of pledge as security. The Bank has reduced the pledged holding to bring it within the regulatory limit. As of 31 March 2014, the Bank was fully compliant with respect of Section 19(2) of Banking Regulation Act.

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

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

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

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

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

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

Merger of IDBI Bank Ltd. :

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

Merger of United Western Bank (UWB) :

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

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

Organisational Setup :

The organisational set-up of the Bank has been structured on the basis of focused business growth based on customer segmentation. There are five business verticals, namely the (i) Infrastructure Corporate Group (**ICG**), (ii) Corporate Banking Group (**CBG**), (iii) Retail Banking Group (**RBG**), (iv) Priority Sector Group (**PSG**), and (v) International Banking Group (**IBG**). The other functional areas consist of eight business support verticals and eight non-business support verticals. The controlling office for all verticals is at the Bank's head office in Mumbai, except for retail banking, whose business functions and controlling office have been further delegated to nine zones, namely (i) West I zone located at Mumbai, (ii) West II zone located at Nagpur, (iii) West III zone located at Ahmedabad, (iv) East I & NE Zone located at Kolkata, (v) East II Zone located at Bhubaneswar, (vi) South I zone located at Chennai, (vii) South II Zone located at Bangalore, (viii) North 1 zone at New Delhi and (ix) North II Zone located at Chandigarh, headed by the Chief General Managers. All administrative units of the business verticals are located at the Bank's head office.

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

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

Improving profitability parameters of the Bank including net interest margin:

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

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

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

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

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

Generating adequate fee-based income to meet operating expenses:

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

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

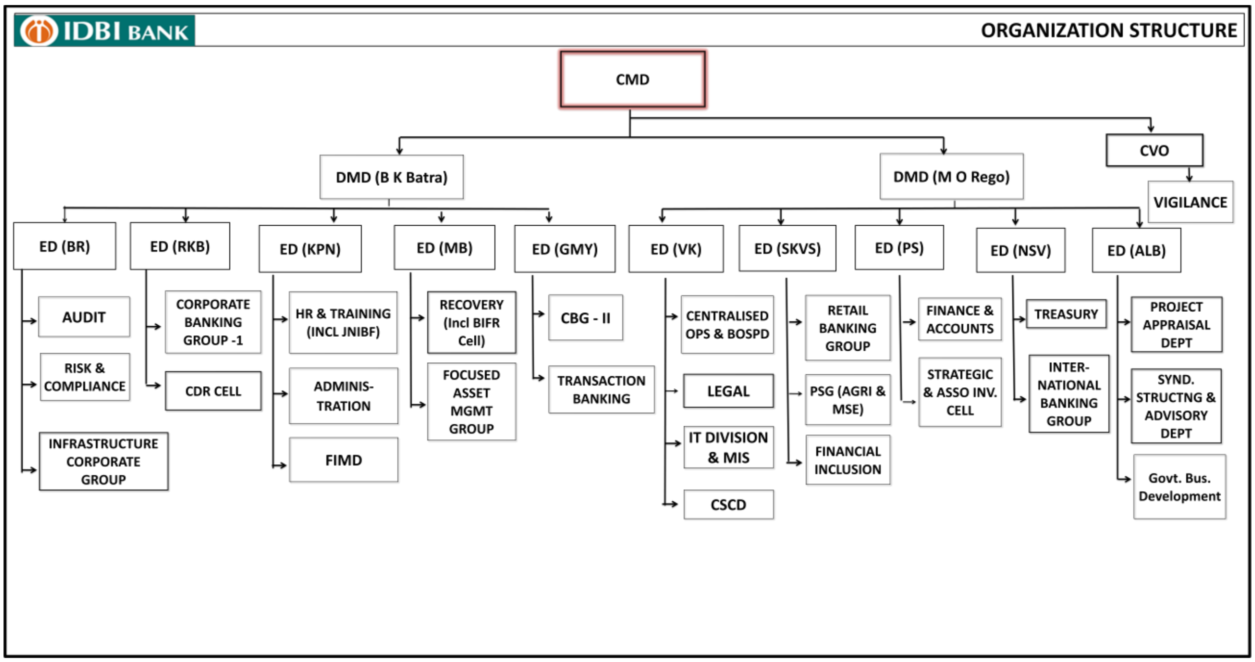
The Bank will continue to remain vigilant to avoid any slippages in asset quality and intends to initiate timely measures to maintain the quality of its existing assets. Actual or potentially distressed assets would be monitored very closely. Accounts where the Bank has made full provisions for or written-off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

Expanding presence by opening more branches and other delivery channels:

It has been the Bank's objective to spread its geographical presence and adequately support its business. As of the date of the Offering Circular, the Bank has 1,483 branches and 2569 ATMs.

ii. Corporate Structure :

Organisational Chart :



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

<u>Corporate Banking :</u>

Overview

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

Project Finance

Project finance assistance entails the granting of direct assistance to medium and large-scale entities for the establishment of new projects as well as for the purposes of the expansion, diversification and modernisation of existing projects. Assistance is in the form of rupee and foreign currency loans, underwriting and/or direct investments in shares and debentures and guarantees for loans and deferred payments. Project finance loans granted by the Bank are normally repayable over a period of five to 15 years depending upon the debt servicing or cash flow capacity of the borrower. Loans are usually secured by way of a first charge on all present and future moveable and immovable property of the borrower. A sponsor's guarantee is sometimes obtained on a case-by-case basis depending on the risks involved. The Bank also provides financial guarantees, usually in foreign currency, to cover deferred payments and to enable corporates to raise overseas loans. Guarantees extended by the Bank are solely on account of normal business operations and are subject to applicable prudential norms. The Bank's guarantees are normally secured by assets or by way of charge over the fixed assets of the assisted company. Infrastructure financing continues to be the Bank's key focus area, with the Bank extending assistance to projects involving large financial outlays in the power, telecom, road and bridges and port sectors. As of 31 March 2013 and 31 March 2014, the Bank had total outstanding advances of ₹1,96,306 crore and ₹1,97,686 crore, respectively, out of which outstanding fund-based assistance to infrastructure projects was ₹43,628 crore and ₹53,556 crore, respectively, constituting 22.22% and 27.09%, respectively, of the total advances.

Non Project Finance Assistance

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

Priority Sector Lending

Priority sector lending which includes lending to both MSMEs and agricultural business has been accorded an important role in the Bank's growth charter. The Bank has re-organised its business verticals and developed a special business model to serve the MSME/agricultural sectors across the country by forming a priority sector group and has also set up dedicated credit processing centres at various geographical locations to speed up credit delivery. The Bank has also set up dedicated branches at locations covering most of the prominent MSME/agricultural sectors and clusters across the country and conducted MSME workshops at various locations across India.

As a result of the reclassification of exposure to ‘direct agriculture’ by the RBI in July 2012, the Bank’s focus has shifted to direct retail lending to farmers engaged in crop cultivation and allied activities instead of funding through intermediaries, corporates and co-operatives engaged in such activities. The Bank has appointed 25 business correspondents or business facilitators to reach out to the most remote parts of India and to increase business. The Bank encourages the formation of farmers’ clubs for the purpose of knowledge dissemination. The Bank’s engagement with farmers and other agriculture intermediaries was also enhanced through the Bank’s participation in various ‘Agri Expo’ and ‘Krishi Mela’ (farmers’ convention) conducted at various locations in India. Priority sector lending has now been extended through all branches of the Bank. Further with a view to increase lending to the priority sector, the Bank has simplified procedures, and various formats of documents including that of loan documents. Through strengthening of its processes and procedures the Bank has enhanced the control mechanisms used to monitor performance and provide early warning signals for any weakness in the portfolio so as to initiate timely remedial action. The Bank has held various campaigns throughout the year to acquire new customers in agriculture and the MSME sector. A special team consisting of senior bank officials (including the general manager and the deputy general manager) has been deputed at different zones for canvassing business relating to the priority sector lending. The Bank’s advances to priority sector lending as of 31 March 2014 was ₹52,639 crore.

Working Capital Assistance

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

Global Trade Services

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

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

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

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

<u>Retail Banking:</u>

The Bank's retail banking segment offers a variety of liability, asset, capital market and third party products primarily aimed at meeting customers' specific needs. Liability products include savings accounts, current accounts, retail term deposits, recurring deposits, etc. Such retail deposits help the Bank reduce its overall cost of funds and manage its asset and liability position.

Asset products offered include housing loans, mortgage loans, personal loans, educational loans, vehicle loans, salary accounts with built-in overdraft facilities and loans against securities. The Bank offers retail loans to NRIs and resident individuals including salaried employees and self employed professionals and businessmen to meet their various requirements. Retail loans are an important focus area for the Bank as they produce higher yields while diversifying the Bank's asset base and reducing balance sheet risk.

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

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

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

Retail Liabilities:

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

Savings Accounts:

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

Current Accounts:

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

Retail Term Deposits:

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

Recurring Deposits:

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

Retail Assets

Home Loans:

The Bank's home loan scheme has been designed to meet the varied financial requirements of its customers, including acquisition of new property, renovation of existing property, purchase of resale property, balance transfer and others. At present, salaried, self-employed professionals, self-employed non-professionals, NRI (salaried) and persons of Indian origin (salaried) persons benefit from such home loan schemes provided by the Bank. As of date the Bank offers nine types of home loans, including home loans, home loans interest saver, loans for insurance premium, Rajiv Rinn Yojna (**RRY**), Rajiv Gandhi Gram Niwara Yojna (**RGGNY**), Indira Awas Yojna (**IAY**) and Priyadarshini Awas Yojana (**HL-PAY**) in the State of Haryana. Types of house loan products offered by the Bank to the rural and semi-urban persons include home loan, home loans interest saver, 25 years home loans for insurance premium and housing loans for rural semi-urban. The RRY, RGGNY, IAY and HL-PAY home loan products are devised by the Central and State Government bodies for addressing national issues of housing infrastructure shortage in the country. Loans are granted for a maximum tenure of 30 years or until the age of retirement of the borrower, whichever is earlier, and are secured by way of first charge on the property financed. The title to the property is required to be clear and free from any encumbrance for the creation of the security. The Bank may also take additional collateral security from the borrowers if required. The Bank's interest rates are one of the most competitive in the market and is marketed through the retail banking branches and retail assets centres.

Personal Loans:

The Bank offers personal loans to its customers in the form of term loan and overdraft facility. Personal loan facilities of three types are extended by the Bank to its customers, namely personal loans to salaried individuals, salary accounts with inbuilt overdraft facilities and pension accounts with inbuilt overdraft facilities. Depending upon the category of customers, the minimum and maximum loan amount under the personal loan scheme may vary between ₹50,000 and ₹10 lakh. For overdraft facilities, the maximum limit is restricted to five times a customer's net salary or pension credit. The maximum loan tenor in the case of a personal loan is 60 months, whereas a salary overdraft has a limit of two years, (renewable every two years) and pension overdraft facility is given for a maximum period of one year (renewable every year).

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

Education Loans:

The Bank launched its "education loan" product in September 2005. As of date, the Bank provides four types of "education loans", including education loan (i) for non-vocational courses, (ii) for vocational courses, (iii) for students who secured admission through management quota, and (iv) in relation to the financial inclusion programme assigned by the RBI to the Bank. The purpose of the Bank's education loans is to provide financial assistance to Indian nationals to pursue higher education in India and abroad. The maximum education loan amounts granted by the Bank for studies in India and abroad are ₹10 lakh and ₹20 lakh, respectively. However, for studies at premier institutes, the Bank grants a maximum education loan amount of ₹30 lakh. The tenor of education loans of up to ₹7.5 lakh is 10 years and 15 years for loans above ₹7.5 lakh. A moratorium period of one year or six months after employment, whichever is earlier, is allowed for all education loans. The margin of education loan is nil for loans of up to ₹4 lakh, and 5% for loans above ₹4 lakh (for studies in India) and 15% for studies abroad. There is no collateral security for loans up to ₹4 lakh, but the Bank will require the parent or spouse be added as a "joint borrower" with the primary borrower. The co-borrower must be a salaried individual, a self-employed professional or a businessman. For education loans above ₹4 lakh and up to ₹7.5 lakh, collateral security in the form of a suitable third party guarantee must be provided and for loan amounts above ₹7.5 lakh, tangible collateral security must be provided, in addition to securing a parent or spouse as a joint borrower of the education loan. In the case of education loans to students studying at premier institutes, collateral security is not required for loans up to ₹20 lakh where a parent of the applicant is able to prove sufficient net-worth. In the case of loans above ₹20 lakh, tangible security must be provided by the applicant. The education loans have floating interest rates, are linked to the base rate of the Bank, and no processing fee is charged. Prepayment or foreclosure of such loans is allowed anytime during repayment of the loan without additional charges.

Auto Loans:

The Bank provides auto loans for the purchase of new cars, including passenger cars, sport utility vehicles, jeeps, etc., and performance motorbikes ex-showroom price. The target clientele is salaried, self-employed professionals, businessmen, firms or companies (in situations where there is a pre-existing relationship), proprietorship firms, partnership firms, private and public limited companies and NRI salaried customers who have had a satisfactory relationship with the Bank for at least one year. The maximum funding amount is up to 90.00% of the on-road price (excluding the cost of accessories) of a vehicle and up to 85% of the cost for bikes (excluding the cost of accessories). Auto loans of the Bank are marketed through the many retail banking branches of the Bank and have been outsourced to various auto dealer networks, including Maruti Suzuki, TATA Motors and Honda Cars India Limited (authorized to extend auto loans to customers who satisfy the eligibility criteria of the Bank to avail of such loans). The Bank has also introduced different variants of the auto loan scheme, such as the "Speed Auto Loan, Combo Offer", to existing home loan borrowers with the aim of enhancing its business. The

Bank's auto loan product in terms of rate of interest, processing fees, loan to value ratio and prepayment charges is one of the most competitive in the market.

Loans against Securities:

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

Third Party Distribution:

The bank-customer relationship is a significant aspect of the banking business model and hence it is one of the primary objectives of the Bank, achieved through regular and high quality contact by branches with their customers, with the aim of increasing customer retention. The Bank aims to cater to the financial requirements of its customers through its comprehensive range of products and services. The Bank offers a range of investment and insurance products through its branches, supported by a central support department referred to as the "third party distribution" department as well as meeting the financial requirements of the Bank's customers, the distribution of these products also generates fee income for the Bank. The Bank offers various third party products such as mutual fund schemes, the life insurance products of IDBI Federal Life Insurance Company, the general insurance products of BAGIC and fixed income securities such as tax free bonds, Government bonds, National Highway Authority of India and Rural Electrification Corporation Ltd. bonds as detailed below.

Mutual Fund :

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

Life Insurance :

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

General Insurance :

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

National Pension Scheme :

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

Fixed Income Bonds (**FI Bonds**) :

The Bank offers various FI Bonds to its customers, namely Government FI Bonds (at 8.00%), tax free FI Bonds and capital gains FI Bonds (under Section 54 EC of the Income Tax Act which provides exemption for capital gains tax) in relation to the National Highways Authority of India FI Bonds and Rural Electrification Corporation Ltd. FI Bonds.

Retailing of Government Bonds and Certificates of Deposit

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

Financial Inclusion

The Government and the RBI have articulated a financial inclusion policy to extend banking and financial services, at affordable costs, to groups who do not have any access to the formal banking system. In pursuit of this objective, the Bank developed a three-year financial inclusion plan with a vision for 340 banking outlets in villages with population of more than 2,000, and 1,500 banking outlets in villages with population of less than 2,000. The plan also envisions opening 382 rural branches (262 branches of which would be established in rural centres) and the deployment of 767 Business Correspondents (**BCs**) by March 2016. As at 31 March 2014, the Bank has extended banking services to 974 villages with no banks through a network of 433 BCs and 61 small format brick and mortar branches. Under the BC model, the Bank offers biometric smart cards to customers in rural areas, which allow them to access banking services through BCs. The Bank is participating in the direct benefit transfer (**DBT**) programme established by the Government in the identified DBT districts and the Bank has successfully integrated the “Aadhar payment bridge” system through the National Payments Corporation of India in order to participate in the direct cash transfer. Domestic commercial banks in India are required to extend at least 40.00% of their ANBC or credit equivalent amount of OBE, whichever is higher, to the priority sectors comprising of loans to the agriculture sector, micro and small enterprises, education, housing and other priority sectors such as micro credit. Assistance to the agriculture sector is required to comprise at least 18.00% of ANBC or the credit equivalent amount of OBE, whichever is higher. At the time of the Bank's conversion into a banking corporation, the RBI had specified that the priority sector lending target would need to be achieved in a phased, step-up manner so as to meet the priority sector lending target and agricultural lending sub-target by March 2011. The Bank had received forbearance from the RBI for achieving the priority sector lending target and sub-targets until March 2013. Thereafter any shortfall in the amount required to be lent to priority sectors or agriculture and weaker sections shall be allocated as a contribution to the Rural Infrastructure Development Fund established with the National Bank for Agriculture and Rural Development (**NABARD**) or funds with the National Housing Bank (**NHB**) or the Small Industries Development Bank of India (**SIDBI**) or other financial institutions, as specified by the RBI. As of 31 March 2014, the Bank has achieved 27.39% of its ANBC as priority sector lending.

Institutional Development :

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

Capital Markets Development:

The Bank played a key role in the formation of the SEBI, the regulator for Indian capital markets. The Bank sponsored the NSE, which first introduced electronic trading in securities in India and has also sponsored and/or supported the formation of Stock Holding Corporation of

India Ltd., Credit Analysis and Research Ltd., Investor Services of India Ltd. and OTC Exchange of India Ltd. (a screen based stock exchange predominantly for small cap equity shares). In order to reduce paperwork and the difficulties associated with securities settlements, the Bank promoted the National Securities Depository Ltd. (**NSDL**) in association with the Unit Trust of India and NSE. NSDL provides depositary services associated with the settlement of securities trading and is the largest depository in India.

Money Market Institutions:

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

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

Entrepreneurship Development:

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

Offices/Branches:

The Bank has its registered office in Mumbai and has branches throughout India. As of the date of the Offering Circular, the Bank has 1,483 retail branches at 1052 centres and 2,569 ATMs. Of the 1,483 branches, 352 are metro branches, 432 are urban branches, 422 are semi-urban branches, 276 are rural branches and one is an overseas branch being the DIFC Branch in Dubai. The Bank opened its overseas branch in the DIFC on 7 December 2009.

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

a. <u>Standalone</u>

(₹ In crore)

Parameters	Q1 FY 2014-15	FY 2013-2014	FY 2012-2013	FY 2011-2012
Networth	22003.18	21897.01	19443.46	17544.13
Total Debt (Deposit + Borowing)	276207.15	295919.92	292925.35	263970.20
Non current maturities of Long Term Borrowing	41905.53	41920.24	41827.87	37093.28
Current maturities of Long Term Borrowing	23958.25	18226.05	23981.00	16384.36
Net Fixed Assets	2986.28	2983.21	2925.29	3018.81
Non Current Assets(Gross Fixed Assets)	4890.21	4843.69	4634.50	4573.24
Cash and Cash Equivalent	14344.75	16817.91	17924.52	18057.65
Current Investments	19242.58	23029.20	28126.83	25687.87
Current Assets	7553.81	7736.01	6811.32	5426.98
Current Liabilities	9412.04	9437.40	8607.14	7439.12
Asset Under Management	NIL	NIL	NIL	NIL
Off Balance Sheet Assets	216192.03	188202.72	180661.96	148920.09
Interest Income	6732.99	26597.51	25064.30	23369.93
Interest Expenses	5482.07	20576.04	19691.19	18825.08
Provisioning & Write offs	822.09	4559.99	3576.17	2017.97
PAT	106.17	1121.40	1882.08	2031.61
Gross NPA (%)	5.64%	4.90%	3.22%	2.49%
Net NPA (%)	2.87%	2.48%	1.58%	1.61%
Tier I Capital Adequacy Ratio (%)	7.86% (Basel III)	7.79% (Basel III)	7.68 %(Basel II)	8.38 %(Basel II)
Tier II Capital Adequacy Ratio (%)	3.92% (Basel III)	3.89 %(Basel III)	5.45% (Basel II)	6.20% (Basel II)

b. Consolidated

(₹ in Crore)

Parameters	FY 2013-2014	FY 2012-2013	FY 2011-2012
Networth	21889.89	19409.46	17507.41
Total Debt(Deposit+Borowing)	295719.13	292698.85	263721.81
Non current maturities of Long Term Borrowing	41920.24	41827.87	37093.28
Current maturities of Long Term Borrowing	18226.05	23981.00	16384.36
Net Fixed Assets	2999.52	2945.55	3042.83
Non Current Assets(Gross Fixed Assets)	4918.14	4709.54	4647.09
Cash and Cash Equivalent	16848.84	17959.77	18052.04
Current Assets	8004.77	7021.52	5679.34
Current Liabilities	9563.27	8728.93	7032.93
Asset Under Management	NIL	NIL	NIL
Off Balance Sheet Assets	188203.70	180683.52	148934.35
Interest Income	26608.14	25075.66	23389.06
Interest Expenses	20558.15	19674.11	18818.07
Provisioning & Write offs	4608.09	3617.25	2043.19
PAT	1151.74	1888.90	2002.50
Gross NPA (%)	4.90%	3.22%	2.49%
Net NPA (%)	2.48%	1.58%	1.61%
Tier I Capital Adequacy Ratio (%)	7.86% (Basel III)	7.75% (Basel II)	8.47(Basel II)
Tier II Capital Adequacy Ratio (%)	3.92% (Basel III)	5.48%(Basel II)	6.23(Basel II)

Q1 FY 2014-15 Financials of Subsidiaries are not subjected to Limited Review/Audit.Hence the Consolidated Figures for Q1-2014-15 cannot be furnished

Debt Equity Ratio (before & after the proposed issue)

(₹ in Crore)

Particulars	As on June 30, 2014	Post issue #
LOAN FUNDS		
Deposits	210343.37	210343.37
Borrowings	65863.78	66363.78
Total Debt (A)	**276207.15**	**277207.15**
Networth excluding SWF, IDBI Exim (J), Revaluation Reserve & ESO(G) outstanding, Foreign currency translation reserve (B)	22003.18	22003.18
Debt/Equity Ratio	**12.55**	**12.60**

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

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

The funds being raised by the Issuer through present issue of Bonds are not meant for financing any particular project. The Issuer shall utilise the proceeds to augment long term resource of the Bank for primarily funding infrastructure and affordable housing projects

C. <u>Brief history since incorporation giving details of the following activities:</u>

i. Details of Share Capital as on June 30, 2014:

Share Capital	₹
Authorised Share Capital	₹3000,00,00,000 (3000000000 equity shares of ₹10 each)
Issued, subscribed and paid-up share capital	₹160,39,39,260 (160393926 equity shares of ₹10 each)

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

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

Date of Change (AGM / EGM)	(₹)	Particulars
06.09.2012-AGM	Authorised Capital: ₹30000000000 (3000000000 equity shares of ₹10 each)	Increase in authorized capital of the Bank from ₹2000 crore (200 crore equity shares of ₹10 each) to ₹3000 crore (300 crore equity shares of ₹10 each) was approved by shareholders in 8th AGM of the Bank held on 06.09.2012
Date of Last AGM - 30.06.14	**As on June 30, 2014** Authorized Capital: ₹ 30,00,00,00,000 (3000000000 equity shares of ₹ 10 each) Issued, Subscribed and paid up capital: ₹ 160,39,39,260 (160393926 equity shares of ₹ 10 each)	

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

Date of Allotment	No of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative			Remarks
						No of equity shares	Equity Share Capital (₹)	Equity Share Premium (₹)	
2009-10	80497	10	-	Cash	ESOP	724861921	7248619210	17612113	-
2010-11	197068	10	-	Cash	ESOP	984568099	9845680990	46226331	
	259509110	10	120.19	Cash	Preferential allotment to GOI				
2011-12	188556509	10	112.99	Other than Cash	Preferential allotment to GOI through conversion of Tier I Bonds	1278381662	12783816620	76485577	
	71687760	10	112.99	Cash	Preferential allotment to GOI				
	33500000	10	112.99	Cash	Preferential allotment to LIC				
	69294	10	-	Cash	ESOP				

2012-13	45455	10	-	Cash	ESOP	1332748347	13327483470	81496645	
	54321230	10	102.17	Cash	Preferential allotment to GOI				
2013-14	24900	10	-	Cash	ESOP	1603939260	16039392600	96787556	
	271166013	10	66.38	Cash	Preferential allotment to GOI				
2014-15 (till July 26, 2014)	6845	10	-	Cash	ESOP	1603946105	16039461050	-	

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

Nil

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

Type of Event	Date of Announcement	Date of Completion	Details
Nil			

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

i. Shareholding pattern of the Bank as on June 30, 2014:-

Sr No	Particulars	Total No of Equity Shares	No of shares in demat form	Total Shareholding as % of total no of equity shares
1	Government of India	1227018622	1227018622	76.50
2	Mutual Funds/UTI	518026	517926	0.03
3	Financial Institutions / Banks	17335655	17316829	1.08
4	Insurance Companies	156623983	156623983	9.76
5	Foreign Institutional Investors	58927128	58925108	3.67
6	State Finance Corporation	35680	0	0.00
7	Bodies Corporate	18304598	18000639	1.14
8	Individuals	118683767	103209439	7.40
9	Clearing Members	760227	760227	0.05
10	Societies & Trusts	652348	585628	0.04
11	NRIs	5079226	3365013	0.32
	Total	**1603939260**	**1586323414**	**100.00**

Notes: - No shares have been pledged or encumbered by the promoters.

ii. List of top 10 holders of equity shares for the quarter ended June 30, 2014 :

Sr No	Name of the shareholders	Total No of Equity Shares	No of shares in demat form	Total Shareholding as % of total no of equity shares
1	Government Of India	1227018622	1227018622	76.50
2	Life Insurance Corporation Of India	94731366	94731366	5.91
3	LIC Of India - Market Plus Growth Fund	17555855	17555855	1.09
4	Small Industries Development Bank Of India	10500000	10500000	0.65
5	LIC Of India Market Plus-1 Growth Fund	9306518	9306518	0.58
6	United India Insurance Company Limited	8057143	8057143	0.50
7	LIC Of India Money Plus Growth Fund	6869656	6869656	0.43
8	Macquarie Emerging Markets Asian Trading Pte. Ltd.	6372000	6372000	0.40
9	Vanguard Emerging Markets Stock Index Fund, Aserie	5806899	5806899	0.36
10	Ashish Rameshkumar Goenka	4813753	4813753	0.30

E. Details regarding the Directors of the Bank:

i. Details of the current directors :

Name, Designation and DIN	Age	Address	Director of the Bank since
Shri Mukkur Srinivasan Raghavan, Chairman & Managing Director DIN:05236790	59 years	IDBI Bank Limited IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005	July 5, 2013
Shri Bal Krishan Batra, Deputy Managing Director DIN:00015732	58 years	IDBI Bank Limited IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005	January 13, 2012
Shri Melwyn Oswald Rego, Deputy Managing Director	55 years	IDBI Bank Limited IDBI Tower, WTC Complex,	August 30, 2013

DIN: 00292670		Cuffe Parade, Mumbai - 400005	
Ms. Snehlata Shrivastava, Government Director DIN: 06478173	56 years	Additional Secretary, GOI, Deptt of Financial Services, Ministry of Finance, Jeevandeep Building, 10, Parliament Street, New Delhi - 110 001	January 11, 2013
Shri Panemangalore Srinivasa Shenoy, Independent Director DIN: 00108547	69 years	'Srinivas' Plot No.121, Sector 8, Gandhinagar - 382008	July 30, 2011
Shri Ravi Sethurathnam Independent Director DIN: 00009790	55 years	Ravi Rajan & Co. 505-A, 5th Floor, Rectangle 1, District Centre, Saket, New Delhi - 110 017	July 2, 2012
Shri Ninad Bhalchandra Karpe Independent Director DIN: 00030971	53 years	MD & CEO, Aptech Limited, A-65, Aptech House , M.I.D.C., Marol, Andheri (E), Mumbai-400093	July 2, 2012
Shri Pankaj Vats, Independent Director DIN: 00030971	54 years	S-290, Panchsheel Park, New Delhi - 110017	September 30, 2013

Current directors (as on July 26, 2014) who are appearing in the RBI defaulter list and/or ECGC default list - Nil

ii. Details of change in directors since last three years:-

Name, Designation and DIN	Date of Appointment / Resignation	Director of the Bank since (in case of resignation)	Remarks
Shri Rajender Mohan Malla, Chairman and Managing Director DIN:00136657	May 31, 2013	July 9, 2010	Ceased to be the Director on account of retirement on superannuation.
Shri Birendra Singh Bisht, Independent Director DIN: 02586685	July 7, 2012	July 22, 2010	Ceased to be Director of the bank on account of resignation on medical grounds.

Shri Rakesh Singh, Government Director, DIN:02115071	March 23, 2012	October 29, 2010	Ceased to be Director consequent to his appointment as Chief Secretary, Punjab.
Shri Analjit Singh, Government Director DIN: 00029641	May 1, 2011	May 2, 2005	Ceased to be Director upon completion of his maximum term of 6 years as per the provisions of Article 121(b) of the Articles of Association of Bank.
Shri Kummamuri Narasimha Murthy, Independent Director DIN:00023046	August 17, 2011	September 27, 2004	Ceased to be Director upon completion of his maximum term of 6 years as per the provisions of Article 122(i) of the Articles of Association of Bank.
Shri Panemangalore Srinivasa Shenoy, Independent Director DIN: 00108547	July 30, 2011	-	Appointed by the Board of Directors to fill up the casual vacancy caused by the resignation of Dr. Sailendra Narain in terms of Article 125 read with Section 262 of the Companies Act, 1956. Further, elected as Non-Rotational; Independent Director w.e.f.30.07.2011 at the 10th AGM of the Bank held on 30.06.2014.
Smt. Lila Firoz Poonawalla, Independent Director DIN:00074392	August 1, 2011	August 2, 2005	Ceased to be Director upon completion of her maximum term of 6 years as per the provisions of Article 121(b) of the Articles of Association of Bank.
Shri Hira Lal Zutshi, Independent Director DIN: 00041002	August 17, 2011	September 27, 2004	Ceased to be Director upon completion of his maximum term of 6 years as per the provisions of Article 122(i) of the Articles of Association of Bank.
Shri Pradeep Kumar Chaudhery, Government Director DIN: 00178979	March 20, 2013	December 9, 2011	Ceased to be the Director on account of resignation.

Shri Rajinder Pal Singh, Government Director DIN: 02943155	December 9, 2011	January 20, 2010	Ceased to be Director on account of nomination withdrawn by Govt. of India.
Shri Bal Krishan Batra, Deputy Managing Director, DIN: 00015732	January 13, 2012	-	Appointed vide GOI's notification F.No.9/14/2009-BO.I dated January 12, 2012 and assumed charge on January 13, 2012
Shri Bharat Pal Singh, Deputy Managing Director DIN: 00739712	January 31, 2012	February 20, 2010	Ceased to be the Director on account of retirement on superannuation.
Shri Sunil Soni, Government Director DIN: 02550837	January 11, 2013	April 25, 2012	Ceased to be Director on account of nomination withdrawn by Govt. of India.
Shri Sethurathnam Ravi, Independent Director DIN: 00009790	July 2, 2012	-	Appointed as Additional Director by Board of Directors w.e.f. July 2, 2012 and thereafter elected by shareholders at the 8th AGM held on September 6, 2012 under Article 116(1)(e) of the Articles of Association of Bank. Further, elected as Non-Rotational; Independent Director w.e.f.02.07.2012 at the 10th AGM of the Bank held on 30.06.2014.
Shri Ninad Bhalchandra Karpe, Independent Director DIN: 00030971	July 2, 2012	-	Appointed as Additional Director by Board of Directors w.e.f. July 2, 2012 and thereafter elected by shareholders at the 8th AGM held on September 6, 2012 under Article 116(1)(e) of the Articles of Association of Bank. Further, elected as Non-Rotational; Independent Director w.e.f.02.07.2012 at the 10th AGM of the Bank held on 30.06.2014
Shri Mukkur Srinivasan Raghavan, Chairman & Managing	July 5, 2013	-	Appointed as Chairman & Managing Director of the Bank under Article 116(1)(a) vide

Director DIN:05236790			GOI's Notification F.No.4/4/2012-BO.I dated July 5, 2013 and assumed charge on July 5, 2013
Shri Melwyn Oswald Rego, Deputy Managing Director DIN: 00292670	August 30,2013	-	Appointed as Whole Time Director of the Bank under Article 116(1)(b) vide GOI's Notification F.No.7/3/2011-BO.I dated August 30, 2013 and assumed charge on August 30, 2013
Ms. Snehlata Shrivastava, Government Director DIN: 06478173	January 11, 2013	-	Appointed as Government Nominee Director under Article 116(1)(c) vide GOI's Notification F.No.7/2/2012-BO.I dated January 11, 2013.
Shri Pankaj Vats, Independent Director DIN: 00030971	September 30, 2013	-	Nominated vide GOI's Notification F.No.6/24/2013-BO.I dated September 30, 2013 in terms of Article 116(1)(d) and the above nomination as Non-rotational Independent Director has been approved by the shareholders at the 10th AGM of the Bank as on June 30, 2014.
Shri Subhash Tuli, Independent Director DIN: 02203423	July 21, 2014	July 22, 2008	Ceased to be Director upon completion of her maximum term of 6 years as per the provisions of Article 121(i) of the Articles of Association of Bank.

ii. Disclosure of Interest received from Directors of IDBI Bank Ltd. [As on July 26, 2014]:

Sr.No.	Name of the Director	Directorship held in other Companies/Firms/Body Corporate
1.	Shri M.S. Raghavan, Chairman & Managing Director	➢ IDBI Intech Limited- Chairman ➢ IDBI Capital Market Services Ltd. – Chairman ➢ IDBI Asset Management Co. Ltd. – Chairman ➢ IDBI Trusteeship Services Ltd.- Chairman ➢ IDBI Federal Life Insurance Company Ltd.- Director ➢ Export Import Bank of India (EXIM)– Director ➢ Entrepreneurship Development Institute of India- President

		of the Governing Council ➢ Management Development Institute – Member of Board of Governors
2.	Shri Bal Krishan Batra, Deputy Managing Director	➢ IDBI Infrafin Ltd. – IDBI Bank's Nominee Director ➢ IDBI MF Trustee Company Ltd.- IDBI Bank's Nominee Director ➢ IDBI Intech Ltd. – IDBI Bank's Nominee Director ➢ IDBI Capital Market Services Ltd.- IDBI Bank's Nominee Director ➢ Stressed Assets Stabilization Fund (SASF)-Trustee
3.	Shri Melwyn Oswald Rego, Deputy Managing Director	➢ IDBI Infrafin Ltd.- IDBI Bank's Nominee Director ➢ Clearing Corporation of India Ltd.- IDBI Bank's Nominee Director
4.	Ms.Snehlata Shrivastava, Govt. Director	➢ IDFC – Government Nominee Director ➢ GIC of India – Government Nominee Director ➢ NABARD- Government Nominee Director
5.	Shri P.S. Shenoy, Independent Director	➢ ICRA Management Consulting Services Ltd. – Director ➢ Tamboli Castings Ltd. – Director ➢ Reliance Capital Pension Fund Ltd. – Director ➢ Entrepreneurship Development Institute of India- Member of the Governing Council
6.	Shri S. Ravi, Independent Director	➢ IDBI Capital Markets Services Limited- Independent Director ➢ LIC Housing Finance Limited- Independent Director ➢ Oil & Natural Gas Corporation Ltd.- Independent Director ➢ S Ravi Financial Management Services Private Limited- Promoter Director ➢ SBI- SG Global Securities Services Private Limited- Independent Director ➢ SMERA Ratings Ltd.- Independent Director ➢ STCI Finance Limited – Independent Director ➢ STCI Primary Dealer Limited – Independent Director. ➢ Tourism Finance Corporation of India Limited- Independent Director ➢ UTI Trustee Company Private Limited – Director ➢ Ravi Rajan & Co., Chartered Accountants – Managing Partner ➢ RRCA & Associates, Chartered Accountants – Managing Partner ➢ S. Ravi, HUF- Karta ➢ Insurance Advisory Committee of IRDA – Member ➢ Mutual Fund Advisory Committee of SEBI – Member ➢ ONGC's Sahayog Trust - Trustee

7.	Shri Ninad Karpe, Independent Director	➢ Aptech Limited- Managing Director & CEO ➢ Maya Entertainment Limited- Director ➢ Savita Oil Technologies Limited- Director ➢ BNP Paribus Asset Management India Pvt Ltd- Director ➢ India SME Asset Reconstruction Co. Ltd- Director ➢ BJB Career Education Co. Ltd. Cayman Islands- Director ➢ Aptech Ventures Ltd., Mauritius- Director ➢ Aptech Investment Enhancers, Mauritius- Director ➢ Aptech Global Investment, Mauritius – Director ➢ Franchising Association of India - Director ➢ EDC Limited - Director ➢ Aptech Hungama Digital Learning LLP- Designated Partner
8.	Shri Pankaj Vats, Independent Director	➢ Pelican Press - Partner

F. Details regarding the auditors of the Bank:

i. Details of the Current Auditors:

Sr.No.	Name	Address	Auditor since
1.	M/s Khimji Kunverji & Co., Chartered Accountants,	Sunshine Tower, Level-19, Senapati Bapat Marg, Dadar (W), Mumbai - 400028	September 2012
2.	M/s G.D Apte & Co., Chartered Accountants,	GDA house, Plot No- 85, Bhusari Colony (right), Paud Road, Pune - 411 038	September 2012

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

Sr.No.	Name	Address	Date of Appointment/ Resignation	Auditor of the Bank since (in case of resignation)	Remarks
1.	M/s Chokshi & Chokshi	15/17, Raghavji 'B' Bldg., Ground Floor, Raghvji Road, Gowalia Tank,off Kemps Corner, Mumbai - 400 036.	Date of Appointment : September 2009 and Date of Completion of Audit Term : Sep 2012	NA	Completion of Audit Tenure of Three Years

2.	M/s S.P Chopra & Co.	31-F, Connaught Place, New Delhi - 110 001	Date of Appointment : September 2009 and Date of Completion of Audit Term : Sep 2012	NA	Completion of Audit Tenure of Three Years

G. Details of borrowings of IDBI Bank Limited as on June 30, 2014 :

i. Details of Secured Bonds :

Lender's Name	Type of Facility	Amt Sanctioned	Principal Amt outstanding	Repayment Date /Schedule	Security
NIL					

ii. Details of Unsecured Bonds (Public Issue) :

Details of all outstanding public issues of bonds as on June 30, 2014 are furnished in the following table:

Year of Issue	**Type of Issue**	**Amount Outstanding (₹ in Crore)**	**Deemed date of allotment**	**Redemption date**	**Rating at the time of issue**
December 2003 Flexi – 19	Regular Income Bond	108.03	January 12, 2004	12/01/15	'AA+' by CRISIL, 'AA+(Ind)' by Fitch and 'LAA' by ICRA
January 2004 Flexi 20	Money Multiplier Bond	0.48	March 5, 2004	05/08/15	'AA+' by CRISIL, 'AA+(Ind)' by Fitch and 'LAA' by ICRA
March 2004 Flexi – 21	Regular Income Bond	19.39	April 20, 2004	20/04/19	'AA+' by CRISIL, 'AA+(Ind)' by Fitch and 'LAA' by ICRA
January 2005 Flexi – 22	Retirement Bond Regular Income Bond	22.67	February 25, 2005	25/02/15	'AA+' by CRISIL, 'AA+(Ind)' by Fitch and 'LAA+' by ICRA

All the Flexibonds Series are listed on BSE and NSE.

IL&FS Trust Co. Ltd. is the bond trustee for Flexibonds series 19-22.

iii. Outstanding Issues of Omni Bonds privately placed (Unsecured) as on June 30, 2014:

Sr. No.	ISIN no.	Issue name/ Type	Date of Allotment	Tenor (years)	Amount mobilized (₹ Crore)	Coupon rate (% p.a.)	Put/Call option	Rating at the time of issue
FY 2003-04								
1	INE008A08PO9	Omni Bond Sr.I	1-Aug-03	15	499.55	8		LAA by ICRA, AA+ by CRISIL, AA+ BY FITCH
2	INE008A08PU6	Omni Bond Sr.I	18-Aug-03	15	0.19	7.75		
3	11700007 (F.No)	Omni Bond Sr.I	1-Aug-03	15	0.45	8		
4	INE008A08UA8	Omni 2003 G	12-Jan-04	15	25.00	7	12-Jan-16	
FY 2004-05								
1	INE008A08YS2	Omni 2004 J	29-Sep-04	10	12.90	7		LAA by ICRA, AA+ by CRISIL, AA+ BY FITCH
2	INE008A08ZI0	Omni 2004 S RRB II	4-Jan-05	10	78.20	7.25		
3	INE008A08ZM2	Omni 2005 A RRB II	24-Jan-05	10	164.80	7.25		
FY 2005-06								
1	INE008A08G33	Omni 2005 Y	16-Dec-05	10	500.00	7.6		LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH
2	INE008A08G74	Omni 2006 A RRB II	23-Jan-06	10	629.70	7.7		
3	INE008A08H81	Omni 2006 D	30-Jan-06	10	1000.00	7.8		
4	INE008A08I07	Omni 2006 E	2-Feb-06	10	500.00	7.83		
5	INE008A08I56	Omni 2006 G RRB III	8-Mar-06	10	80.10	8		LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH
6	INE008A08I80	Omni 2006 J	23-Feb-06	10	75.00	8.16		LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH
7	INE008A08J30	Omni 2006 P	29-Mar-06	9 years 10 months	500.00	8.75		LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH

FY 2006-07								
1	INE008A08K45	IDBI Omni Bonds 2006 Sr.III RRB III	26-May-06	10	473.50	8.55	None	LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH
2	INE008A08L85	IDBI Omni Bonds 2006 Tier II Sr.XII	21-Sep-06	10	346.40	8.95	None	LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH
3	INE008A08M19	IDBI Omni Bonds 2006 Tier II Sr.XV	16-Nov-06	10	250.00	8.85	None	LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH
4	INE008A08M27	IDBI Omni Bonds 2006 Tier II Sr.XVI	20-Dec-06	10	448.10	8.85	None	LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH
5	INE008A08M35	IDBI Omni Bonds 2006 Tier II Sr.XVII	22-Dec-06	10	300.00	8.95	None	LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH
6	INE008A08M43	IDBI Omni Bonds 2007 Tier II Sr.I	05-Feb-07	10	34.30	8.90	None	LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH
FY 2007-08								
1	INE008A08N18	IDBI Omni Bonds 2007 Tier II Sr.IV	07-May-07	10	48.00	10.10	None	LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH
2	INE008A08N42	IDBI Omni Bonds 2007 Tier II Sr.V	10-Aug-07	7	300.00	9.59	None	LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH
3	INE008A08N67	IDBI Omni Bonds 2007 Sr.VII	23-Sep-07	15	4.20	10.07	None	LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH
4	INE008A08N75	IDBI Omni Bonds 2007 Tier II Sr.VIII	29-Sep-07	7	40.00	9.79	None	LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH
5	INE008A08O33	IDBI Omni Bonds 2008 Tier II Sr.I	01-Jan-08	10	500.00	9.35	None	LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH
6	INE008A08O58	IDBI Omni Bonds 2008 Sr.II	16-Feb-08	10	2.00	9.41	None	LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH

FY 2008-09								
1	INE008A08P65	IDBI Omni Bonds 2008 Sr.VII	30-Apr-08	7	200.00	9.73	None	LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH
2	INE008A08P73	IDBI Omni Bonds 2008 Tier II Sr.VIII	13-Jun-08	7y 4m	150.00	10.39	None	LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH
3	INE008A08Q07	IDBI Omni Bonds 2008 Sr.IX RRB II	26-Sep-08	10	895.80	11.00	None	LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH
4	INE008A08Q23	IDBI Omni Bonds 2008 Sr.X	28-Sep-08	7	20.00	11.08	None	LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH
5	INE008A08Q31	IDBI Omni Bonds 2008 Tier II Sr.XI	29-Sep-08	8	40.00	11.24	None	LAA +by ICRA, AA+ by CRISIL, AA+ (Ind) by FITCH
6	INE008A08Q15	IDBI Omni Bonds 2008 Upper Tier II Sr.XII	29-Sep-08	15	650.00	11.15 #	Call - 29.09.18	"LAA" by ICRA
7	INE008A08Q49	IDBI Omni Bonds 2008 Sr.XIII	05-Oct-08	7	20.00	11.04	None	"AA+/Negative" by CRISIL, "AA+(ind)" by FITCH & "LAA+" by ICRA
8	INE008A08Q56	IDBI Omni Bonds 2008 Upper Tier II Sr.XIV	29-Oct-08	15	500.00	11.40 #	Call - 29.10.18	"LAA" by ICRA , "AA/Negative" by CRISIL
9	INE008A08Q72	IDBI Omni Bonds 2008 Sr.XV RRB II	15-Dec-08	10	1439.90	11.30	None	"LAA" by ICRA , "AA/Negative" by CRISIL
10	INE008A08Q80	IDBI Omni Bonds 2008-09 Perpetual Tier I Sr.XVI	26-Mar-09	Perpetual	332.00	9.50 #	Call - 26.03.19	'LAA' by ICRA & 'AA/Negative' by CRISIL
11	INE008A08Q98	IDBI Omni Bonds 2008-09 Sr.XVII	14-Mar-09	20	2.00	11.25	None	'AA+(ind)' by FITCH, 'AA+/Negative' by CRISIL
12	INE008A08R14	IDBI Omni Bonds 2008-09 Upper Tier II Sr.XIX	31-Mar-09	15	350.00	9.50 #	Call - 31.03.19	'LAA' by ICRA, 'AA-(ind) by FITCH & 'AA/Negative' by CRISIL

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

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

FY 2012-13								
1	INE008A08U35	Omni 2012-2013 SR I	30-05-2012	10	250.00	9.03	None	" AA+" (with stable outlook) by ICRA
2	INE008A08U43	IDBI Omni Bonds Tier II 2012-13 Sr.II	25-10-2012	25	1000.00	9.25	Call - 25.10.22 25.10.27 25.10.32	'AA+/Stable' by CRISIL
3	INE008A08U50	IDBI Omni Bonds Tier II 2012-13 Sr.III	13-12-2012	15	505.00	8.99	Call - 13.12.22	" AA+" (with stable outlook) by ICRA & 'AA+/Stable' by CRISIL
4	INE008A08U68	IDBI Omni Bonds Tier II 2012-13 Sr.IV	26-12-2012	Perpetual	850.00	9.40	Call – 26.12.22	" AA" (with stable outlook) by ICRA & 'AA/Stable' by CRISIL

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

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

Above Omnibonds Series are listed on BSE & NSE.

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

iv. List Of Top Ten Bondholders As On July 31, 2014

Sr.No	Name	Address	Pincode	Amount (₹ in Cr.)
1	Life Insurance Corporation Of India	Investment Department 6th Floor, West Wing, Central Office Yogakshema, Jeevan Bima Marg, Mumbai	400021	6275.00
2	CBT EPF-05-A-DM	Standard Chartered Bank, CRESCENZO, Securities Services, 3rd Floor C-38/39 G-Block, BKC Bandra (East), Mumbai	400051	1388.66
3	CBT EPF-05-D-DM	Standard Chartered Bank, CRESCENZO, Securities Services, 3rd Floor C-38/39 G-Block, BKC Bandra (East), Mumbai	400051	1388.40
4	CBT EPF-11-B-DM	Standard Chartered Bank, CRESCENZO, Securities Services, 3rd Floor C-38/39 G-Block, BKC Bandra (East), Mumbai	400051	1099.00

5	Coal Mines Provident Fund Organisation	Coal Mines Provident Fund Organisation, Police Line, Dhanbad, Jharkhand	826001	1093.70
6	CBT EPF-05-B-DM	Standard Chartered Bank, CRESCENZO, Securities Services, 3rd Floor C-38/39 G-Block, BKC Bandra (East), Mumbai	400051	671.32
7	Oil And Natural Gas Corporation Limited Employees Contributory Provident Fund	Tel Bhawan, Dehradun	248003	605.00
8	CBT EPF-05-C-DM	Standard Chartered Bank, CRESCENZO, Securities Services, 3rd Floor C-38/39 G-Block, BKC Bandra (East), Mumbai	400051	562.07
9	State Bank Of India Employees Pension Fund	State Bank Of India, Securities Services Branch, Mumbai Main Branch Building 2nd Flr, Mumbai Samachar Marg, Fort, Mumbai	400001	386.30
10	Life Insurance Corporation Of India P & GS Fund	Investment Department, 6th Floor, West Wing, Central Office Yogakshema, Jeevan Bima Marg, Mumbai	400021	358.83

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

No corporate guarantees have been issued by IDBI Bank.

vi. Details of Certificate of Deposits as on June 30, 2014:

Sr.No.	**Maturity Date**	**Face Value (₹)**
1	03-Jul-14	500 00 00 000
2	07-Jul-14	175 00 00 000
3	11-Jul-14	10 00 00 000
4	14-Jul-14	115 00 00 000
5	15-Jul-14	625 00 00 000
6	17-Jul-14	75 00 00 000
7	22-Jul-14	100 00 00 000
8	25-Jul-14	1660 00 00 000
9	28-Jul-14	550 00 00 000

10	29-Jul-14	350 00 00 000
11	31-Jul-14	91 00 00 000
12	01-Aug-14	950 00 00 000
13	04-Aug-14	2700 08 00 000
14	08-Aug-14	400 00 00 000
15	12-Aug-14	100 00 00 000
16	13-Aug-14	18 00 00 000
17	14-Aug-14	650 00 00 000
18	19-Aug-14	250 00 00 000
19	20-Aug-14	105 00 00 000
20	21-Aug-14	492 00 00 000
21	22-Aug-14	450 00 00 000
22	25-Aug-14	850 00 00 000
23	26-Aug-14	330 10 00 000
24	27-Aug-14	110 00 00 000
25	28-Aug-14	132 00 00 000
26	01-Sep-14	85 00 00 000
27	02-Sep-14	360 50 00 000
28	04-Sep-14	629 52 00 000
29	05-Sep-14	50 00 00 000
30	08-Sep-14	187 00 00 000
31	09-Sep-14	145 00 00 000
32	10-Sep-14	260 00 00 000
33	11-Sep-14	130 00 00 000
34	15-Sep-14	189 00 00 000
35	17-Sep-14	50 00 00 000
36	18-Sep-14	100 01 00 000
37	21-Oct-14	30 00 00 000
38	24-Oct-14	5 00 00 000
39	30-Oct-14	201 50 00 000
40	03-Nov-14	18 00 00 000
41	10-Nov-14	12 50 00 000
42	11-Nov-14	20 00 00 000
43	13-Nov-14	30 01 00 000
44	12-Dec-14	100 00 00 000
45	19-Dec-14	5 00 00 000
46	07-Jan-15	500 00 00 000
47	08-Jan-15	614 60 00 000
48	09-Jan-15	31 50 00 000
49	12-Jan-15	120 00 00 000
50	13-Jan-15	62 01 00 000

51	19-Jan-15	80 00 00 000
52	20-Jan-15	100 00 00 000
53	21-Jan-15	25 00 00 000
54	22-Jan-15	147 00 00 000
55	27-Jan-15	163 50 00 000
56	29-Jan-15	50 00 00 000
57	30-Jan-15	350 00 00 000
58	02-Feb-15	150 00 00 000
59	03-Feb-15	255 00 00 000
60	05-Feb-15	536 00 00 000
61	06-Feb-15	30 00 00 000
62	09-Feb-15	425 00 00 000
63	10-Feb-15	230 00 00 000
64	11-Feb-15	50 00 00 000
65	12-Feb-15	60 00 00 000
66	13-Feb-15	455 00 00 000
67	16-Feb-15	146 00 00 000
68	17-Feb-15	122 00 00 000
69	18-Feb-15	338 00 00 000
70	20-Feb-15	325 00 00 000
71	23-Feb-15	45 00 00 000
72	24-Feb-15	139 00 00 000
73	26-Feb-15	261 00 00 000
74	02-Mar-15	100 00 00 000
75	03-Mar-15	100 00 00 000
76	05-Mar-15	566 00 00 000
77	09-Mar-15	682 00 00 000
78	10-Mar-15	50 00 00 000
79	24-Mar-15	32 00 00 000
	Grand Total	**21736 83 00 000**

vii. Details of rest of the borrowing (as on June 30, 2014) :

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

Sr No.	Lender / Paying Agent	Date of Agreement	Amount Drawn	Outstanding as on 30.06.2014	Last date of Repayment	Rate of Interest (%) p.a.
1	Borrowing 2 DL 69	14.12.2009	USD 225 mln	USD 125 mln	22.12.2014	3M Libor + 2.05
2	Borrowing - DL 79 Tr C (**SIDBI**)	16.08.2010	USD 17.27 mln	USD 17.27 mln	15.06.2024	6M Libor + 2.70

3	Borrowing - DL 93 Tr A (**SIDBI**)	24.12.2010	USD 8.58 mon	USD 8.58 mon	25.01.2025	6M Libor + 2.80
4	Borrowing - DL 93 Tr A (**SIDBI**)	27.12.2010	USD 0.22 mln	USD 0.21 mln	25.01.2025	6M Libor + 2.80
5	Bond Issuance (Through DIFC, Dubai Branch)	05.08.2010 (issue date)	USD 350 mln	USD 350 mln	05.02.2016	4.7500
6	Bond Issuance (Through DIFC, Dubai Branch)	26.09.2012 (issue date)	USD 500 mln	USD 500 mln	26.03.2018	4.3750
7	Bond Issuance (Through DIFC, Dubai Branch)			USD 490.32 mln	25.01.2019	3.75
8	Bond Issuance (Through DIFC, Dubai Branch)			USD 300 mln	25-Sep-19	5.00
9	Line of Credit (Through DIFC, Dubai Branch)			USD 300 mln	30-Sep-23	3.55

Total FC outstanding **(including HO & DIFC Branch)** as on June 30, 2014 is equivalent to **INR 12,584.96 crore**, converted at FEDAI closing rates for the month ended June 30, 2014.

viii. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Bank, in the past 5 years

Nil

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

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

H. Details of Promoters of the Bank:

i. Details of promoter holding in the Bank as on June 30, 2014:

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

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

a. Standalone

Statement of Profit & Loss:

(₹ in Cr.)

Particulars	**2013-2014 (Audited)**	**2012-2013 (Audited)**	**2011-2012 (Audited)**
INCOME			
Interest earned	26597.51	25064.30	23369.93
Other income	2978.76	3219.51	2112.18
Total Revenue	**29576.27**	**28283.81**	**25482.11**
EXPENDITURE			
Interest expended	20576.04	19691.19	18825.08
Operating Expenses	3318.84	3134.36	2607.45
Provisions & Contingencies	4559.99	3576.17	2017.97
Total Expenses	**28454.87**	**26401.72**	**23450.50**
PROFIT			
Net Profit for the year	1121.40	1882.08	2031.61
Profit brought forward	903.86	672.65	615.02
Total	**2025.26**	**2554.73**	**2646.63**
APPROPRIATIONS			
Transfer to Statutory Reserve	281.00	470.83	507.90
Transfer to Capital Reserve	9.32	191.82	17.05
Transfer to General Reserve	400.00	150.00	750.00
Transfer to Special Reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961	250.00	300.00	250.00
Proposed Dividend	44.10	466.46	191.76
Interim Dividend	116.29	0.00	196.92
Dividend on ESOPs	0.01	0.01	0.02
Dividend distribution tax	27.77	71.75	60.33
Balance carried over to balance sheet	896.77	903.86	672.64
TOTAL	**2025.26**	**2554.73**	**2646.63**
Earnings per Share (₹) (Face Value ₹10/share)			

Basic	8.00	14.70	20.58
Diluted	8.00	14.70	20.58

Statement of assets & liabilities:

(₹ in Cr.)

Particulars	**2013-2014**	**2012-2013**	**2011-2012**
	Audited	**Audited**	**Audited**
CAPITAL AND LIABILITIES			
Capital	1603.94	1332.75	1278.38
Reserves and surplus	22034.92	19902.51	18148.68
Employees' Stock Options (Grants) o/s	0.45	0.77	0.85
Minority Interest			
Deposits	235773.63	227116.47	210492.56
Borrowings	60146.29	65808.87	53477.64
Other liabilities and provisions	9437.40	8607.14	6918.22
TOTAL	**328996.63**	**322768.51**	**290316.33**
ASSETS			
Cash and balances with Reserve Bank of India	12711.11	10543.95	15090.21
Balances with banks and money at call and short notice	4106.80	7380.57	2967.44
Investments	103773.50	98800.93	83175.36
Advances	197686.00	196306.45	180572.30
Fixed Assets	2983.21	2925.29	3018.81
Other Assets	7736.01	6811.32	5492.21
TOTAL	**328996.63**	**322768.51**	**290316.33**
Contingent Liabilities	188202.72	180661.96	148920.09
Bills for collection	8337.95	7157.05	5277.33

Cash Flow Statement:

(₹ in Cr.)

Particulars	**2013-2014**	**2012-2013**	**2011-2012**
	(Audited)	**(Audited**	**(Audite**
A. Cash Flow from Operating Activities			
Net profit before tax and extra-ordinary items	**1741.14**	**2621.78**	**2629.70**
Adustments for non cash items ;			
(Profit) / Loss on sale of Fixed Assets (Net)	1.90	0.41	1.53
Depreciation (Net of Revaluation Reserve)	113.17	124.12	116.06
Provisions/Write off of Loans/ Investments and other provisions	3970.32	2847.25	1501.69
Profit/ (Loss) on revaluation of Investments	.99	(38.82)	32.64
	5827.52	5554.73	4281.62

Adjustments for (increase)/ decrease in Operating assets:			
Investments	(5171.51)	(15741.45)	(14980.10)
Advances	(4952.13)	(18233.59)	(25520.87)
Other Assets	(363.68)	(749.65)	(757.79)
Adjustments for (increase)/ decrease in Operating liabilities:			
Borrowings	(5662.58)	12331.23	4038.49
Deposits	8657.16	16623.91	30006.77
Other liabilities and provisions	1146.74	1199.04	865.07
Refund/ (payment) of taxes	(1487.51)	(1330.25)	(1042.79)
Net Cash used in/generated from Operating	(2005.99)	(346.03)	(3109.60)
B. **Cash Flow from Investing Activities**			
Purchase (net of sale) of fixed assets	(222.93)	(122.16)	(159.17)
Net cash used in / raised from Investing	(222.93)	(122.16)	(159.17)
C. **Cash Flow from Financing Activities**			
Issue of Equity Shares	1800.28	555.47	1189.11
Dividend and dividend tax paid	(677.98)	(220.42)	(628.76)
Net cash used in/ raised from financial activities	1122.30	335.05	560.35
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS	(1106.61)	(133.13)	(2708.42)
OPENING CASH & CASH EQUIVALENTS	17924.52	18057.65	20766.07
CLOSING CASH & CASH EQUIVALENTS	16817.91	17924.52	18057.65
Note to Cash Flow Statement			
Cash and Cash equivalents included in the cash flow statement comprise the following balance Sheet items :	12711.11	10543.95	15090.21
Cash & Balances with Reserve Bank of India	4106.80	7380.57	2967.44
Total	16817.91	17924.52	18057.65

b. <u>Consolidated</u>

Statement of Profit & Loss:

(₹ in Cr.)

Particulars	**2013-2014 (Audited)**	**2012-2013 (Audited)**	**2011-2012 (Audited)**
INCOME			
Interest earned	26608.14	25075.66	23389.06
Other income	3112.11	3333.96	2196.50
Total Revenue	**29720.25**	**28409.62**	**25585.56**
EXPENDITURE			
Interest expended	20558.15	19674.11	18818.07

Operating Expenses	3387.80	3211.97	2711.18
Provisions & Contingencies	4608.10	3617.25	2043.19
Total Expenses	**28554.05**	**26503.33**	**23572.44**
PROFIT			
Net Profit for the year	1166.20	1906.29	2013.12
Less : Share of Loss in Associate	0	4.49	0
Less : Minority Interest	14.46	12.90	10.62
Group Profit	1151.74	1888.90	2002.50
Profit brought forward	547.79	325.50	306.36
Total	**1699.53**	**2214.40**	**2308.86**
APPROPRIATIONS			
Transfer to Statutory Reserve	281.00	470.83	507.90
Transfer to Capital Reserve	9.32	191.82	17.05
Transfer to General Reserve	402.75	161.56	753.48
Transfer to Special Reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961	250.00	300.00	250.00
Proposed Dividend	44.11	466.46	193.12
Interim Dividend	116.29	0	198.29
Dividend on ESOPs	0.01	0	0.02
Dividend distribution tax	31.23	75.94	63.50
Balance carried over to balance sheet	564.82	547.79	325.50
TOTAL	**1699.53**	**2214.40**	**2308.86**
Earnings per Share (₹) (Face Value ₹10/share)			
Basic	8.22	14.75	20.29
Diluted	8.22	14.75	20.29

Statement of Assets & Liabilities:

(₹ in Cr.)

Particulars	**2013-2014**	**2012-2013**	**2011-2012**
	Audited	**Audited**	**Audited**
CAPITAL AND LIABILITIES			
Capital	1603.94	1332.75	1278.38
Reserves and surplus	22027.80	19868.51	18111.96
Employees' Stock Options (Grants) Outstanding	0.45	0.77	0.85
Minority Interest	43.64	36.39	29.85
Deposits	235572.84	226889.98	210244.17
Borrowings	60146.29	65808.87	53477.64

Other liabilities and provisions	9563.27	8728.93	7032.93
TOTAL	**328958.23**	**322666.20**	**290175.78**
ASSETS			
Cash and balances with Reserve Bank of India	12714.61	10548.65	15094.32
Balances with banks and money at call and short notice	4134.24	7411.12	2957.71
Investments	103419.09	98432.91	82829.28
Advances	197686.00	196306.45	180572.30
Fixed Assets	2999.52	2945.55	3042.83
Other Assets	8004.77	7021.52	5679.34
TOTAL	**328958.23**	**322666.20**	**290175.78**
Contingent Liabilities	188203.70	180683.52	148934.35
Bills for collection	8337.95	7157.05	5277.33

Cash Flow Statement:

(₹ in Cr.)

Particulars	**2013-2014 (Audited)**	**2012-2013 (Audited)**	**2011-2012 (Audited)**
D. Cash Flow from Operating Activities			
Net profit before tax and extra-ordinary items	**1819.29**	**2670.41**	**2633.55**
Adustments for non cash items ;			
(Profit) / Loss on sale of Fixed Assets (Net)	2.02	0.51	(2.37)
Transfer to General Reserve (fair value adjustment)	0	.09	
Depreciation (Net of Revaluation Reserve)	116.60	128.34	120.42
Provisions/Write off of Loans/ Investments and other provisions	3977.90	2873.31	1504.56
Profit/ (Loss) on revaluation of Investments	(7.49)	(37.75)	32.64
Adjustments for (increase)/ decrease in Operating assets:			
Investments	(5185.98)	(15739.23)	(14869.68)
Advances	(4944.96)	(18233.59)	(25520.87)
Other Assets	(408.41)	(745.30)	(673.08)
Adjustments for increase/(decrease) in Operating liabilities:			
Borrowings	(5662.58)	12331.23	4038.49
Deposits	8682.86	16645.81	29844.35
Other liabilities and provisions	1152.79	1201.21	714.85
Refund/ (payment) of taxes	(1540.10)	(1394.02)	(1067.75)
Net Cash used in/generated from Operating	(1998.06)	(298.97)	(3244.90)

E. **Cash Flow from Investing Activities**			
Additional consideration for Acquisition of Subsidiary	0	0	(17.37)
Purchase (net of sale) of fixed assets	(222.54)	(122.71)	(159.59)
Net cash used in / raised from Investing activities	(222.54)	(122.71)	(176.96)
F. **Cash Flow from Financing Activities**			
Issue of Equity Shares	1800.28	555.47	1189.11
Dividend and dividend tax paid	(690.62)	(226.06)	(632.62)
Net cash used in/ raised from financial activities	1109.67	329.41	556.49
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS	(1110.93)	(92.26)	(2865.36)
OPENING CASH & CASH EQUIVALENTS	17959.77	18052.03	20916.98
Cash and Cash Equivalents transferred from : ITSL, pursuant to acquisition	0	0	0.42
CLOSING CASH & CASH EQUIVALENTS	16848.84	17959.77	18052.03
Note to Cash Flow Statement			
Cash and Cash equivalents included in the cash flow statement comprise the following balance Sheet			
Cash & Balances with Reserve Bank of India	12714.61	10548.65	15094.32
Balances with banks & money at call and short	4134.23	7411.12	2957.71
Total	16848.84	17959.77	18052.03

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

(₹ in Crore)

	Profit before Tax	**Profit after Tax**
FY 2011-12	2629.70	2031.60
FY 2012-13	2621.78	1882.08
FY 2013-14	1741.13	1121.40

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

	Dividend Declared (₹ in Crore)	**Interest coverage ratio**
FY 2011-12	383.68	1.20
FY 2012-13	466.47	1.24
FY 2013-14	160.40	1.25

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

Not applicable

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

None

L. Name of the Bond Trustee:

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

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

Please refer to Annexure I to the Offer Document

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

Not Applicable

O. **Consent letter from the Debenture Trustee**

Please refer to Annexure II.

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

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

Designated Stock Exchange – NSE

Q. **Other details:**

i. DRR creation:

As per the Department of Company Affairs General Circular No. 9/2002 No. LL I 02 2012-cl-v (A) dated February 11, 2013 and Companies Act 2013, “no DRR is required for debentures issued by All India Financial Institutions (AIFIs) regulated by RBI and banking companies for both public as well as privately placed debentures”. We will, therefore, not be maintaining debenture redemption reserve in respect of the Bonds issued herein and the Bondholders may find it difficult to enforce their interests in the event of a default.

ii. Issue/instrument specific regulation:

The Issue is made in accordance with Form PAS-4 prescribed under Section 42 of Companies Act, 2013 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014; Securities and Exchange Board of India (Issue And Listing Of Debt Securities) Regulations, 2008, as amended vide Securities And Exchange Board Of India (Issue And Listing Of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012 & Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014 and RBI circular no.RBI/2014-15/127 DBOD.BP.BC.No.25/08.12.014/2014-15 dated July 15, 2014, on ”Issue of Long-Term Bonds by Banks – Financing of Infrastructure and Affordable Housing”

iii. Application process :

Investors are advised to comply with the following General Instructions:

1. **Instructions for filling in Application Forms**

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

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

2. Applications under Power of Attorney or by Authorized Representatives

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

3. PAN of the Applicant

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

4. Bank Account Details and RTGS/ NEFT particulars

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

5. Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint applications, all payments will be made out in favour of the first applicant.

All communications will be addressed to the applicant whose name appears first at the address stated in the Application Form.

6. Documents to be provided by investors

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

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

7. Terms of Payment

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

8. Payment Instructions

Payment may be made by way of RTGS **(IFSC code : IBKL0000796)**.

9. Submission of Completed Application Forms

Applications duly completed and accompanied by cheque/demand draft or remittance particulars of application money (by RTGS) must be lodged, while the issue under private placement of the bond is open, with Domestic Resources Department (DRD) at Head Office and/or select branches of IDBI Bank Ltd.

10. Acknowledgements

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

11. Basis of Allocation/ Allotment

The Issuer will decide the basis of allotment. The issuer reserves the right to reject any/all applications at its sole discretion, without assigning any reason whatsoever.

12. Interest in case of delay on Allotment/Despatch

IDBI Bank Ltd. agrees that

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

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

13. Deposit Insurance

The Bonds Shall not be eligible for deposit insurance.

14. Bondholder not a Shareholder

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

R. General Information :

Date of incorporation of the Bank : September 27, 2004

Corporate Identity : L65190MH2004GOI148838

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

IDBI CAPITAL MARKET SERVICES LTD.

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

ICMS's investment banking group provides services to a diverse group of corporations, financial institutions, investment funds and the Government. It provides strategic advice, helps corporates in arranging funds and raising capital, and also assists companies in distressed situations. During the fiscal year 2013-14 the capital market group successfully completed four offers for sale assignments on behalf the Department of Disinvestment and one small and medium enterprises issue. ICMS's institutional and mutual fund advisory group has advised various clients such as banks, institutions and corporates on entry/exit strategies based on returns, tax efficiency, time horizon of investments, in addition to the deployment of surplus funds to the amount of over ₹4212.75 crore during fiscal year-end 2013-14.

As of 31 March 2014 the total amount of debt securities under portfolio management stood at ₹3756.2 crore. The return on the invested debt securities during fiscal year 2014 was 8.93% for retirement funds where 10-year Government bonds averaged 8.35% (semi-annualised) and surplus funds averaged 9.55%. ICMS is also engaged in assisting various public sector units and corporates with their resource-raising programmes. The institutional debt capital group has raised resources for tax free bond issuance on behalf of the India Infrastructure Finance Company Limited, the Housing and Urban Development Corporation, Power Finance Corporation, the National Housing Bank, the National Highways Authority of India and the Rural Electrification Corporation Limited. Further a tax free bond investment of ₹705 crore has been mobilised during the fiscal year and the group raised ₹70 crore for Bank of India Tier II bond issue. [**A&O Note**: *Please provide missing information*]

ICMS paid a dividend of 10.00% for the year ended 31 March 2014.

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

Balance Sheet

	As on 31 March		
	2012	**2013**	**2014**
			(₹ in Crore)
Paid-up Capital	128.10	128.10	128.10
Reserves and Surplus	181.74	183.63	186.12
Current Liabilities	12.6.7	35.73	29.12

Total Liabilities	322.52	347.47	343.35
Non Current Assets	107.32	112.84	112.14
Current Assets	215.20	234.62	231.20
Total Assets	322.52	347.47	343.35

Profit and Loss Account

	For the year ended 31 March		
	2012	**2013**	**2014**
			(₹ in Crore)
Total Income	942.18	1,751.28	936.92
Total Expenditure	562.47	1,362.66	624.85
Profit/(loss) before tax	379.71	388.62	312.07
Profit/(loss) after tax	255.74	242.34	174.62

IDBI INTECH LIMITED

IDBI Intech Limited (**IIL**) was incorporated in March 2000, as a wholly owned subsidiary of the Bank to undertake the Bank's IT related activities. The major business activities of the company are IT services and the services provided by the National Contact Centre at the central business district Belapur and Hyderabad.

IIL has obtained ISO 9001 certification for its operations which helped the Bank to receive an ISO 27001 certificate for its data centre. IIL has also assisted the Bank with the launch of various value-added products for its customers, and has entered into an arrangement for the provision of end-to-end IT services to two wholly-owned subsidiaries of the Bank: IDBI Asset Management Company Limited and ICMS.

Intech handles all the IT services for the Bank.

In the fiscal year 2014, IIL has successfully implemented 222 projects of various size to complement the Bank's objectives among others to improve operational efficiency, reduce cost, increase reach to customer base and provide customers with better services through IT enabled services and alternate delivery channels.

Key initiatives undertaken by IIL during the last quarter ending March, 2014 include:

- adoption of the executive dashboard: "Region-Sol-wise Drill";
- adoption of the "MT 940 auto generation system";

- adoption of electronic financial messaging services in relation to bulk account verification;
- adoption of online tax fund collection by means of internet banking with respect to the union territory of Dadra Nagar and Haweli;
- implementation of the "H2H system" in relation to the National Payment Corporation of India.

IIL paid no dividend for the year ended 31 March 2014.

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

Balance Sheet

	As on 31 March		
	2012	**2013**	**2014**
			(₹ in Crore)
Paid-up Capital	13.12	131.28	131.28
Reserves and Surplus	12.66	156.42	163.24
Non Current Liabilities	0.08	0.07	–
Current Liabilities	25.17	25.73	2.92
Total Liabilities	51.04	54.58	32.37
Non Current Assets	22.76	27.62	19.31
Current Assets	28.27	26.96	13.06
Total Assets	51.04	54.58	32.37

Profit and Loss Account

	For the year ended 31 March		
	2012	**2013**	**2014**
			(₹ in Crore)
Total Income	185.44	184.58	78.71
Total Expenditure	180.60	180.26	75.83
Profit/(loss) before tax	4.83	4.32	2.88
Profit/(loss) after tax	3.98	2.99	0.68

IDBI ASSET MANAGEMENT LIMITED

IDBI Asset Management Limited (**IAML**) is a wholly owned subsidiary of the Bank. IAML was incorporated on 25 January 2010 to provide asset management services to IDBI Mutual Fund. IAML's mission is to promote financial inclusion by assisting the common man in making informed investment choices through mutual funds. As of 31 March 2014, IAML's paid up capital was ₹115 core (the Bank has contributed ₹75 crore and ICMS has contributed ₹40 crore). The year ended 31 March 2014 was the fourth year of operation for IAML.

In its fourth year of operation, IAML has successfully launched the IDBI Debt Opportunities Fund, (which is an open ended income scheme) and the IDBI Diversifed Equity Fund, (which is an open ended growth scheme along with 17 schemes under the IDBI FMP Series III and Series IV). For the quarter ending 31 March 2014, the average quarterly assets under IAML's management was ₹5,928.37 crore. IAML currently manages seven debt schemes, six equity schemes, one gold exchange traded fund, one gold fund, and 15 fixed maturity plans.

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

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

Balance Sheet

	As of 31 March		
	2012	**2013**	**2014**
			(₹ in Crore)
Paid-up Capital	75.00	90.00	115.00
Reserves and Surplus	(44.15)	(65.06)	(85.58)
Deferred Tax Liability	0.22	–	1.08
Long term Provisions	0.68	0.84	0.39
Current Liabilities	4.33	4.97	6.96
Total Liabilities	36.08	30.76	37.86
Non Current Assets	6.81	5.13	3.22
Deferred Tax Asset	–	0.62	–
Current Assets	29.27	25.01	34.64
Total Assets	36.08	30.76	37.86

Profit and Loss Account

	For the year ended 31 March		
	2012	2013	2014 (₹ in crore)
Total Income	10.51	14.66	20.75
Total Expenditure	29.38	36.41	39.57
Profit/(loss) before tax	(18.87)	(21.74)	(18.82)
Profit/(loss) after tax	(17.64)	(20.90)	(20.52)

IDBI MF TRUSTEE COMPANY LIMITED

IDBI MF Trustee Company Limited (**IMTCL**), a wholly owned subsidiary of the Bank, was incorporated on 25 January 2010 with paid up capital of ₹20 lakhs and authorised capital of ₹20 lakhs. IMTCL acts as the trustee of IDBI Mutual Fund. As required by the SEBI Mutual Fund Regulation 1996, the trustee ensures that all the activities of the Mutual Fund are within the regulatory frame work. The year ended 31 March 2014 was the fourth year of operation for IMTCL.

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

Balance Sheet

	As of 31 March		
	2012	2013	2014 (₹ in Crore)
Paid-up Capital	0.20	0.20	0.20
Reserves and Surplus	0.24	0.33	0.48
Deferred Tax Liability	0.04	0.20	0.03
Long term Provisions	0.48	0.73	0.71
Current Liabilities	0.00	0.00	0.25
Total Liabilities	0.48	0.73	0.46
Non Current Assets	0.48	0.73	0.71
Deferred Tax Asset	0.20	0.20	0.20
Current Assets	0.24	0.33	0.48
Total Assets	0.04	0.20	0.03

Profit and Loss Account

	For the year ended 31 March		
	2012	2013	2014
			(₹ in Crore)
Total Income	0.46	0.51	0.55
Total Expenditure	0.16	0.37	0.34
Profit/(loss) before tax	0.30	0.14	0.21
Profit/(loss) after tax	0.21	0.09	0.15

IDBI TRUSTEESHIP SERVICES LIMITED

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

ITSL paid an interim dividend of 155.00% for the year ended 31 March 2014 and final dividend of 70.00% for the year ended 31 March 2014.

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

Balance Sheet

	As on 31 March		
	2012	2013	2014
			(₹ in Crore)
Paid-up Capital	6.033	6.033	6.033
Reserves and Surplus	59.847	74.304	90.3
Non Current Liabilities	0.264	0.545	0.49
Current Liabilities	15.262	8.143	6.115
Total Liabilities	81.406	89.025	102.938
Non Current Assets	1.743	3.293	4.173
Current assets	79.663	85.732	98.765
Total assets	81.406	89.025	102.938

Profit and Loss Account

	For the year ended		
	2012	2013	2014
			(₹ in Crore)
Total Income	39.18	48.93	56.16
Total Expenditure	7.98	6.92	8.07
Profit/(loss) before tax	31.44	42.23	48.22
Profit/(loss) after tax	21.20	28.48	31.92

IDBI FEDERAL LIFE INSURANCE COMPANY LIMITED

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

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

The new product guidelines were declared in February 2013 and IDBI Federal Life saw this as an opportunity to improve its product portfolio to meet the changing needs of consumers. During the fiscal year 2013-14 the Company announced the launch of four new individual products catering to various life stage needs of customers. The Company also announced the launch of three new group plans. Further, the new products now offer a balanced mix of savings, growth of investments and financial protection. For example, a key feature attractive for Indian consumers, the "guaranteed returns" feature, was built into all the traditional plans. The Company's innovative product range, with unique trade-marked branding, is highly acclaimed in the industry and has been an important reason for its success.

IDBI Federal Life has a bancassurance partnership with the Bank and Federal Bank. IDBI Federal Life also distributes its products through its own network of agents. As of 31 March 2014, IDBI Federal Life's network comprised of 59 branches across the country, with 657 agency managers and agency leaders supporting the activities of approximately 10,343 agents.

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

Balance Sheet

	As on 31 March		
	2012	**2013**	**2014**
			(₹ in Crore)
Paid Up Capital	799.46	799.57	799.67
Credit/(Debit) fair value change account	-0.34	-0.07	1.10
Policy Liabilities	505.44	917.52	1415.89
Provision for Linked Liabilities	1660.15	1670.97	1635.85
Funds for Discontinued Liabilities	3.39	10.68	22.74
Funds for future appropriation			
Total Liabilities	2968.10	3398.66	3875.24
Investment	798.77	1194.77	1730.84
Assets held to cover Linked Liabilities	1663.54	1681.65	1658.58
Net Fixed Assets	17.28	13.70	10.42
Net Current Assets	56.14	85.43	132.41
Debit balance – in Profit and Loss account	432.36	423.11	342.99
Total Assets	2968.10	3398.66	3875.24

Profit and Loss Account

	For the year ended 31 March		
	2012	2013	2014
			(₹ in Crore)
Net Premium earned	731.16	798.00	817.72
Operating expenses*	188.50	193.11	189.16
Contribution from Shareholder account	122.42	96.68	42.51
Profit/(loss) after tax	(69.86)	9.24	80.12
Assets under Management	2528.58	2963.64	3508.85

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

T. Key Managerial Personnel

Sr.No.	Name, Designation, Age & Qualifications	Address	Associated with Issuer since
1)	Shri Mukkur Srinivasan Raghavan, Designation: CMD Age: 58, Qualification: B.Sc & Post Graduate Diploma in Mgmt and Financial Mgmt DIN : 05236790	CMD, IDBI Bank Limited, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai- 400005	July 5, 2013
2)	Shri Bal Krishan Batra, Designation: DMD, Age: 57 Qualification: B.Com, MBA, CAIIB, CFA DIN: 00015732	DMD, IDBI Bank Limited, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai- 400005	January 13, 2012
3)	Shri Melwyn Oswald Rego, Designation: DMD, Age: 54 Qualification: B.com., PGP on International Market, MBA DIN: 00292670	DMD, IDBI Bank Limited, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai- 400005	August 30, 2013
4)	Shri Pothukuchi Sitaram, Designation: CFO & ED, Age: 51 Qualification:B.Com., ACA	CFO, IDBI Bank Limited, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai- 400005	January 1, 2010
5)	Shri Pawan Agrawal, Designation: Company Secretary, Age: 51 Qualification: B.Com., ACS.	Company Secretary, IDBI Bank Limited, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai- 400005	May 18, 2011

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

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

(a) Interest of Promoters:

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

(b) Interest of Directors:

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

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

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

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

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

Elements of Remuneration of Chairman & Managing Director and Deputy Managing Directors			
Salary & Allowances (As per Govt. Orders)	FY 2013-14	FY 2012-13	FY 2011-12
	Shri M.S.Raghavan, CMD (w.e.f. July 5, 2013) - Pay ₹80,000/- p.m. and DA @ 90% ₹72,000/- Total ₹1, 52,000/-. Shri R. M. Malla, CMD (till May 31, 2013) - Pay ₹80,000/-	Shri R. M. Malla, CMD - Pay ₹80,000/- p.m. and DA @ 72% ₹57,600/- Total ₹1,37,600/-.	Shri R. M. Malla, CMD - Pay ₹80,000/- p.m. and DA @ 65% ₹52,000/- Total ₹1,32,000/-. Shri B.P. Singh, DMD - Pay

	p.m. and DA @ 72% ₹57,600/- Total ₹1,37,600 /-. Shri B.K. Batra, DMD - Pay ₹71,030/- p.m. and DA @ 90% ₹63,927/- Total ₹1, 34,957/-. Shri M.O.Rego, DMD (w.e.f. August 30, 2013) - Pay ₹65,000/- p.m. and DA @ 90% ₹58,500/- Total ₹1,23,500/-.	Shri B.K. Batra, DMD - Pay ₹68,960/- p.m. and DA @ 72% ₹49,651.20/- Total ₹1,18,611.20/-	₹68,960/- p.m. and DA @ 58% ₹39,997/- Total ₹1,08,957/-. Shri B.K. Batra, DMD - Pay ₹68,960/- p.m. and DA @ 58% ₹39,997/- Total ₹1,08,957/-.
Entertainment	Actual entertainment subject to ceiling of ₹6,000 p.a. (membership of club adjustable within the above ceiling) in respect of both CMD and DMDs.		
Housing	Rent-free furnished accommodation in respect of both CMD and DMDs.		
Conveyance (From FY 2013-14)	Entitled to free use of the Bank's car for official purpose.		
Leave Travel Concession	For self and family once in a block of 2 years for visiting any place in India as per entitled class as applicable for official tour in respect of both CMD and DMDs.		
Pension	Entitled to draw pension, if any, admissible in the career post (below board level) as per the rules and regulations of the Bank where the career post is held.		
Gratuity	At the rate of half month's pay for every completed year of service or more than 6 months of service as Chairman & Managing Director/Deputy Managing Directors.		
Performance-linked incentives / Stock option	FY 2013-14	FY 2012-13	FY 2011-12
	Nil	Performance linked Incentives for FY 2011-12 were paid as follows: (i) Shri R.M Malla (April 1, 2011 to March 31, 2012) - ₹7,00,000/- (ii) Shri B.P.Singh (April 1, 2011 to Jan 31, 2012) - ₹4,59,855/- (iii) Shri B K Batra (Jan 13, 2012 to March 31, 2012) - ₹1,18,690/-	Performance Linked Incentives for FY 2010-11 were paid as follows : (i) Shri R.M Malla (July 2010 to March 2011) - ₹5,10,160/- (ii) Shri Yogesh Agarwal (April to June 2010) – ₹1,26,560/- (iii) Shri B.P Singh (April 2010 to March 2011) - ₹5,50,000/-

Other Independent Directors were paid only the sitting fees for each Board / Committee Meeting attended by them @ ₹5,000/- per meeting (for Board, Executive Committee and Audit Committee Meetings) and ₹2,500/- per meeting (for other Committee Meetings of the Board) during FY 2011-12 & 2012-13 and @ ₹10,000/- per meeting (for Board, Executive Committee and Audit Committee Meetings) and ₹5,000/- per meeting (for other Committee Meetings of the Board) during FY 2013-14 onwards .Details of Sitting Fees paid to Independent Directors during last three Financial Years are as under:

FY 2013-14		FY 2012-13		FY 2011-12	
Name of the Independent Director	**Sitting fees paid for FY 2013-14(₹)**	**Name of the Independent Director**	**Sitting fees paid for FY 2012-13 (₹)**	**Name of the Independent Director**	**Sitting fees paid for FY 2011-12 (₹)**
Shri P.S. Shenoy	4,57,500	Shri P.S. Shenoy	1,55,000	ShriAnaljit Singh (upto 01.05.11)	Nil
Shri Subhash Tuli	2,50,000	Shri Subhash Tuli	1,70,000	Smt. Lila FirozPoonawalla (upto 01.08.11)	45,000
Shri S. Ravi	4,50,000	Shri S. Ravi (w.e.f. 02.07.2012)	1,25,000	Shri K. Narasimha Murthy (upto 17.08.11)	47,500
Shri Ninad Karpe	3,45,000	Shri Ninad Karpe (w.e.f. 02.07.2012)	1,02,500	Shri H. L. Zutshi (upto 17.08.11)	27,500
Shri Pankaj Vats	1,10,000	Shri B. S. Bisht (upto 07.07.12)	Nil	Shri Subhash Tuli	1,77,500
				Dr. B.S. Bisht	1,22,500
				Shri P.S. Shenoy (w.e.f 30.07.2011)	1,07,500

Apart from the remuneration to CMD and DMDs and sitting fees to Independent Directors, no other remuneration was paid to the Directors except the reimbursement of expenditure upon their travel, stay and transport by the Bank. The pecuniary relationship/ transactions of non-executive directors vis-à-vis the bank have been nil during the last three financial years.

iv. Related Party Transactions

a. Subsidiaries :

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

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

c. Key Management personnel of the Bank :
Shri R.M. Malla, Chairman & Managing Director (upto May 31, 2013)
Shri M.S.Raghavan, Chairman & Managing Director (w.e.f. July 05, 2013)
Shri Bal Krishan Batra, Deputy Managing Director
Shri Melwyn Rego, Deputy Managing Director (w.e.f. August 30, 2013)

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

e. Transactions/balances with related parties:

(₹ in '000s)

Particulars	**Total**		
	2013-14	**2012-13**	**2011-12**
Deposits Received	7 43 78	3 99 65	18 68 34
Other Liabilities/ Deposits O/s	32 13 43	35 23 72	7103 77
Maximum amount of deposits outstanding during the year	36 57 74	35 34 77	7158 98
Investments	384 00 00	384 05 00	384 00 00
Advances given	-	-	7 40
Advances outstanding	18 29	22 98	24 46
Maximum amount of advance due during the year	22 98	24 68	24 55
Interest paid on advances	2 11	2 35	39
Interest accrued on advances	-	14	16
Interest on Deposits	3 39 10	3 62 97	4 35 86
Remuneration	60 49	36 95	53 31
Other income	45 84 52	45 35 24	31 09 65
Share of profit/-loss during the year	38 45 64	517	33 53 36

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

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

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

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

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

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

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

2) <u>Issues inherited from erstwhile United Western Bank Ltd.(eUWB) since merged with IDBI Bank Ltd.(formerly Industrial Development Bank of India Ltd.)</u>

On 13.12.2004, eUWB received a Show Cause Notice (SCN) from SEBI with respect to its Vile Parle Branch proposing the issuance of a warning for the alleged violation of SEBI (Bankers to Issue) Regulations, 1994. The violation occurred in the course of the public issue of M/s. Anik Ship Breaking Company Ltd and consisted of the alleged debiting of certain stockinvests into an account other than to the specific deposit a/c indicated in the stockinvests. The said SCN has been duly replied on 30.12.2004 and eUWB had sought exoneration on the grounds that the account to which the stock invests were debited were related to the deposit account, which was indicated and there was no mala-fide intention on the part of eUWB. SEBI on 25.05.2009 passed final order advising IDBI Bank to be careful and cautious in the conduct of its business as a banker to an issue and adhere to and comply with all relevant statutory provisions while carrying out intermediation activities in the securities markets.

3) <u>RBI related:</u>

(a) During FY 2005-06, Reserve Bank of India levied a penalty of ₹5 lakh for non-adherence to KYC norms.

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

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

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

4) SEBI Related

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

However SEBI alleged that the Bank had violated the aforesaid regulation as the disclosures were received by BSE & NSE on 27-4-10, while KSE claimed that it had not received any disclosure notice. IDBI Bank furnished copies of the disclosure notices dated April 23, 2010 addressed to the above mentioned addressees alongwith proof of delivery (PoDs) evidencing handing over the notices to the courier agency, which provided reasonable grounds to believe that IDBI Bank had disclosed the acquisition of the company's shares to the stock exchanges within stipulated period. However, SEBI has considered that there has been a delay by one day in receipt of the disclosure notices by BSE & NSE and has imposed a penalty of ₹2 lakh vide its order dated February 26, 2014 on IDBI Bank in the matter.

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

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

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

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

c) A borrower was sanctioned ₹55.00 crore limit in March 2012. It was observed that the company was selling goods to the overseas customers despite of having not received the amount and further added new clients based on the recommendation of a single party, who apparently owns controlling stake in most of the company/ firms. The Main Promoters action in dealing with the affairs of the company has not been to the satisfaction of the Lenders. Necessary action in terms of the regulatory guidelines is being followed for recovery of the amount.

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

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

IV. ISSUE DETAILS :

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

August 6, 2014

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

September 2, 2014

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

IDBI Omni Infrastructure Long Term Bonds : Unsecured, redeemable, unsubordinated non-convertible bonds in dematerialized form made in compliance with the applicable regulations specified by SEBI, provisions of the Companies Act, 2013 and the Rules prescribed there under and other applicable laws and RBI guidelines. Further as per extant RBI Guideline the Banks cannot grant advances against security of these Bonds.

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

₹1,000,000 per Bond to be offered at par, with no premium

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

Not applicable, as the Bonds being offered are unsecured

vi. Amount intended to be raised :

Issue of Senior Unsecured Redeemable Long Term Bonds aggregating to ₹1,000 crore through Private Placement

vii. Terms of raising securities:

IDBI Omni Infrastructure Bonds : Unsecured, redeemable, unsubordinated non-convertible bonds in dematerialized form governed by the Industrial Development Bank of India Ltd. (Issue and Management of Bonds) Rules, 2004. The Bonds shall range pari passu alongwith other uninsured, unsecured creditors of the Bank. These Bonds will range superior to all the existing and future unsecured subordinated borrowings of the Bank.

Maturity period

The minimum maturity period of the bonds shall be 7 years.

Rate of Interest

The Bonds may be issued with a fixed or floating rate of interest. Floating rate of interest shall be referenced to a suitable benchmark rate as may be decided by IDBI Bank Ltd.

Computation of interest

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

Effect of Holidays

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

Record Date

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

Shut Period

There shall be no shut period during which trades/ transfers of the Bonds will be restricted/ prohibited in respect of payment of its interest. However, for Redemption and exercise of Call Option (if applicable), trades/ transfers of the bonds will remain suspended after the Record Date as mentioned above.

Payment of interest

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

Redemption of Bond

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

Depository Arrangement

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

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

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

Procedure for allotment of Bonds in Demat form

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

2. For allotment of Bonds in dematerialized form, the beneficiary account number and depository participants ID shall be specified correctly in the relevant columns of the Application Form. If incomplete/incorrect Beneficiary Account Details are given in the Application Form

which do not match with the details in the Depository system, the allotment of Bonds shall be kept in abeyance till such time satisfactory demat account details are provided by the investor.

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

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

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

Common form of transfer

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

Tax Deduction at Source

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

Transfer of Bonds before maturity

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

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

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

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

Taxability of Interest income from the Bonds

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

Issue of duplicate redemption/interest warrant(s)

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

Amendment of the Terms of the Bonds

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

Right to Purchase/ Reissue Bond(s)

The Bank may purchase the Bonds in the open market, through market makers or otherwise. Such Bonds may be cancelled (extinguished), held, resold or reissued to any person at the discretion of the Bank. Where the Bank purchases Bonds, it shall have and shall be deemed always to have had the right to keep such Bonds alive for the purposes of resale or reissue and in exercising such right, the Bank shall have and deemed always to have had the power to resell or reissue the same Bonds or by issuing other Bonds in lieu thereof.

Future Borrowings / Issues

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

Notices

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

Register of Bondholders

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

Registrars :

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

Karvy Computershare Pvt. Ltd.
Plot No.17-24, Vittal Rao Nagar,
Madhapur, Hyderabad – 500081
Tel: 040-23420818, Fax: 040-23420814
Email: einward.ris@karvy.com

Investor Relations and Grievance Redressal

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

Undertakings from the Issuer

The Bank hereby undertakes that

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

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

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

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

The time schedule for the offer is as follows :

Issue opening date : September 8, 2014

Issue closing date : September 12, 2014

ix. Purposes and objects of the offer:

Enhancing long term resources for funding infrastructure and affordable housing.

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

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

xi. Principle terms of assets charged as security:

Not applicable as the Bonds issued are unsecured.

xii. Appointment of Bond Trustee.

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

xiii. Events of Default

Default made by the Bank in making the payment of any principal and / or interest due on the Bonds or any of them on the due date and any other event of default as may be agreed between the Bank and the Trustee and incorporated in the Trust Deed and such default has not been waived by the Trustee, then a "Default" shall be deemed to have occurred.

Consequences in case of events of default:

If one or more of the events specified herein happen(s), the Trustees may, in their discretion, and shall, upon request in writing of the holders of the Bonds of an amount representing not less than three-fourths in value of the nominal amount of the Bonds for the time being outstanding or by a Special Resolution duly passed at the meeting of the Bondholders held in accordance with the provisions set out in the Trust Deed, by a notice in writing to the Bank, initiate the following course of action:

a. Take up the matter regarding default with the Bank
b. Initiate necessary steps towards recovery of the dues in terms of SEBI / statutory/ regulatory guidelines.

xiv. Cash Flows for each bond of ₹10 lacs each with Coupon rate of 9.27% p.a. payable semi-annually :

Cash Flows	Date	Day	No. of days in Coupon Period	Amount (in ₹)
1st Coupon	12-03-2015	Thursday	181	45,969
2nd Coupon	12-09-2015	Saturday	184	46,731
3rd Coupon	12-03-2016	Saturday	182	46,097
4th Coupon	12-09-2016	Monday	184	46,603
5th Coupon	13-03-2017	Monday*	182	46,223
6th Coupon	12-09-2017	Tuesday	183	46,477
7th Coupon	12-03-2018	Monday	181	45,969
8th Coupon	12-09-2018	Wednesday	184	46,731
9th Coupon	12-03-2019	Tuesday	181	45,969
10th Coupon	12-09-2019	Thursday	184	46,731
11th Coupon	12-03-2020	Thursday	182	46,097
12th Coupon	12-09-2020	Saturday	184	46,603
13th Coupon	12-03-2021	Friday	181	45,969
14th Coupon	13-09-2021	Monday*	185	46,985
15th Coupon	12-03-2022	Saturday	180	45,715
16th Coupon	12-09-2022	Monday	184	46,731
17th Coupon	13-03-2023	Monday*	182	46,223
18th Coupon	12-09-2023	Tuesday	183	46,477
19th Coupon	12-03-2024	Tuesday	182	46,097
20th Coupon	12-09-2024	Thursday	184	46,603
Principal	12-09-2024	Thursday		10,00,000
Total				**19,27,000**

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

Note : Any other holiday except Sunday has not been considered.

xv. Summary Term Sheet for the Issue of Unsecured Redeemable Non-Convertible Long Term Bonds in the nature of Debentures aggregating to ₹1,000 crore through Private Placement ;

Name of the Issue	IDBI Omni Infrastructure Bond 2014-15 Series I
Issuer	IDBI Bank Ltd.
Type of instrument	Unsecured Redeemable Non-Convertible Long Term Bonds in the nature of Debentures
Nature of Instrument	Unsecured
Seniority	Senior
Mode of Issue	Private Placement
Eligible Investors	The following categories of investors may apply for the Bonds, subject to applicable laws and subject to fulfilling their respective investment norms/ rules by submitting all the relevant documents along with the Application Form. 1. Financial Institutions registered under the applicable laws in India which are duly authorised to invest in Bonds; 2. Insurance/Investment Companies; 3. Provident, Gratuity, Pension and Superannuation Funds; 4. Mutual Funds; 5. HUFs, Companies, Bodies Corporate authorised to invest in bonds; 6. Trusts, Association of Persons, Societies registered under the applicable laws in India which are duly authorised to invest in bonds. 7. FIIs 8. Individuals including NRIs
Listing	The Bonds will be listed on the Wholesale Debt Market (WDM) segment of the National Stock Exchange of India Ltd. (“NSE”) and on the BSE Ltd. (“BSE”)
Credit Rating	“CRISIL AA+/Stable” by CRISIL “[ICRA]AA+/Negative” by ICRA “IND AA+/Stable” by FITCH
Issue Size	₹1,000 crore
Option to retain oversubscription	Not applicable
Objects of the Issue	To enhance long term resources for funding infrastructure and affordable housing projects
Details of Utilisation of the proceeds	The funds raised by way of this issue will be utilized for on-lending/ investment in shares/debenture including lending to infrastructure projects, affordable housing, debt servicing and such other activities as may be permitted under the Memorandum and Articles of Association.

Coupon Rate	9.27% p.a. payable semi-annually
Step-up/Step Down Coupon Rate	No Step Up and Step Down option
Coupon Payment Frequency	Semi-Annual
Coupon Payment Date	First interest payment March 12, 2015 and subsequently on September 12 and March 12 every year till maturity.
Coupon Type	Fixed
Coupon Reset Process	Not applicable
Day Count Basis	Actual/Actual
Interest on Application Money	Interest at the coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds for the period starting from and including the date of realization of application money in Issuer's Bank Account upto one day prior to the Deemed Date of Allotment
Default Interest Rate	As per the extant SEBI Guidelines
Tenor	10 years from the deemed date of allotment
Date of redemption	September 12, 2024
Redemption Amount	At par ₹10 lakhs per bond
Redemption Premium/ Discount	No premium / discount on redemption
Issue Price	At par ₹10 lakhs per bond
Discount at which security is issued and effective yield as a result of such discount	Nil
Put Option	None
Put Option Price	Not Applicable
Call Option	None
Call Option Price	Not Applicable
Put Notification Time	Not Applicable
Call Notification Time	Not applicable
Face Value	₹10,00,000 per bond
Minimum subscription	5 bonds and in multiples of 1 bond thereafter

Issue Timing 1. Issue Opening Date 2. Issue Closing Date 3. Pay-in Date 4. Deemed Date of Allotment	 September 8, 2014 September 12, 2014 Between September 8 to 12, 2014 September 12, 2014
Issuance mode	Only in dematerialized form
Trading mode	Only in dematerialized form
Settlement mode	RTGS Details: R 41 (Customer RTGS), A/C No.: 79637000010140 R 42 (Interbank RTGS) IFSC Code: IBKL0000796 Branch Name: DRD, IDBI Bank Ltd., Mumbai
Depository	NSDL & CDSL
Business Day Convention	'Business Day' shall be a day on which commercial banks are open for business in the city of Mumbai, Maharashtra. If the coupon payment date of the bond, falls on a Sunday or a holiday in Mumbai, the location of the Registered Office of the Bank, the coupon payment shall be made on the next working day. If the maturity date of the bond, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day.
Record Date	15 (fifteen) days prior to the due date/s of payment of interest/ redemption (both dates exclusive).
Security	The bonds are unsecured in nature
Transaction Documents	Issue subscription application form
Conditions Precedent to Disbursement	Interest / redemption proceeds will be paid by RTGS/ NEFT/ Pay Orders/ Demand Drafts to those bondholders whose names appear on the list of beneficial owners as per the Depository's record on the Record Date.
Condition subsequent to Disbursement	IDBI Bank will not be liable to pay any interest or compensation beyond the date of redemption of the Bonds.
Provisions related to Cross Default Clause	Not Applicable
Role and Responsibilities of Bond Trustee	The Bondholders shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustees may in their absolute discretion deem necessary or required to be done in the interest of the Bondholders.

	The Trustees will endeavor to protect the interest of the Bondholders, in the event of default in regard to timely payment of interest or repayment of principal by IDBI Bank Ltd. Any payment made by IDBI Bank Ltd. to the Trustees on behalf of the Bondholders shall discharge IDBI Bank Ltd. pro tanto to the Bondholders. No Bondholder shall be entitled to proceed directly against the Bank unless the Trustees, having become so bound to proceed, fail to do so. The Trustee shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustee by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustee.
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of district courts of Mumbai, Maharashtra.
Trustee	SBICAP Trustee Company Ltd.
Registrar	Karvy Computershare Pvt. Ltd.
Arranger to the Issue	IDBI Capital Market Services Ltd.

SOLE ARRANGER TO THE ISSUE

IDBI Capital Market Services Ltd.
3rd Floor, Mafatlal Centre
Nariman Point
Mumbai – 400 021
Tel. : 91-22- 4322 1212
Fax : 91-22- 2285 0785

V. DECLARATION:

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

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

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

I am authorized by the Board of Directors of the Bank vide resolution dated August 6, 2014 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

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

(M. A. Kulkarni)

General Manager

Date : September 04, 2014

Place: Mumbai

Attachments:-

Copy of board resolution

Copy of shareholders resolution