PUNJAB & SIND BANK

*Punjab & Sind Bank (the "**Bank**", "**Issuer**" or "**Punjab & Sind Bank**") was incorporated on June 24, 1908, as 'The Punjab & Sind Bank Limited'. Subsequently, on April 15, 1980, our Bank was nationalized under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 as amended ("**Banking Companies Act**") and accordingly, the name of our Bank was changed to Punjab & Sind Bank. For further details with respect to constitution of our Bank, see "General Information" on page 290.*

Head Office: 21, Rajendra Place, New Delhi-110008**; Corporate office:** NBCC Office Complex, Block 3, East Kidwai Nagar, New Delhi – 110023, India.
Telephone: +91 011-40175169; **Website:** https://punjabandsindbank.co.in/ ; **Email:** complianceofficer@psb.co.in.

Our Bank is issuing [●] equity shares of face value ₹ 10 each (the "**Equity Shares**") at a price of [●] per Equity Share, including a premium of ₹ [●] per Equity Share (the "**Issue Price**"), aggregating up to ₹ [●] crore (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 29

THE ISSUE IS BEING UNDERTAKEN IN ACCORDANCE WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "ICDR REGULATIONS"), THE BANKING COMPANIES (ACQUISITION AND TRANSFER OF UNDERTAKINGS) ACT, 1980 READ WITH THE BANKING REGULATION ACT, 1949 AND THE NATIONALISED BANKS (MANAGEMENT AND MISCELLANEOUS PROVISIONS) SCHEME, 1980 AND PUNJAB & SIND BANK (SHARES & MEETINGS) REGULATIONS, 2008, AS AMENDED (THE "PUNJAB & SIND BANK REGULATIONS")

THIS ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED UNDER REGULATION 2(1)(ss) OF THE ICDR REGULATIONS ("QIBs") IN RELIANCE UPON CHAPTER VI OF THE ICDR REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QIBs, AS DEFINED IN THE ICDR REGULATIONS.

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

INVESTMENTS IN EQUITY SHARES INVOLVE A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THIS ISSUE UNLESS THEY ARE PREPARED TO THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "RISK FACTORS" ON PAGE 42 BEFORE MAKING AN INVESTMENT DECISION IN THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES TO IT OF AN INVESTMENT IN THE EQUITY SHARES PROPOSED TO BE ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND THE BANK. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

Invitations for subscription, offers and allotment of the Equity Shares shall only be made pursuant to this Preliminary Placement Document, the Placement Document, the Application Form (as defined hereinafter) and the Confirmation of Allocation Note (as defined hereinafter). For further details, see "*Issue Procedure*" on page 239. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of the Bank to any person, other than QIBs and persons retained by QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document. See *"Issue Procedure"* on page 239.

The information on the Bank's website or any website directly or indirectly linked to the Bank's website does not form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, such websites for their investment in this Issue.

The Equity Shares of the Bank are listed on BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") (BSE and NSE collectively the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE on March 21, 2025 was ₹ 43.39 and ₹ 43.43 per Equity Share, respectively. In-principle approvals under regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") for listing of the Equity Shares have been received from BSE and NSE on March 24, 2025. Applications to the Stock Exchanges will be made for the listing of the Equity Shares offered through this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of the business of the Bank or the Equity Shares.

A copy of this Preliminary Placement Document has been delivered to the Stock Exchanges and the copy of the Placement Document will be delivered to the Stock Exchanges. This Preliminary Placement Document has not been and will not be registered as a prospectus with any Registrar of Companies ("**RoC**") in India, and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. This Preliminary Placement Document and the Placement Document will not be registered as a private placement offer letter with any RoC in India. This Preliminary Placement Document has not been reviewed by SEBI, Reserve Bank of India ("**RBI**"), the Stock Exchanges or any other regulatory or listing authority and is intended only for use by the QIBs.

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

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirement of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in "offshore transaction" as defined in and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, please see "*Selling Restrictions*" on page 255 Also see, "*Transfer Restrictions*" on page 264 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

This Preliminary Placement Document is dated March 24, 2025.

BOOK RUNNING LEAD MANAGERS

IDBI Capital Markets & Securities Limited	**BNP Paribas**	**Equirus Capital Private Limited**

The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under chapter VI of ICDR Regulations on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. It is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be issued through the Placement Document.

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NOTICE TO INVESTORS

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

The information contained in this Preliminary Placement Document has been provided by our Bank and other sources identified herein. Distribution of this Preliminary Placement Document to any person other than the investor specified by the Book Running Lead Managers or their representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of our Bank, is prohibited. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

IDBI Capital Markets & Securities Limited, BNP Paribas, Equirus Capital Private Limited (collectively, the "**Book Running Lead Managers**" or the "**BRLMs**") have not separately verified the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Managers, nor any of their shareholders, employees, counsel, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers or their shareholders, employees, counsels, officers, directors, representatives, agents or affiliates, as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with the Equity Shares or their distribution. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied either on the Book Running Lead Managers or on their shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Bank and the merits and risks involved in investing in the Equity Shares.

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

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

The subscribers and purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 3, 5, 255, and 264 respectively of this Preliminary Placement Document.

The subscribers of the Equity Shares offered in the Issue will be deemed to have made the representations, warranties, acknowledgments and agreements set forth in "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*", "*Transfer Restrictions*" and *Issue Procedure* on pages 3, 5, 255 and 264 respectively.

The distribution of this Preliminary Placement Document and the issuance of Equity Shares pursuant to this Issue may be restricted by law in certain jurisdictions. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by any one in any jurisdiction in which such offer or

solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Bank and the Book Running Lead Managers which would permit an issue of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any other Issue-related materials in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulations S and the applicable laws of the jurisdictions where those offers and sales are made. As such, any reproduction or distribution of this Preliminary Placement Document in the United States, in whole or in part, and any disclosure of its contents to any other person in the United States is prohibited. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "Selling Restrictions" on page 114.

The Equity Shares sold in the Issue are transferable only in accordance with the restrictions described in sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 255 and 264 respectively.

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

In making an investment decision, prospective investors must rely on their own examination of our Bank, and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Preliminary Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning this Issue. In addition, neither our Bank nor any of the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under applicable legal, investment or similar laws or regulations.

Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Bank under Indian law, including Chapter VI of the SEBI ICDR Regulations and is not prohibited by SEBI or any other regulatory, statutory or judicial authority from buying, selling or dealing in securities.

The information on our Bank's website, https://punjabandsindbank.co.in/ , or any website directly or indirectly linked to our Bank's website or to the website of the Book Running Lead Managers, does not constitute or form part of this Preliminary Placement Document. Prospective investors should not rely on the information contained in, or available through such websites.

This Preliminary Placement Document contains a summary of some terms of certain documents which are qualified in their entirety by the terms and conditions of those documents. All references herein to "you" or "your" is to the prospective investors in the Issue.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information relating to investors in certain other jurisdictions, please refer to the sections titled "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 255 and 264 respectively.

REPRESENTATIONS BY INVESTORS

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

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

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

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

c. if you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges (additional restrictions apply if you are within the United States and certain other jurisdictions), see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 255 and 264 respectively;

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

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

f. you are aware of the additional requirements that are applicable, as set forth under "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 255 and 264 respectively and you are permitted and have necessary capacity to acquire / subscribe to the Equity Shares under the laws of all relevant jurisdictions which apply to you and that you have fully observed such laws and obtained all such governmental and other consents in each case which may be required thereunder and complied with all necessary formalities and have obtained all necessary consents and approvals to enable you to commit to participation in this Issue and to perform your obligations in relation thereto (including, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

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

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

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

j. you understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) act, 1980 read with the banking regulation act, 1949 and the Nationalised banks (Management and Miscellaneous Provisions) scheme, 1980 and Punjab & Sind Bank (Shares & Meetings) Regulations, 2008, as amended and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

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

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

m. you have been provided a serially numbered copy of this Preliminary Placement Document and have read this Preliminary Placement Document in its entirety, including, in particular, "*Risk Factors*" on page 42

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

o. you are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 255 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" on page 255 and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;

p. You represent that you are not an affiliate of the Bank or the Book Running Lead Managers or a person acting on behalf of such affiliate;

q. You are outside the United States and are subscribing for the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdiction where those offers and sales are made;

r. You are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S). You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in the sections titled *"Selling Restrictions"* and *"Transfer Restrictions"* on pages 255and 264 respectively;

s. you understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Transfer Restrictions*" on page 264 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Transfer Restrictions*" on page 264 and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;

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

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

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

w. you are aware that in terms of sub-section (1) of Section 12B of Banking Regulation Act, 1949 and the Master Direction – Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023 issued by the RBI on January 16, 2023 read together with the Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies issued by the Reserve Bank of India on January 16, 2023, no person (along with his relatives, associate enterprises or persons acting in concert with) can acquire or hold 5% or more of the total paid-up share capital of our Bank, or be entitled to exercise 5% or more of the total voting rights of our Bank, without prior approval of the RBI. Accordingly, you hereby represent that your (direct or indirect) aggregate holding in the paid-up share capital of our Bank, whether beneficial or otherwise:

(i) after subscription to the Equity Shares in the Issue by you, your relatives, your associate enterprises or persons acting in concert with you, aggregated with any pre-Issue shareholding in the Bank of you, your relatives, your associate enterprises or persons acting in concert; or

(ii) after subscription to the Equity Shares in the Issue by you aggregated with any pre-Issue shareholding in our Bank of you, your relatives, your associate enterprises or persons acting in concert with you shall not amount to 5% or more of the total paid-up share capital of our Bank or would not entitle you to exercise 5% or more of the total voting rights of our Bank, except with the prior approval of the RBI;

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

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

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

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

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

cc. you are eligible to apply and hold Equity Shares so Allotted and together with any securities of our Bank held by you prior to the Issue. You further confirm that your holding upon the issue and allotment of the Equity Shares shall not exceed the level permissible as per any regulation applicable to you including, but not limited to the Banking Companies (Acquisition and Transfer of Undertakings) act, 1980 read with the banking regulation act, 1949, the event of your holding of the Equity Shares reaches any applicable limits as may be prescribed you will make the appropriate disclosures and obtain the necessary permissions in this regard from the relevant authorities/RBI;

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

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

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

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

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

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

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

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

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

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

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

nn. you are a sophisticated investor who is seeking to purchase the Equity Shares for your own investment and not with a view to distribution. In particular, you acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;you agree to indemnify and hold our Bank and the Book Running Lead Managers and their respective shareholders, directors, officers, employees, counsel, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgments and agreements made by you in this Preliminary Placement Document and the Placement Document. You agree that the indemnity set forth in this section shall survive the resale of the Equity Shares Allotted under the Issue by or on behalf of the managed accounts;

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

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

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

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

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

OFFSHORE DERIVATIVE INSTRUMENTS

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

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

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

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

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF STOCK EXCHANGES

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

The Stock Exchanges do not in any manner:

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

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

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

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

PRESENTATION OF FINANCIAL INFORMATION AND OTHER CONVENTIONS

Certain Conventions

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

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

Page Numbers

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

Currency and Units of Presentation

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

References to "lakhs" and "crores" in this Preliminary Placement Document are to the following:

1. one lakh represents ₹100,000 (one hundred thousand);
2. ten lakhs represents ₹1,000,000 (one million);
3. one crore represents ₹10,000,000 (ten million);
4. ten crores represents ₹100,000,000 (one hundred million); and
5. one hundred crores represents ₹1,000,000,000 (one thousand million or one billion).

Financial and Other Information

In this Preliminary Placement Document, we have included the following financial statements of our Bank prepared under Indian GAAP: (i) audited financial statements for Fiscal 2022 read along with the notes and auditors report thereto (the "**Fiscal 2022 Audited Financial Statements**"); (ii) audited financial statements for Fiscal 2023 read along with the notes and auditors report thereto (the "**Fiscal 2023 Audited Financial Statements**"); (iii) audited financial statements for Fiscal 2024 read along with the notes and auditors report thereto (the "**Fiscal 2024 Audited Financial Statements**" and collectively with Fiscal 2022 Audited Financial Statements and Fiscal 2023 Audited Financial Statements, the "**Audited Financial Statements**"), (iv) unaudited reviewed financial results of our Bank, which comprises of the balance sheet as of December 31, 2023 and the related profit & loss account for the Nine months period ended December 31, 2023 and selected explanatory notes thereon, subjected to a limited review, as filed with the Stock Exchanges on January 31, 2024 (the "**Unaudited December 2023 Financial Results**") and (v) unaudited reviewed financial results of our Bank, which comprises of the balance sheet as of December 31, 2024 and the related profit & loss account for the Nine months period ended December 31, 2024 and selected explanatory notes thereon, subjected to a limited review, as filed with the Stock Exchanges on January 15, 2025 (the "**Unaudited December 2024 Financial Results**" and collectively with Unaudited December 2023 Financial Results, the "**Reviewed Financial Results**").

The degree to which the financial information prepared in accordance with Indian GAAP will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

The Audited Financial Statements are prepared in accordance with Indian GAAP as applicable to banks, guidelines issued by the RBI from time to time, practices generally prevailing in the banking industry in India and the applicable standards on auditing. Our Bank prepares its financial statements in Rupees in accordance with

Indian GAAP which differ in certain important aspects from U.S. GAAP and other accounting principles and standards on auditing with which prospective investors may be familiar in other countries. We have not attempted to quantify the impact of U.S. GAAP on the financial data included in this Preliminary Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with the respective accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

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

Further, RBI advised banks to submit Proforma Ind AS Financial Statements (PIFS) on half yearly basis w.e.f. September 30, 2021 (earlier on quarterly basis starting from quarter ended June 30, 2018) as per the format / template provided in the mail.

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

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

Basis of Presentation

Unless otherwise stated, the Bank's financial information included in this Preliminary Placement Document (including the section titled "M*anagement's Discussion and Analysis of Financial Condition and Results of Operations*") are derived from our Audited and Reviewed Financial Statements. For more information on the Bank's financial information, see the Bank's standalone financial statements, which have been included in this Preliminary Placement Document.

Non-GAAP Financial Measures

The Bank uses a variety of financial and operational performance indicators to measure and analyze its operational performance from period to period, and to manage its business. The Bank's management also uses other information that may not be entirely financial in nature, including statistical and other comparative information commonly used within the Indian banking industry to evaluate our financial and operating performance. These key financial and operational performance indicators and ratios are defined along with a brief explanation in the sections, see "*Definitions and Abbreviations*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Select Statistical Information*" on pages 21, 83 and 114 respectively.

These financial and operational performance indicators are not defined under Indian GAAP and have limitations as analytical tools. As a result, they should not be considered in isolation from, or as substitutes for, an analysis of the Bank's historical financial performance, as reported and presented in its financial statements in accordance with Indian GAAP. While these financial and operational performance indicators may be used by other banks and financial institutions operating in the Indian banking industry, they may not be comparable to similar financial or performance indicators used by other banks or financial institutions. Other banks or financial institutions may use different financial or performance indicators or calculate these ratios differently, and similarly titled measures published by them may therefore not be comparable to those used by the Bank. For a reconciliation of the Bank's non-GAAP financial measures to Indian GAAP, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* on page 83

INDUSTRY AND MARKET DATA

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

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

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

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

FORWARD - LOOKING STATEMENTS

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

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

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

- Vulnerability to interest rate risk, and any volatility in interest rates could adversely affect our net interest margins, the value of our fixed income portfolio, income from treasury operations and our financial condition and results of operations.

- Inability to control or reduce the level of non-performing assets in our portfolio or any increase in our NPA portfolio;

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

- We are required to maintain minimum cash reserve ratio and statutory liquidity ratio in accordance with RBI guidelines, and any increase in these requirements could adversely affect our business.

- A major part of our Bank's branches are concentrated in northern states of India, making us vulnerable to risks associated with having geographically concentrated operations.

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

- We are subject to the directed lending requirements of the Reserve Bank of India, and any shortfall in meeting these requirements may be required to be invested in Government schemes that yield low returns, thereby impacting our profitability. We may also experience a higher level of non-performing assets in our directed lending portfolio, which could adversely impact the quality of our loan portfolio and our business.

- Our investment portfolio comprises largely of government securities that may limit our ability to deploy funds in higher yield investments.

- Non-compliance with RBI inspection/ observations may have a material adverse effect on our business, financial condition or results of operation

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

Condition and Results of Operations", "*Industry Overview*" and "*Our Business*" on pages 42, 83 and 147, 166 respectively.

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

ENFORCEMENT OF CIVIL LIABILITIES

Our Bank is a nationalised bank under The Banking Companies (Acquisition and Transfer of undertakings) Act, 1980. All of our Bank's Directors, key managerial personnel and members of senior management are residents of India and a substantial portion of the assets of our Bank are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Bank or such persons outside India, or to enforce judgments obtained against such parties in courts outside of India.

Recognition and enforcement of foreign judgments is provided for under Sections 13 and 44A of the Civil Procedure Code on a statutory basis. Section 13 of the Civil Procedure Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except:

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

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

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

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

EXCHANGE RATES INFORMATION

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

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹per US$), for the periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmarks India Private Limited (the "**FBIL**"), which are available on the website of the RBI and FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

(₹ per USD)

	Period end[^]	**Average**[1]	**High**[2]	**Low**[3]
Financial Year				
2024	83.37	82.79	83.40	81.65
2023	82.22	80.39	83.20	75.39
2022	75.81	74.51	76.92	72.48
Month ended				
February 2025	87.40	87.05	87.59	86.65
January 2025	86.64	86.27	86.64	85.71
December 2024	85.62	84.99	85.62	84.66
November 2024	84.50	84.36	84.50	84.11
October 2024	84.09	84.03	84.09	83.81
September 2024	83.79	83.81	83.98	83.49

(Source: www.rbi.org.in and www.fbil.org.in, as applicable)

(^) *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.*

(1) *Average of the official rate for each Working Day of the relevant period.*

(2) *Maximum of the official rate for each Working Day of the relevant period.*

(3) *Minimum of the official rate for each Working Day of the relevant period.*

***Notes**:*

- *If the exchange rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been disclosed.*
- *The exchange rates are rounded off to two decimal places.*

Although the Bank has translated selected Indian Rupee amounts in this Preliminary Placement Document into U.S. Dollar for convenience, this does not mean that the Indian Rupee amounts referred to could have been, or could be, converted to U.S. Dollar at any particular rate or, the rates stated above, or at all. There are certain restrictions on the conversion of Indian Rupee into U.S. Dollar

DEFINITIONS AND ABBREVIATIONS

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

Unless otherwise defined or the context otherwise indicates or requires, certain capitalized terms used in this Preliminary Placement Document have the meanings set forth below. Further any references to any statute or regulations or policies shall include amendments thereto, from time to time.

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

Notwithstanding the foregoing, terms used in "*Selected Financial Information*", "*Taxation*", "*Industry Overview*", "*Legal Proceedings*" and "*Financial Information*" on pages 114, 273 and 147, 291 respectively, shall have the meaning given to such terms in such sections.

Bank Related Terms

Term	Description
"Punjab & Sind Bank", "PSB", "the Bank", "We", "Us", "Our" and "the Issuer"	Punjab & Sind Bank, a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 having its head office at 21, Rajendra Place, New Delhi-110008 and corporate office at NBCC Office Complex, Block 3, East Kidwai Nagar, New Delhi - 110023
Audited Financial Statements	Collectively, the Fiscal 2022 Audited Financial Statements, Fiscal 2023 Audited Financial Statements and the Fiscal 2024 Audited Financial Statements
Board of Directors or Board	Board of Directors of our Bank and any Committee constituted thereof
Director(s)	The Director(s) of our Bank
Executive Director	Executive Director of our Bank
Equity Shares or Shares	The equity shares of our Bank of face of value ₹ 10 each
Equity Shareholder(s)	Equity Shareholders of our Bank
Financial Statements	Audited Financial Statements and the Reviewed Financial Results
Fiscal 2022 Audited Financial Statements	Audited financial statements read along with the notes thereto of our Bank prepared under Indian GAAP and the provisions of Banking Regulation Act, 1949 read with relevant guidelines and directions issued by the RBI, which comprises the statement of assets and liabilities, each of the statement of profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for Fiscal 2022
Fiscal 2023 Audited Financial Statements	Audited financial statements read along with the notes thereto of our Bank prepared under Indian GAAP and the provisions of Banking Regulation Act, 1949 read with relevant guidelines and directions issued by the RBI, which comprises the statement of assets and liabilities, each of the statement of profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for Fiscal 2023
Fiscal 2024 Audited Financial Statements	Audited financial statements read along with the notes thereto of our Bank prepared under Indian GAAP and the provisions of Banking Regulation Act, 1949 read with relevant guidelines and directions issued by the RBI, which comprises the statement of assets and liabilities, each of the statement of profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for Fiscal 2024

Term	Description
Head Office	21, Rajendra Place, New Delhi-110008
Key Managerial Personnel	Key management/ managerial personnel of our Bank as disclosed in "*Board of Directors and Senior Management*" on page 205
Managing Director and Chief Executive Officer	The Managing Director and Chief Executive Officer of our Bank.
Management Committee	Management Committee of our Bank and as disclosed in "*Board of Directors and Senior Management – Committees of our Board*" on page 205
Promoter	The President of India, acting through the Ministry of Finance, Government of India
RBI Nominee Director	Director nominated by the Central Government on the recommendation of the RBI under Section 9(3)(c) of the Banking Companies Act
Reviewed Financial Results	Collectively, the Unaudited December 2023 Financial Results and the Unaudited December 2024 Financial Results
Senior Management	Members of the senior management of our Bank as determined in accordance with the Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, and as disclosed in the section titled "*Board of Directors and Senior Management*" on page 205
Shareholders	The holder(s) of Equity Shares of our Bank, unless otherwise specified in the context thereof
Stock Exchanges	BSE Limited and National Stock Exchange of India Limited
Unaudited December 2023 Financial Results	Unaudited reviewed financial results of our Bank, which comprises of the balance sheet as of December 31, 2023 and the related profit & loss account for the nine-month period ended December 31, 2023 and selected explanatory notes thereon, subjected to a limited review, as filed with the Stock Exchanges on January 31, 2024
Unaudited December 2024 Financial Results	Unaudited reviewed financial results of our Bank, which comprises of the balance sheet as of December 31, 2024 and the related profit & loss account for the nine months period ended December 31, 2024 and selected explanatory notes thereon, subjected to a limited review, as filed with the Stock Exchanges on January 15, 2025

Issue Related Terms

Term	Description
Allocated or Allocation	The allocation of Equity Shares, by our Bank in consultation with the Book Running Lead Managers, following the determination of the Issue Price to successful Bidders on the basis of the Application Form submitted by them, and in compliance with Chapter VI of the SEBI ICDR Regulations and other applicable laws
Allot/ Allotment / Allotted	Unless the context otherwise requires, Issue and allotment of Equity Shares to successful Bidders pursuant to this Issue
Allottees	Eligible QIBs to whom the Equity Shares are Allotted pursuant to the Issue
Application Form	The form (including any revisions thereof) which will be submitted by an Eligible QIB for registering a Bid in this Issue during the Bid/ Issue Period
Bid	An indication of interest of a Bidder to subscribe for the Equity Shares in this Issue as provided in the Application Form (including all revisions and modifications thereto). The term "Bidding" shall be construed accordingly.
Bid Amount	With respect to each Bidder, the amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by such Bidder and payable by the Bidder in this Issue on submission of the Application Form
Bid/Issue Closing Date	Bid/Issue Closing Date [●], the date after which our Bank (or BRLMs on behalf of our Bank) shall cease acceptance of Application Forms and the Bid Amount.
Bid/Issue Opening Date	Bid/Issue Opening Date, March 24, 2025 the date on which our Bank (or the Book Running Lead Managers on behalf of our Bank) shall commence acceptance of the Application Forms and the Bid Amount
Bid/ Issue Period	Period between the Bid / Issue Opening Date and Bid / Issue Closing Date, inclusive of both dates, during which prospective Bidders can submit their Bids including any revision and/or modification thereof along with the Bid Amount.
Bidder	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form

Term	Description
Book Running Lead Managers / BRLMs	The book running lead managers to the Issue, in this case being IDBI Capital Markets & Securities Limited, BNP Paribas, Equirus Capital Private Limited
CAN or Confirmation of Allocation Note	Note or advice or intimation to successful Bidders confirming Allocation of Equity Shares to such successful Bidders after determination of the Issue Price and requesting payment for the entire applicable Issue Price for all Equity Shares Allocated to such successful Bidders
Closing Date	The date on which Allotment of the Equity Shares pursuant to this Issue shall be expected to be made, i.e., on or about [●].
Designated Date	The date of credit of Equity Shares to the Allottees' demat account, pursuant to the Issue, as applicable to the relevant Allottees
Eligible FPI	FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices
Eligible QIB(s)	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI Regulations which (i) is not restricted from participating in this Issue under the applicable laws, and (ii) is a resident of India or is an Eligible FPI participating through Schedule II of the FEMA Rules In addition, Eligible QIBs are qualified institutional buyers who are outside the United States, to whom Equity Shares are being offered in "offshore transactions" as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdiction where those offers are made.
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, to be opened in the name and style "**PSB QIP 2025 – Escrow Account**" with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Application Amount payable by the Bidders in connection with the subscription to the Equity Shares and for remitting refunds pursuant to this Issue shall be deposited
Escrow Agent/ Escrow Bank	Punjab & Sind Bank
Escrow Agreement	Agreement dated March 24, 2025, entered into amongst our Bank, the Escrow Bank and the Book Running Lead Managers for collection of the Bid amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	The floor price of ₹ 40.38 per Equity Share which has been calculated in accordance with Regulation 176 of Chapter VI of the SEBI ICDR Regulations. Our Bank may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations and in accordance with the approval of the shareholders of our Bank accorded through their resolution passed on May 31, 2024.
ICDR Regulations / SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
Issue	Issue of up to [●] Equity Shares of face value ₹ 10 each at a price of ₹ [●] per Equity Share, including a premium of ₹[●] per Equity Share, pursuant to this Preliminary Placement Document aggregating up to ₹[●] crore.
Issue Price	The price per Equity Share of ₹[●] including a premium of ₹[●] per Equity Share
Issue Proceeds	The gross proceeds of the Issue. For details, see "*Use of Proceeds*".
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	Minimum 10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds
Pay-in Date	The last date specified in the CAN for payment of application monies by the QIBs
Placement Agreement	The placement agreement, dated March 24 , 2025, among our Bank and the Book Running Lead Managers
Placement Document	The placement document to be issued by our Bank in accordance with Chapter VI of the ICDR Regulations
Preliminary Placement Document / PPD	This preliminary placement document cum Application Form dated March 24, 2025 issued by our Bank in accordance with Chapter VI of the ICDR Regulations

Term	Description
QIBs/ or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the ICDR Regulations
Refund Amount	The aggregate amount to be returned to the Bidders, who have not been Allocated Equity Shares for all or a part of the Bid Amount submitted by such Bidder pursuant to the Issue
Refund Intimation Letter	Letters from our Bank intimating the Bidders on the amount to be refunded, if any, either in part or whole, to their respective bank accounts.
Relevant Date	March 24 , 2025 which is the date of the meeting of the Board of Directors or any committee duly authorised by the Board of Directors decide to open the Issue
Statutory Auditors / Statutory Central Auditors	M/s S P Chopra & Co; M/s Gupta Sharma & Associates; M/s O P Totla & Co; M/s NBS & Co.
Stock Exchanges	BSE and NSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount (along with the Application Form) and who will be Allocated Equity Shares in the Issue
Wilful Defaulter or Fraudulent Borrower	An entity or person categorised as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Industry Related Terms

Term	Description
AI	Artificial Intelligence
BCBS	Basel Committee on Banking Supervision
CAR	Capital Adequacy Ratio
CASA	Current Account Savings Account
CBDC	Central Bank Digital Currency
CCB	Capital Conservation Buffer
CDs	Corporate Debtors
CET1	Common Equity Tier 1
CIRP	Corporate Insolvency Resolution Process
CPI	Consumer Price Index
CRAR	Capital to Risk Weighted Assets Ratio
CRR	Cash Reserve Ratio
DLG	Default Loss Guarantee
DPIIT	Department for Promotion of Industry and Internal Trade
D-SIBs	Domestic Systematically Important Banks
e₹	Digital Rupee
ECL	Estimated Credit Loss
ECLGS	Emergency Credit Line Guarantee Scheme
EMDE	Emerging Market and Developing Economy
EOM	Expenses of Management
EXIM	Export-Import Bank of India
FAE	First Advance Estimates
FBs	Foreign Banks
FDI	Foreign Direct Investment
FRRR	Fixed Rate Reverse Repo
FSR	Financial Stability Report
GDP	Gross Domestic Product
GNPA	Gross Non Performing Assets
GoI	Government of India
GSL	Government securities Lending
GVA	Gross Value Added

Term	Description
HFCs	Housing Finance Companies
HTM	Held to Maturity
IBC	Insolvency and Bankruptcy Code
ICRR	Incremental Cash Reserve Ratio
IFSC	India’s first International Financial Services Centre
IMF	International Monetary Fund
IMPS	Immediate Payment Service
IRDAI	Insurance Regulatory Development Authority of India
IRRBB	Interest Rate in Banking Book
LAF	Liquid Adjustment Facility
LSP	Lending Service Providers
Machine Learning	ML
MPC	Monetary Policy Committee
MPS	Minimum Public Shareholding
MSF	Marginal Standing Facility
NABARD	National Bank for Agriculture and Rural Development
NaBFID	National Bank for Financing Infrastructure and Development
NBFCs	Non-Banking Financial Companies
NDTL	Net demand and Time Liabilities
NEFT	National Electronic Funds Transfer
NII	Net Interest Income
NIM	Net Interest Income
NIM	Net Interest Margins
NNPA	Net Non Performing Assets
NPA	Non Performing Assets
NSFR	Net Stable Funding Ratio
OOI	Other Operating Income
PAT	Profit After Tax
PCR	Provisioning Coverage Ratio
PPIRP	Pre-Packaged Resolution Process
PSBs	Public Sector Banks
PSL	Priority Sector Lending
PVB	Private Sector Banks
RBI	Reserve Bank of India
RBIH	Reserve Bank Innovation Hub
REs	Regulated Entities
RIDF	Rural Infrastructure Development Fund
RoA	Return on Assets
RoE	Return on Equity
RRB	Regional Rural Banks
RTGS	Real Time Gross Settlement
RWA	Risk Weighted Assets
SBI	State Bank of India
SCBs	Scheduled Commercial Banks
SDF	Standing Deposit facility
SFB	Small Finance Banks
SFCs	State Financial Corporations
SIDBI	Small Industries Development Bank of India
SLR	Statutory Liquid Ratio
SMA	Special Mention Account
UPI	United Payment Interface
VARX	Vector Autoregression with Exogenous variables
WEO	World Economic Outlook

Conventional and General Terms / Abbreviations

Term	Description
ALCO	The Asset Liability Management Committee of our Bank
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
App	Mobile Application
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment year
Bank Acquisition Act	Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, as amended
Banking Regulation Act	The Banking Regulation Act, 1949, as amended
Banking Division	Government of India, Ministry of Finance, Department of Banking Services (Banking Division)
Banking Ombudsman Scheme	The Banking Ombudsman Scheme, 2006
Basel III	A global regulatory framework for more resilient banks and banking systems published by the Bank for International Settlements. RBI issued guidelines on the implementation of Basel III capital regulations in India on May 2, 2012 and revised as per notification issued by the RBI on March 27, 2014
BNSS	Bharatiya Nagarik Suraksha (Second) Sanhita, 2023
BSE	BSE Limited
Calendar Year	Year ending on December 31
CCIL	Clearing Corporation of India Limited
CDR	Corporate Debt Restructuring
CDR System	A joint forum of banks and financial institutions in India established in 2001 as an institutional mechanism for corporate debt restructuring
CDSL	Central Depository Services (India) Limited
CPIs	Consumer price indices
CESTAT	Central Excise and Service Tax Appellate Tribunal
Consolidated FDI Policy	The Consolidated FDI Policy notified by the DPIIT under DPIIT File Number 5(2)/2020- FDI Policy dated the October 15, 2020, effective from October 15, 2020
Depositories Act	The Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018.
Depository Participant	A depository participant as defined under the Depositories Act
DICGC	Deposit Insurance and Credit Guarantee Corporation of India
DIIPT	Department for Promotion of Industry and Internal Trade (Formerly known as Department of Industrial Policy & Promotion)
EaR	Earnings at Risk
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECB	External commercial borrowing
ECS	Electronic clearing service
EGM	Extraordinary general meeting
EPS	Earnings per share
FCCBs	Foreign currency convertible bonds
FCNR(B)	Foreign currency non-resident (bank)
FEDAI	Foreign Exchange Dealers' Association of India
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations promulgated there under and any amendments thereto
FEMA Rule	The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019
Financial Year / Fiscal / Fiscal Year / FY	Any period of twelve months ended March 31 of that particular year, unless otherwise stated
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
GAAP	Generally accepted accounting principles
GAAR	General Anti-Avoidance Rules
GDP	Gross domestic product

Term	Description
GIR	General index registrar
GoI/Government	Government of India, unless otherwise specified
GST	Goods and services tax
HFCs	Housing finance companies
HFT	Held for trading, the category of securities that are held principally for resale within a short period
HTM	Held to Maturity
HLAC	High Level Advisory Committee of the RBI
HNIs	High net worth individuals
HUF	Hindu undivided family
IBA	Indian Bank’s Association
IBC	Insolvency and Bankruptcy Code 2016
ICA	The Institute of Cost Accountants of India
ICAI	The Institute of Chartered Accountants of India
ICRA	ICRA Limited
IFRS	International Financial Reporting Standards of the International Accounting
IMF	International Monetary Fund
Ind-AS	Indian accounting standards converged with IFRS, as per the roadmap issued by the Ministry of Corporate Affairs, Government of India
Indian GAAP`	Indian GAAP Generally accepted accounting principles in India as applicable to Banks
Insolvency Code	The Bankruptcy and Insolvency Code, 2016
IPC	Indian Penal Code, 1860
ISE	Inspection for Supervisory Evaluation
MAT	Minimum alternate tax
MCA	The Ministry of Corporate Affairs, Government of India
MNC	Multinational corporation
MoF	Ministry of Finance
MSEs	Micro and small enterprises
NEAT	National Exchange for Automated Trading
NEFT	National electronic fund transfer
NCAF	New Capital Adequacy Framework
NPS	National Pension System
NRE	Non – resident (external)
NRI	Non – resident Indian
NRO	Non – resident Ordinary
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NABARD	National Bank for Agriculture and Rural Development
Nationalised Bank Scheme	The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1980 notified under section 9 of the Bank Acquisition Act
OFAC	Office of Foreign Assets Control of the U.S. Treasury Department
PAN	Permanent account number
PFRDA	Pension Fund Regulatory and Development Authority
PMLA	The Prevention of Money Laundering Act, 2002, as amended
Prudential Norms	Master Circular of RBI on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated April 02, 2024
PTC	Pass through certificate
RBI	Reserve Bank of India
RBI Dividend Circular	RBI Circular (RBI/2004-05/451DBOD.NO.BP.BC. 88 / 21.02.067 / 2004-05) dated May 4, 2005 on declaration of dividends by banks.
RBS	Risk Based Supervision
Regulation S	Regulation S under the U.S. Securities Act
Reserve Bank of India Act/ RBI Act	The Reserve Bank of India Act, 1943, as amended
ROA	Return on assets
RONW	Return on Net Worth
RWA	Risk weighted assets

Term	Description
SCBs	Scheduled commercial banks
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, as amended
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI Insider Trading	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations / Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SENSEX	An index of 30 constituent stocks traded on BSE representing a sample of large, liquid and representative companies
SPARC	Supervisory Programme for Assessment of Risk and Capital
Stock Exchanges	BSE and NSE
STT	Securities Transaction Tax
Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
TDS	Tax Deducted at Source
U.K.	United Kingdom
U.S. or U.S.A.	United States of America, its territories and its possessions and the District of Columbia
USD or US Dollar or U.S. Dollar	United States Dollar
U.S. GAAP	Generally accepted accounting principles followed in the United States
U.S. Securities Act	The U.S. Securities Act of 1933, as amended
USA/U.S. /United States	The United States of America
USD/U.S. $ /U.S. dollar	United States Dollar, the legal currency of the United States of America
VCF	Venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
VAT	Value Added Tax
WOS	Wholly owned subsidiaries
WPI	Wholesale price index
WTO	World Trade Organisation

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including under *"Risk Factors"*, *"Use of Proceeds"*, *"Placement and Lock Up"*, *"Issue Procedure"* and *"Description of Equity Shares"* on pages 42 , 80, 253 and 239 respectively.

Issuer	**Punjab & Sind Bank**
Issue Size	The issue of up to [●] Equity Shares at a price of ₹[●] per Equity Share, including a premium of ₹[●] per Equity Share, aggregating up to ₹ [●] crore. **A minimum of 10.00 % of the Issue Size i.e. at least [●] Equity Shares shall be available for Allocation to Mutual Funds only, and the balance [●] Equity Shares shall be available for Allocation to all QIBs, including Mutual Funds.** In case of under-subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allocated to other eligible QIBs.
Face value	₹ 10.00 per Equity Share.
Issue Price	₹ [●] per Equity Share.
Floor Price	The Floor Price for the Issue calculated in terms of Regulation 176 under Chapter VI of the SEBI ICDR Regulations is ₹ 40.38 per Equity Share with reference to March 24, 2025 as the Relevant Date. Our Bank may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations and in accordance with the approval of the shareholders of our Bank accorded through their resolution passed on May 31, 2024
Date of Board resolution authorizing the Issue	February 28, 2024
Date of Shareholders resolution authorizing the Issue	May 31, 2024
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to make a Bid and participate in the Issue. See "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 239, 255 and 264, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered has been determined by the Book Running Lead Managers, in consultation with our Bank, at their sole discretion
Equity Shares subscribed, issued, paid-up and outstanding immediately prior to the Issue	677,77,86,447 Equity Shares.
Equity Shares subscribed, issued, paid-up and outstanding immediately after the Issue	[●] Equity Shares.
Dividend	For more information see *"Description of Equity Shares"*, *"Dividend Policy"* and *"Taxation"* on pages 270, 82 and 273 respectively.
Indian Taxation	For more information, see *"Taxation"* on page 273
Issue Procedure	The Issue is being made only to Eligible QIBs to whom the application form and the Preliminary Placement Document is delivered in reliance upon Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 239
Listing	Our Bank has obtained in-principle approvals each dated March 24, 2025 for the listing of the Equity Shares in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, from BSE and NSE. Our Bank shall apply to

	BSE and NSE for the final listing and trading approvals, after the Allotment and after the credit of the Equity Shares to the respective beneficiary accounts of the successful Bidders maintained with a Depository Participant.
Transferability Restrictions	The Equity Shares being Allotted pursuant to this Issue cannot be sold for a period of one year from the date of Allotment, except if sold on the floor of the Stock Exchanges. For further details, see *"Selling Restrictions"* and *"Transfer Restrictions"* on pages 255 and 264 respectively.
Closing Date	The Allotment of the Equity Shares offered pursuant to the Issue is expected to be made on or about [●], 2025 (the "**Closing Date**").
Use of Proceeds	The gross proceeds of the Issue are expected to be approximately ₹ [●] crore. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹ [●] crore. For further details, see *"Use of Proceeds"* on page 80
Lock – up	See *"Placement and Lock up"* on page 253 for a description of restrictions on our Bank in relation to Equity Shares.
Risk Factors	For a discussion of certain risks in connection with an investment in the Equity Shares, see *"Risk Factors"* on page 42
Ranking of equity shares	The Equity Shares being issued shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividends. The shareholders will be entitled to participate in dividends and other corporate benefits, if any, declared by our Bank after the date of Issue. For details, see *"Description of the Equity Shares"* on page 270
Security codes for the Equity Shares	**ISIN:** INE608A01012 **BSE Code:** 533295 **NSE Symbol:** PSB

SUMMARY OF BUSINESS

We are a nationalized and scheduled public sector commercial bank in India, serving the banking needs of various customer segments with significant presence in the northern states of India. Incorporated in 1908 in Amritsar and nationalised along with six other banks in the year 1980, we have an operating history of over 116 years with the Government of India holding 98.25% of our equity share capital, as of December 31, 2024. As of December 31, 2024, our total business was ₹ 223,266.99 crore with a customer base of 1.64 crore.

Our Bank's principal banking and financial products and services include fund-based and non-fund-based facilities for corporate/ wholesale, retail, agriculture and MSMEs customers. We offer deposit products, foreign exchange products, fee and commission-based products and services, digital banking, government schemes and international banking products and services, and other banking products and services, such as the distribution of insurance products.

Our principal banking operations include:

- *Corporate banking*: Our corporate banking operations cater to the business needs of various companies, institutions and other enterprises in the public and private sector. Our corporate banking loans include fund based and non-fund based products, of which the fund based products consist of term loans as well as working capital facilities. We also offer trade loans, bridge financing and foreign currency loans. We also provide finance to corporates through syndication of loans.

- *Retail banking*: Our retail banking products include loans and deposit products targeted primarily at individuals (salaried, self-employed professionals and other self-employed individuals) to meet their personal financial requirements, such as housing, vehicle, education and other personal requirements.

- *MSME banking*: Our micro, small and medium enterprises ("**MSME**") banking products include term loans to entrepreneurs engaged in manufacturing and service activities as well as working capital loan.

- *Agricultural banking*: Our agricultural banking operations cater to farmers and agriculture-based entrepreneurs through various short, medium and/or long-term loan products.

In line with our strategy to focus on underbanked sectors, we have focused our business on the Retail, Agriculture and MSME ("**RAM**") sectors, which constituted 54.20% of our Bank's domestic advances as at December 31, 2024, and 51.73% of our Bank's domestic advances as at March 31, 2024. Our gross advances to Retail, Agriculture and MSME sectors as a percentage of our domestic gross advances are detailed below for the periods indicated.

(₹ crore, except percentages)

Particulars	As at and for the nine month period ended December 31, 2024		As at and for the nine month period ended December 31, 2023		As at and for the years ended March 31					
					2024		2023		2022	
	Amount (in crore)	Percentage* (%)	Amount (in crore)	Percentage* (%)	Amount (in crore)	Percentage* (%)	Amount (in crore)	Percentage* (%)	Amount (in crore)	Percentage* (%)
Retail	20,680.16	21.57%	15,305.16	18.32%	16,034.57	18.65%	13,946.59	17.21%	11,737.28	16.68%
Agriculture	12,897.05	13.45%	11,978.78	14.34%	12,523.73	14.57%	11,787.44	14.56%	10,933.87	15.53%
MSME	18,388.78	19.18%	15,716.99	18.81%	15,908.8	18.51%	14,856.83	18.35%	13,021.07	18.50%

**as % of gross advances.*

(₹ crore, except percentages)

Particulars	As at / For the nine month period ended December 31, 2024	As at / For the nine month period ended December 31, 2023	As at / For the years ended March 31,		
			2024	2023	2022
Total RAM	51,965.99	43,000.93	44,467.1	40,590.86	35,692.22

Particulars	As at / For the nine month period ended December 31, 2024	As at / For the nine month period ended December 31, 2023	As at / For the years ended March 31,		
			2024	2023	2022
Gross Advances	95,869.78	83,559.25	85,964.47	80,981.73	70,387.08
RAM as % of Gross Advances	54.20%	51.46%	51.73%	50.12%	50.71%

- *Deposits:* Our Bank's deposit services comprise demand deposits and term deposits. Current account deposits are designed to cater to the banking requirements of our corporate customers and individuals involved in commercial or business activities. Savings deposits are designed primarily for individuals and trusts. Term deposits include short deposits, fixed deposits, monthly income scheme and interest-bearing deposits and are designed primarily for individuals. As at December 31, 2024, our Bank had total deposits and a total asset base of ₹ 1,27,397.21 crore and ₹ 1,54,707.68 crore, respectively.

- *Digital Banking:* Our digital strategy is based on offering an omnichannel experience. Our banking solutions are complemented by its online and mobile banking solutions that enable us to provide our customers with access to on-demand banking services. Our Bank has been upgrading IT systems and technology to ensure integration between our existing infrastructure and our new digital banking products and set up robust information technology which enables anywhere anytime banking through alternate delivery channels. In January 2022, we launched our mobile banking application PSB UnIC. This omni channel digital banking solution is an open banking platform, which integrates with our multi-channel systems to provide a consistent and unified brand experience across various customer touchpoints, including both retail and business customers. Our direct banking platforms enable us to connect with our customers through alternate channels by improving customer retention and supporting the increase in the volume of customer transactions. For further details on the digital initiatives undertaken by us, see "***— Competitive Strengths – Launch of New Initiatives for Business Expansion, Tie-ups and Collaborations along with Growing Digital Footprints***" on page 177.

- *International Banking Products and Services*: We provide a wide range of trade and investment related international banking products and services that cater to the needs of our non-resident Indian ("NRI") customer base and to industrial enterprises engaged in import and export. We offer services such as foreign exchange services and NRI services, comprising remittance facilities for resident Indians, foreign currency loans and lending and deposit services to NRIs. We also provide trade finance and other services to exporters and importers, including the collection of bills, provision of foreign currency loans, such as arranging short-term foreign currency loans through our correspondent banks and provision of credit substitutes, such as letters of credit and guarantees.

- *Government Schemes*: We offer services on behalf of the Government of India and various State governments, including tax collection, pension disbursements, and the mobilization of government deposits under various schemes, including Pradhan Mantri Jeevan Jyoti Bima Yojana ("**PMJJBY**"), Pradhan Mantri Jan Dhan Yojana ("**PMJDY**") and Pradhan Mantri Suraksha Bima Yojana ("**PMSBY**"), Atal Pension Yojana ("**APY**") Active Enrolment.

- *Other Banking Products and Services*: We provide bancassurance services for life insurance, health insurance and general insurance products. Additionally, our Bank provides treasury operations such as management of funds and liquidity, investment in debt and equity products and compliance with the RBI's statutory liquidity ratio and cash reserve ratio norms. Our other banking products and services include the fee-based products and services, such as collections and payment services, merchant banking, depository services, clearing bank services and handling of the GoI's business, including tax collections and opening and servicing public provident fund accounts.

Our Bank has successfully built a wide customer base, which has resulted in low cost of funding opportunities and has strengthened our resource portfolio. We offer current (also known as demand) deposits, savings deposits and term deposits. Our Bank's deposits have grown 16.91% from ₹1,02,137.01 crore in Fiscal 2022 to ₹1,19,409.55 crore in Fiscal 2024 and grown 6.69% from ₹1,19,409.55 crore in Fiscal 2024 to ₹1,27,397.21 crore in nine month ended December 31, 2024. Our Bank's CASA ratio was 31.16% as of December 31, 2024, 32.42% as of March 31, 2024, 33.59% as of March 31, 2023 and 33.81% as of March 31, 2022.

(₹ crore, except percentages)

Particulars	As at / For the nine month period ended December 31, 2024	As at / For the nine month period ended December 31, 2023	As at / For the years ended March 31,		
			2024	2023	2022
Deposits	1,27,397.21	1,18,355.34	1,19,409.55	1,09,665.49	1,02,137.01
CASA Ratio	31.16%	32.77%	32.42%	33.59%	33.81%

Our pan India branch network allows us to provide banking services to a large range of customers, including large and mid-sized corporates, institutions, state-owned enterprises as well as commercial, agricultural, industrial and retail customers. As on December 31, 2024, our Bank had a Pan-India network comprising 1,584 branches and 1041 ATMs (including 1,014 on-site, and 27 off-site). In nine months ended December 31, 2024, we opened 25 new branches and 51 new ATMs.

We have won various awards and accreditations in recognition of our achievements and services including the SKOCH Silver Award for PSB UnIC (OMNI Channel) in the 92nd SKOCH Summit in 2023, first position in top Improver Award in Ease 5.0 and Ease 6.0 reforms and First Runner up Award in Theme 4 'Collaborative and Development focused Banking, for Fiscal 2023, respectively. We received the first position amongst 14 Small and Micro Banks (Digital Transactions <=50 crore), MSME Banking Excellence Awards 2022 for the 'Best Emerging Bank' Award by Chamber of Indian Micro Small & Medium Enterprises (CIMSME).

The table below sets forth details of certain key performance parameters of our Bank, as of and for the periods indicated below:

(₹ crore, except percentages)

Particulars	As at / For the nine month period ended December 31, 2024	As at / For the nine month period ended December 31, 2023	As at / For the years ended March 31,		
			2024	2023	2022
Total Business	2,23,266.99	2,01,914.59	2,05,374.03	1,90,647.22	1,72,524.10
Total Advances	95,869.78	83,559.25	85,964.47	80,981.73	70,387.09
Total Deposits	1,27,397.21	1,18,355.34	1,19,409.55	1,09,665.49	1,02,137.01
Average interest-earning assets(1)	1,30,096.84	1,14,754.79	1,15,753.55	1,02,271.33	94,845.69
Average total assets(2)	1,50,249.16	1,43,414.17	1,44,385.55	1,31,957.39	1,22,297.67
Average cost of funds(3)	4.35	4.19	5.63	4.61	4.41
Return on average equity(4)	8.24	6.41	8.14	22.18	20.42
Return on average assets(5)	0.47	0.32	0.41	0.98	0.85
Average yield(6)	5.57	5.00	6.68	5.99	5.80
Spread(7)	1.22	0.82	1.05	1.38	1.40
Net Interest Margin(8)	2.05	1.88	2.45	2.91	2.80
Net Interest Income(9)	2,661.64	2,151.72	2,841.04	2,973.38	2,651.32
Earning per share	1.04	0.67	0.88	1.94	2.56
Book value per share	17.39	22.48	22.92	22.29	20.67
Book value per share – tangible	13.62	11.00	11.56	10.01	7.45
Tier I capital adequacy ratio	14.04	13.75	14.74	14.32	14.80
Tier II capital adequacy ratio	1.91	2.38	2.42	2.78	3.74
Total capital adequacy ratio	15.95	16.13	17.16	17.10	18.54
Net NPAs(10)	1,168.86	1,443.77	1,350.46	1,411.50	1,742.27

Particulars	As at / For the nine month period ended December 31, 2024	As at / For the nine month period ended December 31, 2023	As at / For the years ended March 31,		
			2024	2023	2022
Net NPAs ratio(11)	1.25%	1.80%	1.63%	1.84%	2.74%
Credit to deposit ratio(12)	75.25	70.60	71.99	73.84	68.91
Cost to income ratio(13)	64.57	73.16	72.16	62.95	63.16
Interest coverage ratio(14)	1.15	1.12	1.11	1.29	1.26
Provisioning coverage ratio (including technical write-off) (15)	89.53%	88.16%	88.69%	89.06%	87.89%
CASA ratio(16)	31.16	32.77	32.42	33.59	33.81
Slippage ratio(17)	0.76%	1.00%	1.28%	1.46%	3.52%

Notes:

(1) Average balances are daily averages for advances/investments and all others interest earning assets

(2) Average Total Assets is the yearly average of balances of total assets outstanding

(3) Average Cost of Funds is the ratio of interest expense to average interest-bearing liabilities (Deposits & Borrowings).

(4) Return on average equity is the ratio of the net profit after tax to the quarterly average tangible net worth (capital plus reserves excluding revaluation reserves, DTA and other deduction).

(5) Return on average assets is the ratio of the net profit after tax to the yearly average working fund .

(6) Yield is interest income divided by average working funds.

(7) Spread is the difference between the yield on funds and Cost of funds.

(8) Net Interest Margin is the difference of interest earned and interest expended divided by the total average interest-earning assets

(9) Net Interest Income is total interest earned less total interest expended.

(10) Net NPAs reflect the Bank's gross NPAs less provisions for NPAs.

(11) Net NPAs ratio is the ratio of net NPAs divided by net advances.

(12) Credit to deposit ratio is calculated as a ratio of total gross advances to total deposits.

(13) Cost to income ratio is calculated as a ratio of operating expenses divided by total operating income (total of net interest income and non-interest income).

(14) Interest coverage ratio is calculated as net profit and depreciation on the Bank's property, divided by interest expended.

(15) PCR (including technical write-off) comprises provisions plus technical write off as percentage to Gross NPA plus technical write off.

(16) Ratio of current account deposits and savings account deposits to total deposits.

(17) Slippages are fresh accretion to NPAs during a period. Slippage Ratio is fresh NPAs divided by Standard Advances at the beginning of the period.

SELECTED FINANCIAL INFORMATION OF OUR BANK

The following selected financial data for the nine-month period ended December 31, 2024 and December 31, 2023 and Fiscal Years ended March 31, 2024, March 31, 2023 and March 31, 2022 have been derived from Reviewed Financial Results and Audited Financial Statements as included in this Preliminary Placement Document. The financial data set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 83 and our Financial Statements, including the notes thereto and the reports thereon, which appear in the section "Financial Statements" on page 291. The historical results do not necessarily indicate results expected for any future period. Indian GAAP differs in certain material respects from US GAAP and IFRS.

Neither the information set forth below nor the format in which it is presented should be viewed as comparable to information presented in accordance with Indian GAAP, IFRS or other accounting principles.

SUMMARY OF BALANCE SHEET

Set forth below is the summary of our Balance Sheet as on March 31, 2024, 2023 and 2022 respectively:

(₹ in crore)

Particulars	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Capital and Liabilities:			
Capital	6,777.79	6,777.79	6,777.79
Reserves & Surplus	8,755.64	8,330.72	7,232.80
Monthly Interest			
Deposits	1,19,409.55	1,09,665.49	1,02,137.01
Borrowings	9,770.86	9,018.38	2,443.63
Other Liabilities & Provisions	2,942.69	2,662.14	2,476.31
Total	**1,47,656.53**	**1,36,454.52**	**1,21,067.54**

Assets:			
Cash and balances with Reserve Bank of India	7,312.46	6225.40	6,139.24
Balance with banks and money at call and short notice	70.55	71.32	148.99
Investments	49,599.16	44,838.42	42,280.87
Net advances	82,736.38	76,819.43	63,626.56
Fixed assets	1,755.78	1,519.42	1,577.44
Other Assets	6,182.20	6,980.53	7,294.44
Total	**1,47,656.53**	**1,36,454.52**	**1,21,067.54**

SUMMARY OF PROFIT AND LOSS STATEMENT

Set forth below is the summary of our Profit and Loss Statement for the year ended March 31, 2024, 2023 and 2022 respectively:

(₹ in crore)

Particulars	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Income:			
Interest earned	9,693.98	7,992.73	7,095.81
Other Income	1,221.46	939.96	959.38
Total	**10,915.44**	**8,932.69**	**8,055.19**
Expenditure:			
Interest expended	6,852.93	5,019.35	4,444.50
Operating Expenses	2,931.57	2,463.40	2,280.60
Provisions & contingencies	535.52	136.91	291.04
Total	**10,320.02**	**7,619.66**	**7,016.14**
Profit/ Loss:			
Net Profit/ Loss for the period	595.42	1,313.03	1,039.05
Profit/ Loss Brought forward	1,356.37	626.03	(3,577.55)
Less: Set off against share premium/other adjustment			
Share Premium	-	-	3,577.55
Withdrawal from Statutory Reserve	-	-	109.00
Total	**1,951.79**	**1,939.06**	**1,148.05**
Appropriations:			
Transfer to -			
Statutory Reserves	149.00	329.00	260.00
Capital Reserve	22.31	6.91	66.99
Special Reserve	10.33	-	8.61
Staff Welfare Fund	2.50	5.00	-
Investment Fluctuations Reserve	47.71	31.67	186.42
Corporate Social Resp. Fund	0.05	-	-
Proposed Dividend (Equity)	325.33	210.11	-
Balance carried over to Balance Sheet	1,394.56	1,356.37	626.03
Total	**1,951.79**	**1,939.06**	**1,148.05**
Earnings per share	**0.88**	**1.94**	**2.56**

SUMMARY OF CASH FLOW STATEMENT

Set forth below is the summary of our Cash Flow Statement for the year ended March 31, 2024, 2023 and 2022 respectively:

(₹ in crore)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net cash from/(used in) operating activities	1,748.88	1,428.36	(5,998.57)
Net cash from/(used in) investing activities	(228.63)	(88.16)	(120.79)
Net cash from/(used in) financing activities	(433.96)	(1,331.70)	4,068.14
Net increase/(decrease) in cash and cash equivalents	1,086.29	8.50	(2,051.22)

Financial Results for the nine months ended December 31, 2024 and December 31, 2023

Profit and Loss Account

(₹ in crore)

Particulars	As on December 31, 2024	As on December 31, 2023
I. Income		
Interest earned	8,322.36	7,212.71
Other income	890.89	808.52
Total	9,213.25	8021.23
II. EXPENDITURE		
Interest expended	5,660.72	5,060.99
Operating expenses	2,294.00	2,165.65
Provisions & Contingencies	555.48	338.52
Total	**8,510.20**	**7,565.16**
Profit/(loss) for the period attributable to the Bank	703.05	456.07
Earnings per Share (In ₹) (Basic/ Diluted)	1.04	0.67

MARKET PRICE INFORMATION

The Equity Shares have been listed on BSE and NSE since December 30, 2010. As of the date of this Preliminary Placement Document, 6,77,77,86,447 Equity Shares of face value ₹10 each of our Bank are issued, subscribed and fully paid-up.

On March 21, 2025, the closing price of Equity Shares on BSE and NSE was ₹ 43.39 and ₹ 43.43 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for BSE and NSE has been given separately.

The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on BSE and NSE on the dates on which such high and low prices were recorded for financial years ended March 31, 2024, March 31, 2023 and March 31, 2022:

BSE

Financial Year ended	High (₹)	Date of high(1)	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ Crore)	Low (₹)	Date of low(1)	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ Crore)	Average price for the year (₹)(2)
March 31, 2022	22.65	June 30, 2021	8,08,343	1.77	14.65	February 24, 2022	1,06,407	0.16	17.81
March 31, 2023	44.65	December 15, 2022	27,26,862	11.85	12.50	June 21, 2022	33,268	0.04	20.51
March 31, 2024	77.50	February 05, 2024	33,90,338	24.16	25.25	April 03, 2023	2,25,210	0.59	41.90

(Source: www.bseindia.com)

Notes:

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

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

NSE

Financial Year ended	High (₹)	Date of high(1)	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ crore)	Low (₹)	Date of low(1)	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ crore)	Average price for the year (₹)(2)
March 31, 2022	22.70	June 30, 2021	64,00,080	14.13	14.50	March 29, 2022	5,63,543	0.86	17.81

Financial Year ended	High (₹)	Date of high[(1)]	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ crore)	Low (₹)	Date of low[(1)]	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ crore)	Average price for the year (₹)[(2)]
March 31, 2023	44.75	December 15, 2022	2,18,87,367	95.15	13.00	June 21,2022	2,20,427	0.30	20.51
March 31, 2024	77.50	February 05, 2024	5,26,38,420	376.60	25.40	April 03, 2023	29,50,418	7.81	41.90

(Source: www.nseindia.com)

Notes:

(1). High and low prices in the above tables are of the intraday High and low prices respectively of the respective periods. In case of two days with the same high or low price, the date with the higher volume has been chosen.
(2). Average price for the year represents the average of daily closing prices on each trading day of each year.

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

BSE

Month ended	High (₹)	Date of high[(1)]	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹crore)	Low (₹)	Date of low[(1)]	Number of Equity Shares traded on the date of low	Total turnover of Equity shares traded on the date of low (₹ crore)	Average price for the month (₹)[(2)]
September 2024	60.31	September 02, 2024	91,209	0.54	53.57	September 19, 2024	1,23,501	0.67	56.24
October 2024	56.16	October 01, 2024	33,731	0.19	47.05	October 23, 2024	1,10,556	0.54	51.50
November 2024	55.99	November 07, 2024	73,241	0.40	46.15	November 21, 2024	1,36,657	0.64	50.09
December 2024	55.88	December 06, 2024	1,03,128	0.56	46.75	December 30, 2024	64,686	0.31	50.96
January 2025	52.00	January 16, 2025	10,89,885	5.45	40.87	January 13, 2025	63,588	0.27	47.26
February 2025	49.79	February 1, 2025	1,48,111	0.71	40.02	February 28, 2025	67,575	0.28	44.44

(Source: www.bseindia.com)

Notes:

(1). High and low prices in the above tables are of the intraday High and low prices respectively of the respective periods. In case of two days with the same high or low price, the date with the higher volume has been chosen.
(2). Average price for the month represents the average of daily closing prices on each trading day of each month.

NSE

Month ended	High (₹)	Date of high[(1)]	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ crore)	Low (₹)	Date of low[(1)]	Number of Equity Shares traded on the date of low	Total turnover of Equity shares traded on the date of low (₹ crore)	Average price for the month (₹)[(2)]
September 24	59.99	September 02, 2024	7,75,727	4.60	53.56	September 19, 2024	15,65,650	8.53	56.25
October 2024	55.63	October 01, 2024	8,54,593	4.69	47.05	October 23, 2024	14,80,733	7.25	51.51
November 2024	55.95	November 07, 2024	14,47,266	7.93	46.01	November 21, 2024	12,34,621	5.78	50.10
December 2024	56.30	December 10, 2024	13,51,031	7.31	46.66	December 30, 2024	6,41,494	3.05	50.98
January 2025	52.00	January 16, 2025	1,35,39,906	67.68	40.64	January 13, 2025	10,10,261	4.30	47.28
February 2025	49.74	February 01, 2025	10,70,477	5.20	40.10	February 28, 2025	7,88,282	3.22	44.41

(Source: *www.nseindia.com)*

Notes:

(1). High and low prices in the above tables are of the intraday High and low prices respectively of the respective periods. In case of two days with the same high or low price, the date with the higher volume has been chosen.
(2). Average price for the month represents the average of daily closing prices on each trading day of each month.

The following table set forth the details of the number of Equity Shares traded and the turnover during the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 on the Stock Exchanges:

Financial Year ended	Number of Equity Shares Traded		Turnover (In ₹ crore)	
	BSE	NSE	BSE	NSE
March 31, 2022	2,57,50,328	22,45,81,666	48.71	427.19
March 31, 2023	7,87,24,852	67,71,17,958	242.56	2,039.61
March 31, 2024	11,18,47,232	1,32,60,87,245	508.67	6,089.33

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

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

Period	Number of Equity Shares Traded		Turnover (In ₹ crore)	
	BSE	NSE	BSE	NSE
September 2024	31,91,109	2,78,19,387	18.00	156.91
October 2024	18,94,509	2,28,48,369	9.77	117.62

Period	Number of Equity Shares Traded		Turnover (In ₹ crore)	
	BSE	NSE	BSE	NSE
November 2024	16,52,118	2,11,24,635	8.23	106.09
December 2024	17,75,916	2,28,02,241	91.73	119.49
January 2025	33,76,663	3,75,32,800	16.28	181.06
February 2025	14,76,624	1,47,30,125	6.57	65.63

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

The following table sets forth the market price on BSE and NSE on February 29, 2024, i.e., the first working day following the approval of the Board of Directors for the Issue:

Stock Exchange	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ crore)
NSE	63.40	65.50	61.20	64.35	38,58,092	24.31
BSE	64.50	65.50	61.23	64.50	7,77,537	4.93

RISK FACTORS

This Preliminary Placement Document contains certain forward-looking statements that involve risks and uncertainties. Our financial performance may differ from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. Prospective investors should carefully consider the following risk factors as well as other information included in this Preliminary Placement Document prior to making any investment decision. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment.

The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. In order to obtain a complete understanding of our business, you should read this section in conjunction with the sections "Industry Overview", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Selected Statistical Information" on pages 147, 83 and 114 *respectively, as well as other financial information contained in this Preliminary Placement Document. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue.*

Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year. Unless otherwise specified or unless the context otherwise requires, financial information herein for Fiscals 2022, 2023 and 2024 is derived from our Audited Financial Statements, and the financial information included herein for the nine months ended December 31, 2024 and December 31, 2023 is based on or derived from the Unaudited Limited Reviewed Financial Results, included in this Preliminary Placement Document

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, and includes extracts from publicly available documents from various sources, including officially prepared materials from the Government of India (the "**GoI**") and its various ministries, the Reserve Bank of India and Ministry of Statistics and Programme Implementation, and has not been prepared or independently verified by our Bank, the Book Running Lead Managers or any of their affiliates or advisers.*

References to "the Bank", "our Bank", "we", "us" or "our" are to Punjab & Sind Bank on a standalone basis.

RISKS RELATING TO OUR BUSINESS

1. ***Our business is vulnerable to interest rate risk, and any volatility in interest rates could adversely affect our net interest margins, the value of our fixed income portfolio, income from treasury operations and our financial condition and results of operations.***

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

(₹ crore, except percentages)

Particulars	Nine month period ended December 31, 2024	Nine month period ended December 31, 2023	Fiscal		
			2024	2023	2022
Net Interest Income (₹ crore)	2,661.64	2,151.72	2,841.04	2,973.38	2,651.32
Net interest margin (%)	2.73	2.50	2.45	2.91	2.80

We are also exposed to interest rate risk through our treasury operations. Any rise in interest rates or interest rate volatility could adversely affect our income from treasury operations or the value of our fixed income securities trading portfolio. Sudden or sharp and sustained increases in interest rates applicable to floating rate loans, could also result in extension of loan maturities and higher monthly instalments due from borrowers, which could result in higher rates of default in loan portfolio. In addition, any change in the volume of business in our treasury operations and profitability, could have an adverse impact on the overall profitability of the Bank. Revisions in deposit interest rates, or introduction of higher interest rates, by banks with whom we compete may also lead to revisions in our deposit rates to remain competitive and this could adversely impact our cost of funds.

Interest rates are highly sensitive and volatility in interest rates could result from many factors, including the RBI's monetary policies, further deregulation of the financial services sector in India, domestic and international economic and political conditions, inflation and economic policies in India. In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds ("**Cost of Funds**") and conversely, in a declining interest rate environment, if our Cost of Funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our Net Interest Income and Net Interest Margin would be adversely impacted. While any reduction in the interest rates we pay on our deposits and borrowings may be passed on to customers for our loans, we are unable to pass on any increase in interest rates at which we lend to our customers who have existing loans on fixed interest rates. Competitive pressures may also require us to reduce the interest rates at which we lend to our customers without a proportionate reduction in interest rates at which we raise funds. Our customers may also prepay their loans to take advantage of a declining interest rate environment. An increase in the interest rates we charge on our advances could result in our customers, particularly those with variable interest rate loans, prepaying their loans if less expensive loans are available from other sources, which may adversely affect our Net Interest Income and, in turn, our results of operations and cash flows. While there have been no instances of material impact on our Bank or our operations due to interest rate sensitivities, we cannot assure you to that our operations will not be adversely effected in the future.

2. ***Our Gross NPAs were 3.83%, 5.70%, 5.43%, 6.97% and 12.17% in the nine months ended December 31, 2024 and December 31, 2023 and Fiscals 2024, 2023 and 2022 respectively. If we are not able to control or reduce the level of NPAs in our portfolio or any increase in our NPA portfolio, RBI mandated provisioning requirements could adversely affect our business, financial conditions and results of operations.***

Our NPAs are dependent on several factors, including macroeconomic conditions, increased competition, adverse effect on the business and results of operations of our borrowers, a rise in unemployment, a sharp and sustained rise in interest rate, slow industrial and business growth, high levels of debt involved in financing of projects, and significant borrowings by companies in India at relatively high interest rates, and any such significant increase in NPAs may have a material adverse effect on our financial condition and results of operations. While the impact of these developments remains uncertain, they could have a material adverse impact on the quality of our Bank's loan portfolio. For more information on the factors affecting our Bank's NPA levels, please refer to the section entitled "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting our Results of Operations and Financial Condition – NPA levels and provisioning***" on page 84

Set forth below are our gross and net NPAs as of the corresponding dates:

Particulars	As of December 31, 2024	As of December 31, 2023	As of March 31,		
			2024	2023	2022
Gross NPAs (₹ crore)	3,675.81	4,759.23	4,665.34	5,648.21	8,564.82
Gross NPAs, as a percentage of gross advances (%)	3.83	5.70	5.43	6.97	12.17

Particulars	As of December 31, 2024	As of December 31, 2023	As of March 31,		
			2024	2023	2022
Net NPAs (₹ crore)	1,168.86	1,443.77	1,350.46	1,411.50	1,742.27
Net NPAs, as a percentage of net advances (%)	1.25	1.80	1.63	1.84	2.74

There can be no assurance that the percentage of NPAs that we will be able to recover will be similar to our past instances of recoveries. If the systems and process established by our Bank to identify NPAs fail or are not able to identify the NPAs correctly and in a timely manner, our Bank's business, results of operations and financial condition could be adversely affected. Even if our systems and processes are accurate, we may not be able to anticipate future economic developments or downturns, which could lead to an increase in NPAs.

3. ***Our restructured standard assets were 1.62%, 2.42%, 2.22%, 3.00% and 4.70% as a percentage of net advances in the nine months ended December 31, 2024 and December 31, 2023 and Fiscals 2024, 2023 and 2022 respectively. The level of restructured loans in our portfolio may increase and the failure of our restructured loans to perform as expected could adversely affect our business, results of operations and financial condition. Our assets include restructured loans.***

As of December 31, 2024 and December 31, 2023, and March 31, 2024, 2023 and 2022, our Bank's gross restructured standard assets amounted to ₹ 1,511.95 crore, ₹ 1,943.62 crore, ₹ 1,836.95 crore, ₹ 2,304.95 crore and ₹ 2,990.41 crore and as a proportion of net advances were 1.62%, 2.42%, 2.22%, 3.00% and 4.70% respectively. The provision on these accounts amounted to ₹ 203.09 crore, ₹ 208.10 crore, ₹ 193.93 crore, ₹ 232.70 crore and ₹ 333.79 crore, respectively, as of December 31, 2024 and December 31, 2023, and March 31, 2024, 2023 and 2022.

We restructure assets based on a borrower's potential to restore its financial health; however, there can be no assurance that borrowers will be able to meet their obligations under restructured advances as per regulatory requirements and certain assets classified as restructured, may be classified as delinquent. Any resulting increase in delinquency levels may adversely impact our business, financial condition and results of operations.

A combination of changes in regulations regarding restructured loans, provisioning, and any substantial increase in the level of restructured assets and the failure of these structured loans to perform as expected could adversely affect our business, future financial performance and the trading price of the Equity Shares.

4. ***We are required to maintain minimum cash reserve ratio ("CRR") and statutory liquidity ratio ("SLR") in accordance with RBI guidelines, and any increase in these requirements could adversely affect our business.***

Under RBI regulations, we are subject to a CRR requirement. The CRR is a bank's balance held in an interest-free current account with the RBI calculated as a specified percentage of its net demand and time liabilities, excluding interbank deposits. The CRR currently applicable to banks in India is 4.00%, and our Banks' CRR as of December 31, 2024 was 4.03%.

In addition, under the Banking Regulation Act, all banks operating in India are required to maintain an SLR. The SLR is a specified percentage of a bank's net demand and time liabilities required to be maintained by way of liquid assets such as cash, gold or approved unencumbered securities. Approved securities consist of unencumbered Government securities and other securities as may be approved from time to time by the RBI and, which earn lower levels of interest as compared to advances to customers or investments made in other securities.

Our Bank's SLR as of December 31, 2024 was 24.68% as against the regulatory requirement of 18.00%. Further, the RBI may increase the CRR and SLR requirements as a monetary policy measure. Any substantial increases in the CRR from the current levels could affect our ability to deploy our funds or make investments, which could in turn have a negative impact on our results of operations. If we are unable to meet the statutory reserve requirements of the RBI, the RBI may impose penal interest or prohibit us from receiving any further fresh deposits, which may have a material adverse effect on our business, financial condition and results of operations.

5. ***A major part of our Bank's branches are concentrated in northern states of India, making us vulnerable to risks associated with having geographically concentrated operations.***

Our Bank's branches are primarily concentrated in the northern states of India. As of December 31, 2024, 61.11% of our Bank's branches are distributed in northern states of India, namely, Chandigarh, Delhi, Haryana, Himanchal Pradesh, Jammu & Kashmir, Ladakh, Punjab and Rajasthan. As of December 31, 2024, 65.12% of our Bank's domestic advances and 48.95% of domestic deposits were contributed by the northern states of India, namely, Chandigarh, Delhi, Haryana, Himanchal Pradesh, Jammu & Kashmir, Ladakh, Punjab and Rajasthan. Also see ***"Selected Statistical Information—Regional concentration"*** on page 114. Regional factors that impact our profitability include: (i) the growth in population, income levels, and deposits in these states, (ii) general economic and political conditions in the region, (iii) laws and regulations, and (iv) the favorability of these states as investment destinations. As a result, our operations may be more adversely affected than banks that have greater geographic diversity. Any one of these events may result in an adverse change in our business, financial condition, results of operations and cash flows.

The table below sets forth the percentage contribution to our business (advances and deposits) from the northern India including Chandigarh, Delhi, Haryana, Himanchal Pradesh, Jammu & Kashmir, Ladakh, Punjab and Rajasthan, as of the periods indicated:

Particulars	**As of December 31, 2024**	**As of December 31, 2023**	**As of March 31,**		
			2024	**2023**	**2022**
% contribution to our business (advances and deposits) from Northern India	58.18	58.49	58.85	56.63	52.82

Additionally, while we continue to expand our operations outside of our traditional areas such as Punjab and other north-Indian states, if there is a sustained downturn in the economy or a sustained change in consumer preferences in northern India, our business, results of operations and financial condition may be materially and adversely affected. We face risks with our operations in geographic areas in which we do not possess the same level of familiarity with the economy, consumer base and commercial operations. In addition, our competitors in such areas may already have established operations in such areas and we may find it difficult to attract customers in such new areas. We may not be able to successfully manage the risks of such an expansion, which could have a material adverse effect on our advances, deposits and results of operations.

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

As of December 31, 2024, ₹ 86,322.66 crore of our Bank's advances were secured by tangible assets, which collectively represented 92.33% of our Bank's total net advances. However, we may be unable to realise the full value of the collateral, if at all, owing to factors such as, (i) delays in bankruptcy and foreclosure proceedings, including due to the introduction of any laws, rules or regulations that provide for moratoriums or exemptions on the sale of collateral in response to any adverse economic financial conditions; (ii) deficiencies in the perfection of collateral (including due to the inability to obtain approvals that may be required from third parties); (iii) fraud by borrowers; (iv) decreases in the value of the collateral; (v) errors in assessing the value of the collateral; (vi) an illiquid market for the sale of the collateral; (vii) current legislative provisioning coverage or changes thereto; (viii) future judicial pronouncements; (ix) volatility in commodity prices; (x) stock market volatility; (xi) changes in economic policies of the Government of India; (xii) borrowers and guarantors not being traceable; and (xiii) the Bank's records of borrowers' and guarantors' addresses being ambiguous or outdated.

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

7. ***We are subject to the directed lending requirements of the Reserve Bank of India, and any shortfall in meeting these requirements may be required to be invested in Government schemes that yield low returns, thereby impacting our profitability. We may also experience a higher level of non-performing assets in our directed lending portfolio, which could adversely impact the quality of our loan portfolio and our business.***

Under the directed lending norms of the RBI, the RBI requires that every bank extend at least 40.00% of its adjusted net bank credit or the credit equivalent amount of off-balance sheet exposure, whichever is higher, to "priority sectors" such as agriculture, MSMEs, export credit, education, social infrastructure, renewable energy and as determined by the RBI. Of this, banks have targets or sub-targets for lending to key segments or sectors, such as agriculture, micro-enterprises and advances to weaker sections. Our Bank's priority sector loan portfolio contains significant advances to the MSME and agriculture sector. Set forth below are certain details regarding our priority sector credit, loans to micro-enterprises and loans to the agriculture sector:

(₹ crore, except percentages)

Particulars	As of December 31, 2024	As of December 31, 2023	As of March 31,		
			2024	2023	2022
Priority sector credit (₹ crore)	38,772.49	33,508.17	39,119.64	32,795.06	31,178.01
Priority sector credit, as a percentage of Bank's adjusted net bank credit (%)	45.77%	44.01%	47.69%	54.99%	50.20%
Loans to micro-enterprises (₹ crore)	10,036.25	9,237.10	9,393.90	8,534.08	7,073.45
Loans to micro-enterprises, as a percentage of Bank's adjusted net bank credit (%)	11.85%	12.13%	11.45%	14.31%	11.39%
Loans to agriculture sector (₹ crore)	15,804.05	12,841.33	18,443.65	12,328.19	12,550.82
Loans to agriculture sector, as a percentage of Bank's adjusted net bank credit (%)	18.66%	16.87%	22.49%	20.67%	20.21%

Any revision in the definition or classification of segments eligible for priority sector lending could impact our ability to meet priority sector lending requirements. Further, in the event we are required to increase our exposure to the agricultural sector pursuant to GoI mandated directed lending, it may adversely affect our future financial performance.

As a result of priority sector lending requirements, we may experience a higher level of non-performing assets in our directed lending portfolio, particularly due to loans to the agricultural sector and small enterprises, where we are less able to control the portfolio quality and where economic difficulties are likely to affect our borrowers more severely. Set forth below are certain details regarding the Bank's priority sector NPAs and MSME industry NPAs as of the corresponding dates:

Particulars	As of December 31, 2024	As of December 31, 2023	As of March 31,		
			2024	2023	2022
Priority sector gross NPAs to total priority sector advances	8.24%	8.88%	8.85%	8.76%	10.76%
MSME gross NPAs to total outstanding MSME advances	8.68%	9.42%	9.09%	9.70%	13.98%
Agriculture gross NPAs to total agricultural	9.30%	9.36%	9.81%	8.71%	8.63%

Particulars	As of December 31, 2024	As of December 31, 2023	As of March 31,		
			2024	2023	2022
advances					

Any future changes by the Reserve Bank of India to the directed lending norms may result in our continued inability to meet the priority sector lending requirements as well as require us to increase our lending to relatively riskier segments and may result in an increase in non-performing loans. Any shortfall in meeting the priority sector lending requirements may be required to be invested at any time, at the RBI's request, in an account with the NABARD under the Rural Infrastructure Development Fund Scheme, or with other financial institutions specified by the RBI, which generate lower levels of interest compared to advances made to the priority sector.

8. ***Our investment portfolio comprises largely of government securities that may limit our ability to deploy funds in higher yield investments.***

Under RBI regulations, the Bank's liabilities are subject to the SLR requirement that a minimum specified percentage, currently 18%, of a bank's net demand and time liabilities ("**NDTL**"), be invested in Government securities and other approved securities. As of December 31, 2024, government securities ("**SLR**") represented 70.20% of our Bank's domestic investment portfolio, and comprised 24.68% of our Bank's demand and term liabilities. We earn interest on such government securities at rates which are less favorable than those which we typically receive in respect of our retail and corporate loan portfolio and this adversely impacts our net interest income and net interest margin. In addition, the market and accounting value of such securities could be adversely affected by overall rising interest rates. To reduce the risk of interest rate fluctuations, the Bank has classified a large majority of its Government securities as "held to maturity." However, the concentration of securities in such classification can limit gains in our treasury operations. The RBI has issued the Master Direction on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 on September 12, 2023. These directions were applicable from April 01, 2024.

9. ***Non-compliance with RBI inspection/ observations may have a material adverse effect on our business, financial condition or results of operation.***

Any inadequacy in complying with the regulatory requirements and standards specified by regulatory authorities in which the Bank operates may attract penalties or other punitive action against the Bank. We are subject to periodic inspections by RBI under the Banking Regulation Act. During the course of assessment, the RBI advises issues related to various risk and regulatory non-compliances, and during such inspections RBI has in the past made certain observations regarding our business and operations. While we have undertaken steps to comply with these observations and have informed RBI regarding the status of our compliance, there can be no assurance that RBI will consider such steps to be adequate and treat the observations as being duly complied with. In the event we are not able to comply with the observations made by the RBI, we could be subject to supervisory actions which may have a material adverse effect on our reputation, financial condition and results of operations. The international branches of the Bank are required to ensure compliance with applicable regulatory requirements and standards applicable to such operations in the relevant jurisdiction. These requirements include monitoring systems and controls, risk management infrastructure and processes and other related regulatory requirements. The failure to introduce any such measures, infrastructure or processes in a timely manner may lead to regulatory action including potential penalties and other punitive measures. Any adverse actions in the future by applicable regulatory authorities could have a material adverse effect on our business, financial condition or results of operation.

10. ***We are exposed to various categories of borrowers and a default by any large borrower would adversely affect our results of operations, the quality of our portfolio and financial condition.***

We conduct business with certain borrowers who have highly leveraged balance sheets and any default by any of these borrowers would have a significant impact on our profitability. Aggregate exposure (funded, non-funded and investment exposure) to our Bank's 10 largest borrowers as of December 31, 2024 amounted to ₹ 13,638.91 crore, representing 140.38% of our total Tier I capital (excluding exempted exposure to NAFED and Food Credit Consortium). We are also subject to limitations on our exposure to single counterparties, and as of December 31, 2024, we are in compliance with these guidelines. As of December 31, 2024, NAFED, our largest single counterparty (exempted exposure in terms of LEF guidelines) accounted for approximately 51.51% of our Tier I capital fund, and the largest group of connected counterparties accounted for approximately 16.98% of our Tier I capital fund, within the permitted limits.

If any of our key borrowers default or become non-performing, our exposure to credit risk would increase, and our net profits would decline and, due to the scale of the exposures, our ability to meet capital requirements could be risked. While there have been no instances in the past three Fiscals and nine months ended December 31, 2024, however, we cannot assure you that these borrowers will not default on their repayment obligations in the future. We cannot assure you that these borrowers will continue to honour their commitments and that there will be no defaults in future and further, that there will not be any delay in payments of interest and/or principal from these borrowers. In addition, the RBI guidelines, and our focus on controlling and reducing concentration risk, may restrict our ability to grow our business with some customers, thereby impacting our earnings.

11. ***Any increase in provisioning norms and delays in resolution of stressed assets could adversely affect our business, results of operations and financial condition.***

The RBI has vide its circular dated May 22, 2014, set up the Central Repository of Information on Large Credits ("**CRILC**") to collect, store and disseminate data on all borrowers' credit exposures including 'special mention accounts' (SMA 0, 1 and 2) having aggregate fund-based and non-fund based exposure of ₹ 5.00 crore and above. Further, in terms of RBI circular dated June 7, 2019, all banks are required to report to CRILC, on a monthly basis, exposures of individuals and entities having exposure (both fund and non-fund based) of more than ₹ 5.00 crore. All banks are also required to report to CRILC, on a weekly basis for all borrower entities in default, having aggregate exposure of more than ₹ 5.00 crore. In addition, all banks are required to report to CRILC the classification of an account to 'special mention account' in respect of borrower entities having aggregate exposure of more than ₹ 5.00 crore. Any non-submission of or incorrect reporting in these returns attracts penalties as specified in the Banking Regulation Act. All banks are required to put in place Board approved policies for resolution of stressed assets, including the timelines for resolution. As soon as there is a default in the borrower entity's account with any lender, all lenders singly or jointly shall initiate steps to cure the default. The resolution plan may involve any actions / plans / reorganization including, but not limited to, regularization of the account by payment of all over dues by the borrower entity, sale of the exposures to other entities / investors, change in ownership, or restructuring. A resolution plan shall only be implemented if the borrower is no longer in default with any of the lenders. Further, where resolution plans involve structure / change in ownership of accounts where aggregate exposure of lenders is in excess of ₹ 100.00 crore and above will require independent credit evaluation of the residual debt from one or more credit rating agencies (depending on the value of the exposure). If a resolution plan for large accounts (₹ 200.00 crore and above) is not implemented within the time period prescribed in the circular, the lenders can file an insolvency application, singly or jointly under the Insolvency and Bankruptcy Code, 2016. The failure of these borrowers to perform as expected or a significant increase in the level of restructured loans in our portfolio could materially and adversely affect our business, results of operations and financial condition. In addition to the debt recovery and security enforcement mechanisms available to lenders under the Recovery of Debts Due to Banks and Financial Institutions Act 1993, and the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interests Act, 2002, the RBI provides various mechanisms that may be adopted by banks to deal with stressed assets.

RBI's framework on the dynamic loan loss provisioning proposes to replace existing general provisioning norms and recommends that banks make provisions on their loan books every year based on their historical loss experience in various categories of loans. In years where the specific provision is higher than the computed dynamic provision requirement, the existing dynamic provision balance can be drawn down to the extent of the difference, subject to a minimum specified level of dynamic provision balance being retained. Any further increase by the RBI of the provisioning requirements may adversely affect our business, results of operations and financial condition.

12. ***We face asset liability mismatches, which could adversely affect our liquidity and, consequently, our financial condition, results of operations and cash flows. We face liquidity risks due to mismatches in the maturity of our assets and liabilities.***

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

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

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

Our funding requirements are met primarily through short-term and medium-term customer deposits. In the past, a substantial portion of our customer term deposits has been rolled over upon maturity and has been a stable source of funding. However, if a substantial number of our depositors do not roll over term deposits upon maturity, our liquidity position will be adversely affected. Further, due to our large retail customer base spread across India, our Bank has maintained a stable CASA Ratio. In the nine months ended December 31, 2024 and December 31, 2023, and Fiscals 2024, 2023 and 2022, the share of domestic CASA deposits was 31.16%, 32.77%, 32.42%, 33.59% and 33.81% of our Bank's total domestic deposits. Any decline in CASA share on total deposit could adversely impact the profitability of our Bank. Our liquidity position will also be adversely affected if a significant portion of our depositors do not roll over deposited funds upon maturity or do so for a shorter maturity than that of our assets.

Set forth below are details regarding our top 10 largest depositors as of the corresponding dates:

(₹ crore, except percentages)

Particulars	As of December 31, 2024	As of December 31, 2023	As of March 31,		
			2024	2023	2022
Total deposits of top 10 largest depositors (₹ crore)	7,406	8,266.55	6,962.41	335.28	15,017.51
Total deposits of top 10 largest depositors, as a percentage of total deposits (%)	5.81	6.98	5.83	0.31	14.70

While there have been no instances in the past three Fiscals and nine months ended December 31, 2024, however, we cannot assure you that there will not be any untimely withdrawal or non-renewal of deposits from these depositors or other depositors. Our ability to raise fresh deposits and grow our deposit base depends in part on our ability to expand our network of branches. Further, though retail deposits constitute a huge portion of our deposit base, we also accept high value deposits depending on the funding requirements. Accordingly, we may be required to seek more expensive sources of funding to finance our operations, which would result in a decline in our profits and have a material adverse effect on our business, liquidity, financial condition and results of operations.

If depositors do not renew their deposits or if our Bank is unable to raise new deposits, our Bank may face a liquidity problem and may be required to pay higher rates of interest to attract deposits, which could adversely affect our results of operations. Additionally, there has been a general trend wherein people are investing in markets as compared to bank deposits due to better returns. We may also be required to seek funding from more expensive sources to finance our operations. Failure to obtain these sources of funding or replace them with other deposits or borrowings at competitive rates may materially and adversely affect our business, financial condition and results of operations.

14. ***We are subject to capital adequacy norms and are required to maintain a capital-to-risk asset ratio ("CRAR") at the minimum level required by RBI for domestic banks.***

Any inability to maintain adequate capital due to change in regulations or lack of access to capital or otherwise could materially and adversely affect our results of operations and financial condition. We are subject to regulations relating to the capital adequacy of banks, which determines the CRAR, or the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio. The RBI requires banks in India to maintain a minimum CRAR of 11.50% (including capital conservation buffer). In addition, in accordance with the RBI Basel III Capital Regulations, the Bank is required to maintain a minimum common equity Tier I ("**CET-I**") capital ratio of 8.00% (including a capital conservation buffer of 2.50%), and a minimum Tier I CRAR of 9.50% (including a capital conservation buffer of 2.50%) of its risk weighted assets. Any incremental capital requirement may adversely impact our ability to grow our business and may even require us to withdraw from, or curtail, some of our current business operations In accordance with the Basel III norms, as of December 31, 2024, the Bank's Tier I and total capital adequacy ratios were 14.04% and 15.95%, respectively. We are exposed to the risk of the RBI increasing the applicable risk weight for different asset classes from time to time. Although we have implemented and followed a policy of maintaining a minimum capital adequacy ratio as stipulated in the RBI Basel III Capital Regulations issued by the RBI, there can be no assurance that we will be able to maintain this ratio in the future. Implementation of Basel III or other such capital adequacy requirements imposed by RBI may result in the incurrence of substantial compliance and monitoring costs, and any breach of applicable laws and regulations will adversely affect our reputation, business operations and financial conditions. In addition, if additional or more stringent guidance on capital adequacy norms are imposed, we may be required to raise or maintain additional capital in a manner which could materially and adversely affect our business, financial condition and results of operations.

15. ***A portion of our income is derived from non-banking activities and fee-based services. Our financial performance may be materially and adversely affected by an inability to generate and sustain such income.***

We have, over the years, expanded our operations from undertaking banking activities to providing certain non-banking and fee and commission-based services. Our fees from commissions, exchanges and brokerage services increased from ₹ 100.58 crore in Fiscal 2022 to ₹ 113.91 crore in Fiscal 2023 and ₹ 135.04 crore in Fiscal 2024, which accounted for 1.25%, 1.28% and 1.24% of our total income in Fiscals 2022, 2023 and 2024, respectively. Our fees from commissions, exchanges and brokerage services is ₹ 103.31 crore in the nine months ended December 31, 2023 and ₹ 100.59 crore in the nine months ended December 31, 2024.

Our non-banking activities mainly include housing finance, life insurance/ bancassurance, merchant banking, corporate advisory and trusteeship services, primary dealership including equity trading and asset reconstruction. We earn fee-based income from corporate agency services, which include marketing and distribution of insurance products. We also earn fee-based income from corporate agency services, which include marketing and distribution of insurance products. Fee-based income is also earned as part of our foreign exchange business. From time to time we hold assets on our balance sheet which may subject to market risk and credit risk. There can be no assurance that we will be able to sustain current levels of income from, or effectively manage the risks associated with, these businesses in the future. New initiatives, products and services that we may introduce, will entail a number of risks and challenges, including risks relating to execution, the failure to identify new segments, the inability to attract customers and the inability to make competitive offerings. If we are unable to successfully diversify our products and services while managing the related risks and challenges, returns on such products and services may be less than anticipated, which may adversely affect our business, financial condition and results of operations.

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

We enter into outsourcing arrangements with third party vendors, separate employees and independent contractors, in compliance with the RBI guidelines on outsourcing. These vendors, employees and contractors provide services that include, among others, ATM/ card related services, business correspondents, facility management services related to information technology, software services and call center services. As a result of outsourcing such services, we are exposed to various risks including strategic, compliance, operational, legal and contractual risks. Any failure by a service provider to provide a specified service or a breach in security/ confidentiality or non-compliance with legal and regulatory requirements, may result in financial loss or loss of reputation. We cannot assure that there will be no disruptions in the provision of such services or that these third parties will adhere to their contractual obligation. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreement with us, our business, financial condition and results of operations will be adversely affected. In case of any dispute, we cannot assure you that the terms of such agreements will not be breached, which may result in litigation costs. For example, our Bank is using the services of Business Correspondent ("**BCs**"), through Corporate Business Correspondents ("**CBCs**") model, wherein we are empanelling the CBCs and in turn they deploy the BCs. In the last three Fiscals and nine months ended

December 31, 2024, there have been no instances of disruption in services. However, during the indicated periods we experienced certain instances of frauds:

Particulars	As of December 31, 2024	As of December 31, 2023	As of March 31,		
			2024	2023	2022
Number of frauds reported	1,476	1,161	1,234	990	860
Amount involved in fraud (₹ crore)	5,676.60	5,110.86	4,926.83	4,906.36	4,777.43
Amount of provision made for such frauds (₹ crore)	5,676.60	5,110.86	4,926.83	4,906.36	4,777.43

The "Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by Bank" issued by the RBI on March 11, 2015, places obligations on banks, its directors and senior management for ultimate responsibility for the outsourced activity. Banks are required to provide prior approval for use of subcontractors by outsourced vendor and to review the subcontracting arrangements and ensure that such arrangements are compliant with aforementioned RBI guidelines. Legal risks, including actions being undertaken by the RBI, if our third-party service providers act unethically or unlawfully, could materially and adversely affect our business, financial condition and results of operations.

17. ***Our business operations are heavily reliant on our information technology systems. Any failure of or disruptions in our systems could have an adverse impact on our operations and financial condition.***

Our business is largely dependent on our information technology systems. We manage the entire life cycle of our customers' banking transactions, from on boarding to customer management, through our various technology platforms. We rely on IT systems for financial reporting processes. IT controls for recording of transactions, generating various reports in compliance with RBI guidelines/ directions is dependent on working of core banking system of our Bank. We account for all transactions related to advances in our IT systems, core banking solutions which identifies whether the advances are performing or non-performing and calculation of provisions thereon. For further details, see "***Our Business – Information Technology***" on page 202. In addition, our systems connect our ATMs, branches and other delivery channels. Our hardware and software systems are also subject to damage or defaults by human error, natural disasters, power loss, sabotage, computer viruses and similar events or the loss of support services from third parties such as internet service providers despite having DR Setup and cyber security solutions in place. Our information technology systems may be subject to interruptions, temporary disruptions, and may not meet our requirements or be suitable for use at all times.

While we have been satisfactorily giving service to customers there have been instances where there have been technical issues with banking software we use as part of our operations resulting in downtime. There can be no assurance that we will not encounter disruptions in the future due to substantially increased number of customers and transactions, or other reasons.

18. ***Our Bank's retail assets portfolio has experienced significant growth. Our Bank may not be able to sustain the growth rate and if is unable to address credit risk in our retail asset portfolio, then our financial performance may be adversely affected.***

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

Rating Agency	As at December 31, 2024	As at December 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Retail credit portfolio (₹ crore)	20,680	15,305	16,034	13,947	11,737
Total Domestic Advance (₹ crore)	95,870	83,559	85,964	80,982	70,387

Rating Agency	As at December 31, 2024	As at December 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Retail credit portfolio, as a percentage of total loans (%)	21.57%	18.31%	18.65%	17.22%	16.68%

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

19. ***The banking industry in India is subject to extensive regulation and significant changes in the banking regulations may adversely affect our business and our future financial performance.***

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

For instance, the Reserve Bank recently came out with draft guidelines on the financing of 'Projects under Implementation'. The existing prescribed provisions for standard project assets is 0.40% which the RBI has proposed to substantially increase to 5%. However, RBI has proposed making of such provisions over a three-year period time (the provisioning of 5% for standard assets during construction phase shall be achieved in a phased manner). The Capital Adequacy Ratio of our Bank was 15.95% as of December 31, 2024, above the regulatory requirement.

The RBI published a notification RBI/2023-24/85 DOR.STR.REC.57/21.06.001/2023-24 dated November 16, 2023, increasing the risk weights in respect of consumer credit exposure of commercial banks (outstanding as well as new), including personal loans, but excluding housing loans, education loans, vehicle loans and loans secured by gold and gold jewellery, by 25% to 125% and risk weight on credit card receivables of scheduled commercial banks ("**SCBs**") by 25% to 150%.

Further, exposures of SCBs to NBFCs, excluding core investment companies, are risk weighted as per the ratings assigned by accredited external credit assessment institutions ("**ECAI**"). On a review, it has been decided to increase the risk weights on such exposures of SCBs by 25% (over and above the risk weight associated with the given external rating) in all cases where the extant risk weight as per external rating of NBFCs is below 100%. For this purpose, loans to HFCs, and loans to NBFCs which are eligible for classification as priority sector in terms of the extant instructions shall be excluded. For AAA-rated loans to NBFCs, the risk weight has been increased to 45% from the existing 20% (25% increase).

Further, the decision to impose higher risk weights on bank loans to NBFCs, will also include government-backed NBFCs, including AAA-rated NBFCs like IRFC, IREDA, PFC, REC, etc. These NBFCs play a vital role in the country's economic development, particularly in sustained infrastructure growth, and the guidelines will impact the extension of credit to such critical NBFCs.

We are subject to cash reserve and the statutory liquidity ratios requirements, capital adequacy ratio requirements, priority sector lending requirements, among others, and failure to comply with these requirements may expose us to penalties and regulatory action.

The regulatory and policy environment in which we operate is evolving and subject to change. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licences from the Government of India and other regulatory bodies. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have an adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also affect our results of operations.

20. ***We are exposed to fluctuations in foreign exchange rates which could adversely affect our business, future financial performance and trading price of the Equity Shares.***

We are exposed to exchange rate risk in our foreign exchange transactions and related derivative transactions, as a financial intermediary as well as foreign currency borrowings. We hedge our own risk to undertake various foreign exchange transactions and for proprietary trading which are exposed to various kinds of risks, such as, amongst others, credit risk, market risk and exchange rate risk. In order to mitigate such risks, we have adopted a market risk management policy and investment policy to mitigate risks arising out of customer transactions and proprietary trading through various risk limits such as counterparty bank exposure limits, country wise exposure limits, customer limits, overnight limits, intraday limits, stop loss limits, aggregate gap limits and value-at-risk limits. As of December 31, 2024, our Bank’s credit exposure on account of outstanding gross forward exchange contracts amounted to ₹ 22.00 crores. As of December 31, 2024 and December 31, 2023, and March 31, 2024, 2023 and 2022, our Bank had no foreign currency borrowings.

Adverse movements in foreign exchange rates may also impact our borrowers negatively, which may in turn impact the quality of our exposure to these borrowers. Volatility in foreign exchange rates may be further accentuated due to other global and domestic macroeconomic developments and as a result, may materially and adversely affect our business, future financial performance and the trading price of the Equity Shares. Some of our borrowers also enter into derivative contracts to manage their foreign exchange risk exposures. Our derivative transactions are subject to regular monitoring by our risk assessment committee and to ensure compliance with limits prescribed by RBI. Some of our customers have incurred mark-to-market or crystallized losses on their foreign exchange contracts. The failure of our borrowers to manage their exposures to foreign exchange, derivative risk, adverse movements and volatility in foreign exchange rates may adversely affect our borrowers, the quality of our exposure to our borrowers and our business volumes and profitability. Defaults by our customers on their derivative contracts and their subsequent classification as NPAs may have an adverse impact on our profitability, business and the price of the Equity Shares.

21. ***Our treasury income, debt investment portfolio and derivatives portfolio are exposed to risks relating to mark-to-market valuation, illiquidity, and credit risk and income volatility.***

Our treasury operations contributed to 28.91%, 24.35%, 24.44%, 26.25% and 29.36% of our total income during nine months ended December 31, 2024 and December 31, 2023 and Fiscals 2024, 2023 and 2022, respectively. The income from treasury operations comprises of income on investments, profit / (loss) on sale of investments and profit / (loss) on revaluation of investment. Our income from treasury operations is subject to volatility due to, among other things, changes in interest rates and foreign currency exchange rates as well as other market fluctuations. For example, our Bank had a debt investment portfolio (consisting of government securities, treasury bills and other debt securities) in available for sale and fair value through profit and loss (“**FVTPL**”) including held for trading of ₹ 15,619.97 crore as of December 31, 2024. In the event of a rise in interest rates, our portfolio will be exposed to the adverse impact of the mark-to-market valuation of such investments and may, under certain circumstances, require us to mark down the value of these investments on our balance sheet and recognize a loss on our income statement. Any rise in interest rates leading to a fall in the market value of such debentures or bonds may materially and adversely affect our business, financial condition and results of operations. We may also face income volatility due to the illiquid nature of market for the disposal of some of our debt investment portfolio.

While our gross non-performing investments are monitored and recovery efforts are carried out, any increase in the amount of non-performing investments due to adverse developments in the domestic or international markets, may adversely affect our financial condition.

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

22. ***Our business and financial performance are dependent on maintaining and building a successful branch network.***

An inability to maintain, increase our coverage and any inability to use these branches productively, may have an adverse impact on our growth and profitability. We have a large and diverse branch network across India and other jurisdictions. As of December 31, 2024, our Bank's distribution network in India included 1,584 branches across 28 States and five Union Territories in India. Our business and financial performance are dependent on maintaining our extensive network of branches, see "***Risk Factors – Majority of our offices, branches and ATMs are located on premises taken by us on lease or on leave and license basis. We may not be able to renew these agreements for our branches upon acceptable terms or at all which could have an adverse effect on our business and results of operations.***" on page 64 Our newly opened branches may not be profitable immediately upon their opening or may take time to break-even. In the event of a delay in achieving break even by the newly opened branches within a reasonable period as envisaged by us, our profitability may be affected. Our branch expansion plans may have an adverse effect on the capital outlay which in turn may adversely affect our business, results of operations and financial condition. There will also be increased expenditure as a result of our strategy to expand into new geographies, including those planned for our branch network expansion, and newer businesses, such as retail assets and, where our brand is not well known in the market. As a consequence of our large and diverse branch network, we may be subject to additional risks inherent with an extensive network, including but not limited to higher technology costs, upgrading, expanding and securing our technology platform in such branches, operational risks including integration of internal controls and procedures, compliance with KYC, AML and other regulatory norms, ensuring customer satisfaction, recruiting, training and retaining skilled personnel, failure to manage third-party service providers in relation to any outsourced services and difficulties in the integration of new branches with our existing branch network. Any of these reasons may result in our failure to manage a large branch presence, which may adversely affect our business, results of operations and financial condition.

23. ***We are involved in certain legal and other proceedings which, if determined against us, could have a material adverse impact on our financial condition.***

We are involved in various legal proceedings and other proceedings in the ordinary course of our business. These legal proceedings are primarily in the nature of tax proceedings, recovery proceedings, consumer disputes, regulatory proceedings, criminal complaints and other civil proceedings, and are pending at different levels of adjudication before various courts, tribunals, statutory and regulatory authorities/ other judicial authorities. Although it is our policy to make provisions for probable loss, we do not make provisions or disclosures in our financial statements where our assessment is that the risk is insignificant. We have also been penalised by NSE and BSE for certain non-compliances or contravention of applicable law in the past, from time to time. See "***Risk Factors – Any regulatory investigations, fines, sanctions, and requirements relating to conduct of business and financial crime could negatively affect our business and financial results, or cause serious reputational harm across our businesses.***" at page 60. We can give no assurance that these legal proceedings will be decided in our favour and we may incur significant expenses and management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If any new developments arise, for example, rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. If our provisioning is inadequate relative to actual losses on final judgment, such additional losses could have an adverse impact on our business and financial condition. For further information, see "***Legal Proceedings***" on page 284.

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

As of December 31, 2024, we maintain relationships with nine correspondent banks (Nostro) across nine countries internationally. We offer trade finance, foreign exchange and certain other treasury services from these relationships. We maintain nostro accounts in foreign currencies which facilitates inward and outward remittance. Our customers can remit funds to India in any of the currencies for which we have opened such accounts, by instructing their banks to remit the funds to our nostro account maintained in that particular currency. We may need to open such nostro accounts with the correspondent banks in those locations in case we intend to cater to a different foreign location or currency. Opening and maintaining such accounts requires compliance with strict KYC norms and any failure to adhere to such norms may result in the correspondent bank closing these accounts. A correspondent bank may discontinue any of the services that it offers in relation to such accounts, which may result in customer dissatisfaction. There can be no assurance that we will be able retain our existing correspondent banks or enter into similar arrangements with new correspondent banks on commercially reasonable terms or at all.

25. ***Any volatility in housing or commercial real estate prices may have an adverse impact on our business and our growth***.

We have significant exposure in the housing and commercial real estate sector, through housing loans, LAP (Loans against Property), lease rental discounting, loans to developers and commercial real estate loans which exposes us to the effects of volatility in housing sector prices. For the nine months ended December 31, 2024 and December 3, 2023 and Fiscals 2024, 2023, 2022, our combined exposure in housing and commercial real estate sector was 10.54%, 9.86%, 9.76%, 9.86% and 10.42%, respectively, of total funded and non-funded exposures. Any sudden or sharp movement in housing or commercial real estate prices may adversely affect the demand and the quality of our portfolio which may have an adverse impact on our business, results of operations and financial condition.

26. ***Our risk management policies and procedures may not adequately address unidentified or unanticipated risks.***

Our risk management functions are divided on the basis of principal risks defined under applicable Basel III guidelines, i.e., credit risk, market risk, operational risk and liquidity risk. While we have a well-defined risk management governance framework that comprises of a risk management committee and sub committees for management of credit, market, liquidity and operational risk, to the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures, in particular to market environments or against particular types of risk. We have devoted significant resources to develop our risk management policies and procedures and aim to continue to do so in the future. See "***Our Business - Risk Management***" on page 166. Despite this, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our methods of managing risks are based upon the use of observed historical market behavior. As a result, these methods may not accurately predict future risk exposures which could be significantly greater than those indicated by the historical measures. Management of operations, legal and regulatory risks requires, among other things, policies and procedures to properly record and verify a large number of transactions and events, and these policies and procedures may not be fully effective. As we seek to expand the scope of our operations, we also face the risk that we may not be able to develop risk management policies and procedures that are properly designed for new business areas or to manage the risks associated with the growth of our existing businesses effectively. Implementation and monitoring may prove particularly challenging with respect to businesses that we plan on developing. An inability to develop and implement effective risk management policies may materially and adversely affect our business, financial condition and results of operations.

27. ***We offer unsecured loans to customers that are not supported by any collateral. In the event of non-payment by a borrower of one of these loans, we may be unable to collect the unpaid balance.***

We offer unsecured personal loans to the retail customer segment, including salaried individuals and self-employed professionals, and we are strategically planning to continue to grow this business. In addition, we offer unsecured loans to corporates, small businesses and individual businessmen. As at December 31, 2024, unsecured loans contributed 7.67% of our Bank's net advances. Unsecured loans are at higher credit risk than secured loans as they are not supported by collateral that could help ensure an adequate source of repayment for the loan. Although we may obtain direct debit instructions or post-dated cheques from our customers for our unsecured loan products, we may be unable to collect in part or at all in the event of non-payment by a borrower.

Further, any increase in delinquency in our unsecured loan portfolio could require us to increase our Bank's provision for credit losses, which would adversely affect our results of operations.

28. ***We distribute third-party products, such as mutual funds, brokerage and insurance products. Our inability to effectively manage any of these businesses may adversely affect our business, results of operation and financial condition.***

In order to grow our non-interest income, we distribute third-party products, such as, amongst others, mutual funds, brokerage and insurance products. We have engaged with various third-party product companies to distribute such products. Our Bank has put in place necessary checks and balances to ensure compliance of regulatory norms by third party channel partners and there has been no failure in managing these third party businesses in the past three fiscals and nine months ended December 31, 2024. However, we have no control over the actions of such third-party product companies and their products. Any failure on the part of such third-party product companies, including any failure to comply with applicable regulatory norms, any regulatory action taken against such parties or any adverse publicity relating to such party could, in turn, result in negative publicity about us and adversely impact our brand and reputation. Further, in case customers to whom such products are sold, experience deficiency of service or are otherwise aggrieved, we may be subject to litigation or claims for damages by such aggrieved customers, which could have an adverse effect on our reputation and our business, financial position and results of operations.

29. ***The Indian banking industry is very competitive and our growth strategy depends on our ability to compete effectively.***

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

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

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

30. ***Weakness or failures of our internal control system may cause significant operational errors, which may in turn materially and adversely affect our business.***

Banks and financial institutions are generally exposed to many types of operational risks, including the risk of fraud or other misconduct by employees or outsiders, unauthorized transactions by employees and third parties (including violation of regulations for prevention of corrupt practices, and other regulations governing our business activities), or operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems. Given the high volume of transactions that we handle on a day to day basis, certain errors may be repeated or compounded before they are discovered and successfully rectified. In addition, our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

We also outsource certain functions to other agencies, such as data entry, cash management and ATM management. We are also, as a result exposed to the risk that such external agencies may be unable to fulfil their contractual obligations to us (or will be subject to the same risk of fraud or operational errors by their respective employees as we are), and to the risk that our (or such agencies) business continuity and data security systems prove not to be sufficiently adequate. We also face the risk that the design of our controls and procedures may prove inadequate, or are circumvented, thereby causing delays in detection or errors in information. While we periodically test and update, as necessary, our internal control systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances.

Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to fully correct such internal control weakness. For details of frauds, see "***Legal Proceedings***" on page 284.

31. ***Our Bank is exposed to various industry sectors, and a deterioration in the performance of any industry sector in which our Bank has significant exposure could adversely affect our results of operations, the quality of our portfolio and financial condition.***

We offer loans to a wide range of industries and businesses. Our Bank's largest outstanding were to the power, transport, in particular roadways, water sanitation, iron and steel and petrol/coal/nuclear fuels sectors at ₹ 5,281.01 crore, ₹ 3,102.54 crore, ₹ 3,078.99 crore, ₹ 2,426.19 crore and ₹ 1,688.96 crore respectively, that represented 5.51%, 3.24%, 3.21%, 2.53% and 1.76%, respectively, of our total advances i.e., ₹ 95,869.78 crore, as of December 31, 2024. Any financial difficulties experienced by our customers or by particular sectors of the Indian economy to which we have historically had and continue to have significant exposure, due to factors outside our control could significantly increase our NPA levels and adversely affect our business, future financial performance and the price of the Equity Shares.

The ability of borrowers to service their debt obligations may be adversely impacted by any significant deterioration in the performance of a particular sector, driven by events outside our control, such as regulatory actions or policy announcements by the GoI or state government authorities. As a result, we may experience increased defaults, which may adversely affect our business, results of operations and financial condition.

32. ***Our contingent liabilities could materially and adversely affect our financial condition and results of operations.***

As of December 31, 2024, our Bank had contingent liabilities amounting to ₹ 5,890.51 crore. The table below sets forth the details of contingent liabilities:

(₹ crore)

Particulars	**As of December 31, 2024**
Claims against the bank not acknowledged as debts	0.72
Liability for partly paid investments	32.78
Liability on account of outstanding forward exchange contracts	1,223.94
Guarantees given on behalf of constituents	2,656.77
Acceptances, endorsements and other obligations	287.47
Other items for which the bank is contingently liable	1,688.83
Total	**5,890.51**

Most of the liabilities have been incurred in the normal course of business. If these contingent liabilities were to fully materialize or materialize at a level higher than we expect, it may materially and adversely impact our business, financial conditions, result of operations and prospects. If we are unable to recover payment from our customers in respect of the commitments that we are called upon to fulfill, our business, financial condition, cash flows, results of operations and prospects may be adversely impacted.

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

Although the Bank complies with the guidelines related to Anti-Money Laundering issued by Reserve Bank of India and Financial Intelligence Unit-India and all necessary reporting is also being done but Banking Channels have an inherent risk of misuse by money launderers, terrorists and cyber criminals. Since 2013, regulatory reports are being submitted as per guidelines and no penalty has been imposed till date regarding regulatory reporting. While we continue to strengthen our AML and KYC procedures, to the extent we fail to fully comply with applicable laws and regulations, the relevant governmental and regulatory agencies may impose fines and other penalties and, in certain circumstances, ask us to cease operations. While there have been no instances in the past three fiscals and nine months ended December 31, 2024, any failure to detect money-laundering and other illegal or improper activities or instance of any adverse action taken by the relevant governmental and regulatory agencies could adversely affect our reputation, thereby affecting our business and future financial performance.

34. Our business and financial condition may be adversely affected if we are unable to develop new products and services.

The role of technology in driving differentiation and business growth is crucial in the highly competitive banking sector. Our Bank is committed to leveraging technological advancements to continually innovate and enhance customer experiences across all digital platforms. Our strategic focus includes the development of user-friendly digital banking services such as mobile banking, internet banking, UPI, and streamlined digital processes. We have launched various applications including, PSB UnIC - Mobile Banking Application, Digital Car Loans (PSB E Apna Vahan Loans) Digital Home Loans (PSB E Apna Ghar Loans) and PSB UnIC Biz App. For further details see, "***Our Business - Launch of New Initiatives for Business Expansion, Tie-ups and Collaborations along with Growing Digital Footprints***" on page 177.

Partnerships with third parties underscore our proactive approach in meeting the evolving needs of our diverse customer base. While we have been diversifying and expanding our products and services to deliver innovative, customer-centric solutions and forging strategic partnerships, we cannot assure you that we will be able to continue delivering value and maintain our competitive edge in the banking sector. The successful diversification of our product and service offerings, while managing associated risks and challenges, is essential. Potential outcomes, such as returns on new products falling short of expectations, could materially impact our liquidity, business prospects, financial condition, and overall operational results. Furthermore, heightened competition that better anticipates customer needs within our target markets could potentially diminish our market share and adversely affect our business operations.

35. We face restrictions in opening new branches in Tier I centres. In case we are unable to expand our branches in Tier-I centres, it may impact growth of our deposit base which may in turn adversely affect our business prospects.

The RBI has granted general permission to public sector banks to open branches in India, subject to at least 25% of the total number of branches opened during a financial year are in unbanked rural (Tier V and Tier VI) centres. We have 692 branches in Tier I centres and 892 branches in Tier II to Tier VI centres, as of December 31, 2024. Deposits maintained at Tier I centres constitute 43.69% of our total domestic deposits as of December 31, 2024. Our ability to set up branches in Tier I centres to grow our deposit base depends in part on our ability to comply with conditions prescribed by RBI for expanding our network of branches. Any inability to grow our deposit base may adversely impact our business prospects.

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

The pricing on our issuances of debt will be negatively impacted by any downgrade or potential downgrade in our credit ratings, which could increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis. There is no downgrade of Bank's/Bank's Instrument for past three Fiscals and in the nine months ended December 31, 2024. Set forth below are details of our credit ratings as of the corresponding periods:

Rating Agency	Instrument/Purpose/ Issue	As at December 31, 2024	As at December 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
CRISIL	Tier II	CRISIL AA/Stable (Reaffirmed)	CRISIL AA/Stable (Outlook revised from 'Negative'; Rating Reaffirmed)	CRISIL AA/Stable (Outlook revised from 'Negative'; Rating Reaffirmed)	CRISIL AA/Negative (Reaffirmed)	CRISIL AA/Negative (Reaffirmed)
CRISIL	Long Term Infrastructure Bond	CRISIL AA (Stable) (Fresh rating)	-	-	-	-
ICRA	Tier II	-	-	-	-	ICRA AA- (Negative); reaffirmed and withdrawn
ICRA	Additional Tier I				ICRA A (Stable); Upgraded from ICRA A- (Negative); outlook revised to Stable from Negative and withdrawn	ICRA A- (hybrid) (Negative); (reaffirmed)
ICRA	Certificate of Deposit	ICRA A1+ (Reaffirmed)	ICRA A1+ (Reaffirmed)	ICRA A1+ (Reaffirmed)	ICRA A1+ (Reaffirmed)	ICRA A1+ (Reaffirmed)
India Ratings	Long Term Infrastructure Bond	IND AA (Stable) (Fresh rating)	-	-	-	-
CARE	Tier II	CARE AA-; Positive (Reaffirmed)	CARE AA-; Positive (Reaffirmed; Outlook revised from Stable)	CARE AA-; Positive (Reaffirmed; Outlook revised from Stable)	CARE AA-; Stable (Reaffirmed; Outlook revised from Negative)	CARE AA-; Negative (Reaffirmed)
Informerics	Tier II Bonds	IVR AA/ Stable (Reaffirmed)	IVR AA/ Stable (Fresh Rating)	IVR AA/ Stable (Reaffirmed)	IVR AA/ Stable (Fresh Rating)	-

While our credit ratings have not been downgraded in the past three fiscals and nine months ended December 31, 2024, our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis, which may adversely affect our profitability and future growth. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debts in domestic and international markets, which would increase our financing costs and adversely affect both our future debt issuances and our ability to raise new capital on a competitive basis, which may, in turn, adversely affect our profitability and future growth. In addition, any downgrade of our credit ratings could result in additional terms and conditions being included in any financing or refinancing arrangements in the future. We cannot guarantee that our ratings will not change, or that any other rating agency will not downgrade India's credit rating. Also see, "***Risk Factors – Any downgrade in India's sovereign debt rating by international rating agencies could adversely impact our ability to raise additional foreign currency financing, interest rates and other commercial terms at which such financing is available.***" on page 74.

37. Any regulatory investigations, fines, sanctions, and requirements relating to conduct of business and financial crime could negatively affect our business and financial results, or cause serious reputational harm across our businesses.

The RBI is empowered under the Banking Regulation Act and the circulars, guidelines and notifications issued thereunder to impose penalties on banks and their employees, to enforce applicable regulatory requirements or in case of infringement of any provisions of the Banking Regulations Act. In the past, the RBI has levied penalty on us for non-compliance with guidelines and instructions issued by the RBI from time to time, as well as on account of fraud. For further details of penalties imposed by the RBI and other regulators, see also "***Legal Proceedings – Outstanding action against the Bank by statutory or regulatory authorities***" on page 285. We are periodically subject to inspections by the relevant authorities. Certain of these inspections have resulted in investigations and cases commenced against us or some of our employees. Going forward we will remain subject to similar inspections, investigations and cases. If one or more of such inspections, investigations or cases leads to a significant award or penalty against us, our business may be adversely affected.

The table below sets forth details of regulatory penalties imposed by the RBI during the last three Fiscals and up to March 21, 2025:

Period	**Date of Action/ Penalty**	**Brief Description of the Action/ Penalty**	**Quantum of Penalty (₹ crore)**
Fiscal 2023	June 3, 2022	Penalty imposed by RBI on account of Non-compliance of the directions issued by RBI on '*External Benchmark Lending*' wherein our Bank failed to link certain eligible retail and MSME loan accounts with EBLR instead of MCLR.	0.28
Fiscal 2024	September 25, 2023	Penalty imposed by RBI on account of our Bank failing to credit an amount of ₹ 70.65 crore standing to the credit of 263,865 accounts to Depositor Education and Awareness Fund ("**DEAF Fund**") within the period prescribed under provision of Section 26A of Banking Regulation Act, 1949.	1.00
Fiscal 2024	January 12, 2024	Penalty imposed by RBI for non-compliance with certain directions issued by RBI on '*Loans & advances – Statutory and other Restrictions*.' In reference to sanctioning loan to State government entity substituting the subsidy.	1.00

The penalties imposed by such regulators have in the past generated adverse publicity for us and our business. Such adverse publicity, or any future scrutiny, investigation, inspection or audit which could result in fines, public reprimands, reputational loss, significant time and attention from our management, costs for investigations and remediation of affected customers, may adversely affect our business and financial performance. We cannot predict the initiation or outcome of any such investigations by other authorities or different investigations by relevant authorities. Any penalty imposed as a result of such investigations may generate adverse publicity for our business. Such adverse publicity, or any future scrutiny, investigation, inspection or audit which could result in fines, public reprimands, and damage to our reputation, significant time and attention from our management, costs for investigations and remediation of affected customers, may adversely affect our business and financial results.

38. Our Statutory Auditors have included certain matters of emphasis in their report on our Financial Statements.

Our Statutory Auditors audit reports in respect of Financial Statements includes a certain emphasis of matter, which does not require any corrective adjustments in the financial information. Such emphasis of matter is detailed in the Statutory Auditors' audit report in relation to the Financial Statements. For further information, see "***Financial Statements***" on page 291.

We cannot assure you that our Statutory Auditors reports for any future fiscal periods will not contain qualifications, remarks, comments or emphasis of matter or that such qualifications, remarks, comments or emphasis of matter will not require any adjustment in our financial statements for such future periods or otherwise affect our results of operations in such future periods.

39. Our ability to pay dividends in the future will depend upon applicable RBI regulations, our earnings, financial condition and capital requirements. Any inability to declare dividend may adversely affect the trading price of our Equity Shares.

While we have a formal board approved dividend policy to govern our dividend pay-out, our future ability to pay dividends and the amount of any such dividends, if declared, will depend upon a number of factors, including our future earnings, financial condition, capital requirements, our compliance with regulatory requirements, meeting the RBI mandated CRAR and net NPA parameters and our operating performance. We cannot assure you that we will generate sufficient income to cover our operating expenses and shall be able to pay dividends. Our present and future dividend policy is based on the terms of the extant GoI/ RBI guidelines and directives, and is dependent on our revenues, profits, cash flow, financial condition, capital requirements and other factors. For further information, see "***Dividend Policy***" on page 82

The RBI has prescribed limits on the dividend pay-out ratio of banks in India linked to certain parameters such as the risk-based capital ratio and net non-performing assets ratio. Under the RBI's Basel III guidelines, banks are subject to higher minimum capital requirements and must maintain a capital conservation buffer above the minimum requirements to avoid restrictions on capital distributions and discretionary bonus payments. Any change in restrictions on payment of dividend or capital requirements may limit our ability to pay dividends to Shareholders. The declaration and payment of dividends are subject to the provisions of the Banking Regulation Act and regulations made thereunder, the RBI Act and regulations and guidelines made thereunder including RBI Circular (RBI/2004-05/451DBOD.NO.BP.BC.88/21.02.067/2004-05) dated May 4, 2005 ("**RBI Dividend Circular**"). The Bank follows the Banking Regulation Act, the RBI Dividend Circular and Regulation 43A of the SEBI Listing Regulations in this regard. Dividends that our Bank has paid in the past may not be reflective of the dividends that our Bank may pay in a future period.

40. We may face labour disruptions and employee misconduct that could adversely affect our business, results of operations and financial condition.

We are exposed to the risk of strikes and other industrial actions. Some of our Bank's employees are members of the trade unions. We have also in the past had instances of strikes and work stoppages on account of our employees' unions participating in all India strikes. While we believe that we have a working relationship with the unions / associations, there can be no assurance that our Bank will continue to have such a relationship in the future. If the employees' union calls for a work stoppage or other similar action, we may be forced to suspend all or part of our operations until the dispute is resolved. If any such work stoppage or disruption was to occur, possibly for a significant period of time, our business, results of operations and financial condition would be adversely affected.

There is also likelihood for employee misconduct which could involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand. It is not always possible to deter misconduct by employees and the precautions we take and the systems we have put in place to prevent and deter such activities may not be effective in all cases.

Any instances of such misconduct or fraud could adversely affect our reputation, business, results of operations and financial condition.

41. ***Our Bank has reported some of our borrowers as wilful defaulters. An increase in the number of wilful defaulters may have a material, adverse impact on our business, results of operations and financial condition.***

As at December 31, 2024, our Bank reported a total of 94 borrowers as wilful defaulters to the RBI while the total amount outstanding of such borrowers' accounts was ₹1,068.81 crore. In respect of borrowers classified as non-cooperative and wilful defaulters, our Bank makes accelerated provisions as per extant RBI guidelines. An increase in the number of wilful defaulters reported by our Bank could adversely affect our business, results of operations and financial condition.

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

Failing to adapt to technological advancements that have the potential to disrupt the banking industry could significantly impact the performance and features of our products and services, potentially diminishing our attractiveness to customers. In today's rapidly evolving digital landscape, staying ahead of technological changes is imperative for the Bank. Embracing innovation allows us to enhance customer experience, streamline operations, and maintain competitiveness in the market. By proactively integrating cutting-edge technologies into our offerings, we ensure that we not only meet but exceed customer expectations, thereby safeguarding our position as a leader in the banking sector. Our failure to adapt to such technological advancements quickly and effectively could affect the performance and features of our products and services and could reduce our attractiveness to existing and potential customers.

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

As of December 31, 2024, our Bank had ₹ 12,611.91 crore of outstanding debt liabilities, inter alia, in the form of refinance from SIDBI/NABARD/MUDRA/NSFDC, borrowing from RBI (REPO), borrowing under TREPS, subordinate debts for Tier II capital and long-term infrastructure bond.

Our existing indebtedness could impose restrictions on our business operations which may be in the nature of following:

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

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

44. ***Any deficiencies, inaccuracies or mis-specification in the models and data we rely on for our risk analysis could impact our decision-making and operations.***

As part of ordinary decision-making process, our Bank relies on various models for data analysis and risk assessment. These models are based on historical data supplemented with managerial inputs and comments. These models analyze data which may not always be accurate or adequate to guide for strategic and operational decisions and protect from risks. Any misspecification, deficiencies or inaccuracies in the data used for model development might have a material adverse impact on bank's business, operations and financial conditions. As our Bank endeavours to broaden its operations in newer geographies and new product areas, there is a risk that we may struggle to create tailored risk management policies/procedures/models suitable for these new areas and products, or effectively handle the risks linked to the expansion of our current businesses. Also, implementation and monitoring may prove to be challenging with respect to our expansion and development.

45. ***Our Company had experienced negative cash flows from operating activities in the past. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business, thereby affecting our financial condition.***

Our Company has, in the past, experienced negative cash flows from operating activities. The table below provides details of our cash flows in the periods indicated:

Particulars	Fiscal		
	2024	2023	2022
Net cash from / (used in) operating activities	1,748.88	1,428.36	(5,998.57)

We experienced negative cash flows from operating activities for Fiscal 2022 our cash generated from operations before working capital changes was ₹1,698.74 crore, and our net cash used in operating activities was ₹5,998.57 crore.

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. It may strain liquidity, increase reliance on external funding and increase borrowing costs. We may face a shortfall of capital in future as a result of negative cash flows and there can be no assurance that we will be able to raise adequate capital in future. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, see the sections titled "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and "***Financial Statements***" on pages 83 and 291 respectively.

46. ***We face restrictions on lending to large borrowers, which may have a material adverse effect on our business, financial condition and results of operations.***

In August 2016, the RBI released the Guidelines on Enhancing Credit Supply for Large Borrowers through Market Mechanism. It was stated that corporate loans beyond the limit determined for a borrower, as per the guidelines, would attract additional provisions and higher capital. On June 3, 2019, the RBI released the Guidelines on LEF applicable to all scheduled commercial banks (other than regional rural banks) with a view to capture exposures and concentration risks more accurately and to align the previous guidelines and instructions on LEF with international norms, which superseded the previous circulars on large exposure framework.

From April 2019, in accordance with the LEF, our exposure limits for single and group borrowers are 20% and 25% of our Tier 1 capital funds, respectively. These limits may be subjected to further changes and revisions in future. These limits may be subjected to further changes and revisions in future. These new regulations may have a material adverse effect on our business, cash flows, financial condition and result of operations.

47. ***Our Bank may not be able to meet the minimum public shareholding within the prescribed timelines, which could expose the Bank to penalties and other regulatory enforcement actions.***

Pursuant to Section 19A of the Securities Contract (Regulations) Rules, 1957, as amended ("**SCRR**"), all listed companies are required to maintain a minimum public shareholding of at least 25%. Every listed public sector company whose public shareholding was below 25% is required to increase its public shareholding to at least 25% of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI Listing Regulations. The SCRR also provides that if the public shareholding in a listed public sector company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of two years from the date of such fall in the manner prescribed by the SEBI. Failing to achieve/ maintain a minimum public shareholding would subject such company to penalties and other regulatory enforcement actions. Our Bank is required to comply with minimal public shareholding norms by August 1, 2026 as per the GoI notification. As of December 31, 2024, our Bank's public shareholding constituted only 1.75% of its total outstanding Equity Shares. Our Bank endeavours to take necessary steps to increase the public shareholding as per SCRR so as to comply with minimal public shareholding norms.

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

Majority of our offices, branches and ATMs are located on premises taken by us on lease from third parties. Our premises for Corporate Office is located on leased premises. The average tenure of the leases for our offices, branches and ATMs ranges from nine years to 15 years. Branches where lease has expired, our Bank is in the process of renewal/shifting of such branches. In case of non-renewal of our leases or if such agreements are renewed on unfavorable terms and conditions, we may be forced to procure alternative space for our existing branches and may incur additional costs in such relocation. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease or license agreements. This may cause a disruption in our operations or result in increased costs, or both, which may materially and adversely affect our business, financial condition and results of operations in respect of such defaulting premises. Further, some of our lease agreements may not be registered with the registering authority of the appropriate jurisdiction. Although we procure space that satisfies the safety, operational and financial criteria for our branches, we cannot assure you that we will be able to identify such space at commercially reasonable terms or at all

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

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties. For further information, see "***Financial Statements***" on page 291. We cannot assure you that we will receive similar terms in our related party transactions in the future and that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. The transactions we have entered into and any further transactions that we may have with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Bank. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our business and financial results, including because of potential conflicts of interest or otherwise.

50. ***As the GoI controls a majority of our issued share capital, its public policy decisions may impact our strategy and operations.***

The GoI controls a majority of our Bank's issued share capital. As of December 31, 2024, the GoI directly held 98.25% of our Bank's issued and paid up share capital. As our Bank's controlling shareholder, the GoI is able to exercise effective control over our Bank. Although historically we have enjoyed certain autonomy from the Government of India in the management of our affairs and strategic direction, as its controlling Shareholder, the Government of India is able to exercise effective control over the Bank.

Furthermore, the Chairman, Managing Director and Chief Executive Officer, the Executive Directors and certain other Directors are appointed by the Government of India. Although our management runs the day-to-day operations, the Government of India may determine material policies and implement such policies or schemes, as a majority and controlling Shareholder, without the consent of the other Shareholders, as well as determine the outcome of any transaction or other matter submitted to Shareholders for approval, except for those matters requiring a special resolution of the Shareholders. The Banking Companies Act mandates that the GoI's shareholding in our Bank cannot fall below 51.00%. This requirement could result in restrictions in our equity capital raising efforts as the GoI may not be able to fund any further investments that would allow it simultaneously to maintain its stake at a minimum of 51.00% and seek funding from the capital markets. As the Indian economy grows, more businesses and individuals will require capital financing. In order to meet and sustain increasing levels of growth in capital demand, we will need to accrete our capital base, whether through organic growth or capital market financing schemes. If we are unable to grow our capital base in step with demand, our business, financial prospects and profitability may be materially and adversely affected. Further, the approval issued by the Department of Financial Services, Ministry of Finance, Government of India to our Bank dated January 09, 2025 in relation to the Issue, requires us to raise capital in such a way that GoI's shareholding does not fall below 52.00%.

51. ***A reduction in long-term interest rates may increase our pension liabilities which may adversely affect our future financial performance and results of operations.***

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

52. Our inability to renew or maintain our statutory and regulatory permits and approvals required to operate our business may adversely impact our business, financial condition and results of operation.

We are required to obtain various statutory and regulatory licences, permits and approvals to operate our business which require us to comply with certain terms and conditions in the ordinary course of our business. Inability to obtain these licences/permits/approvals or non-compliance of the terms and conditions mentioned therein may attract penalties and strictures from the regulatory authorities if the irregularities pointed out by the inspecting officials of the concerned authorities are not rectified within the time allowed by them and in extreme cases, it may result in the interruption of all or some of our operations and may have a material adverse effect on our business, financial condition, results and cash flow and could also adversely affect our financial performance and reputation.

In addition, our branches in some states are also required to be registered under the relevant shops and establishments laws of the concerned states within whose territorial jurisdiction, our branch is located, unless otherwise exempt under such enactments. Inability to obtain these licences/permits/approvals or non-compliance of the terms and conditions mentioned therein may attract penalties and strictures from the authorities if the irregularities pointed out by the inspecting officials of the concerned authority is not rectified within the time allowed by them and in extreme cases, it may result in the interruption of all or some of our operations and may have a material adverse effect on our business, financial condition, results and cash flow and could also adversely affect our financial performance and reputation.

53. Our inability to effectively manage our growth or implement our growth strategies may have an adverse effect on our business, results of operations, financial condition and cash flows.

Our growth strategies include (i) continuing to grow our advances with tailor-made RAM products, creating MSME clusters and specialised branches for mid-corporate credit; (ii) continuing to invest in digital lending and augmenting non-fund and forex business; (iii) increasing proportion of fee-based revenue, cross-selling through collaborations and increasing revenue through co-branded credit cards, insurance and mutual funds, (iv) focusing on improving deposits with increasing CASA deposits and expanding our retail term deposits; (v) increasing tie-ups and memorandum of understandings ("***MOUs***") for customer acquisitions; (vi) expanding branches and increasing network of branch correspondents ("**BCs**") in uncovered districts; and (vii) dedicated credit monitoring. For further information, see "***Our Business – Strategies***" on page . We cannot assure you that our future growth strategy will be successful or that we will be able to continue to expand further, or at the same rate. Our ability to manage our future growth will depend on our ability to continue to implement and improve operational, financial and management systems on a timely basis and to expand, train, motivate and manage our personnel. To the extent that our Bank fails to meet required targets, develop and launch new products or services successfully, it may lose any or all of the investments that it has made in promoting them, and our Bank's reputation with its customers could be harmed. Moreover, if our Bank's competitors are better able to anticipate the needs of individuals in its target market, our Bank could lose market share and our business, results of operations and financial condition could be adversely affected. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Our inability to manage our business and implement our growth strategy could have an adverse effect on our business, results of operations, financial condition and cash flows.

54. Our inability to attract and retain talented professionals may negatively affect our results of operation and financial position.

Our business is growing more complex as we expand our operations and our product lines. We have built a team of professionals with relevant experience in fields such as credit evaluation, risk management, treasury and marketing. Our growth and continued success depends in part on the continued service of key members of our management team and our ability to continue to attract, train, motivate and retain highly qualified professionals.

We believe our employees are a significant source of our competitive advantage and are thus a key element of our growth strategy. As December 31, 2024, our Bank had 10,250 employees.

Attracting and retaining talented professionals is a key element to our growth strategy. Our remuneration schemes are guided by industry level negotiations between bank management represented by the Indian Banks' Association ("**IBA**"), and officers/ workmen represented by their respective unions. In addition to such remuneration, we also offer our employees certain incentive such as bonus payments, as may be approved by our Board. Our remuneration scheme is in accordance with industry level settlement formulated by the IBA following negotiation with various unions or associations. The remuneration prevalent in the public sector banks are similar except for perks which is determined by individual banks. If the banking industry increasingly moves toward incentive-based pay schemes, attrition rates could increase and we could be forced to alter our remuneration scheme. The resultant pressures may result in diminished profitability, especially if rates of return do not experience a commensurate rise. An inability to attract and retain such talented professionals or the resignation or loss of such professionals may have an adverse impact on our business, future financial performance and trading price of the Equity Shares. In addition, we may experience difficulties in managing our expanding workforce.

55. There can be no assurance that we will be able to access capital as and when we need it for growth.

Unless we are able to access the necessary amounts of additional capital, any incremental capital requirement may adversely impact our ability to grow our business and may even require us to curtail or withdraw from some of our current business operations. There can be no assurance that we may be able to raise adequate additional capital in the future on terms favorable to us, or at all, and this may hamper our growth plans, apart from those that can be funded by internal accruals.

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

While we are covered by a range of insurance that we believe is consistent with industry practice in India to cover risks associated with our business, we cannot assure you that the existing coverage will insure our Bank completely against all risks and losses that may arise in the future. For details see, "***Our Business – Insurance***" on page 203.We may not have insurance to cover all of the risks associated with our business, as insurance coverage is either unavailable for certain risks or is prohibitively expensive. In addition, even if such losses are insured, we may be compelled to contribute a substantial deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. In addition, our insurance policies are generally subject to annual renewal, and our ability to renew these policies on similar or otherwise acceptable terms, cannot be assured. If we incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have an adverse effect on our business, cash flows, results of operations and financial condition.

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

We have established a brand, 'Punjab & Sind Bank' which is registered under the Trademarks Act, 1999, as amended. For details see, "***Our Business – Intellectual Property***" om page 204. We are accordingly subject to the risk of brand dilution and consequently, loss of revenue in case of any misuse of our brand name by our agents or any third party. In addition, we may not be able to protect our intellectual property rights against third party infringement and unauthorized use of our intellectual property, including by our competitors. Further, our inability to obtain or maintain these registrations may adversely affect our competitive business position. This may affect our brand value and consequently our business. We may also be subject to claims by third parties, both inside and outside India, if we breach their intellectual property rights by using slogans, names, designs, software or other such subjects, which are of a similar nature to the intellectual property these third parties may have registered. While there have been no such instances in the last three Fiscals and nine months ended December 31, 2024, however, any legal proceedings that result in a finding that we have breached third parties' intellectual property rights, or any settlements concerning such claims, may require us to provide financial compensation to such third parties or make changes to our marketing strategies or to the brand names of our products, which may have a materially adverse effect on our brand, business, prospects, financial condition and results of operations.

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

Regulators in various jurisdictions are increasingly scrutinizing how companies collect, process, use, store, share and transmit personal data. This increased scrutiny may result in new interpretations of existing laws, thereby further impacting our business. In India, the Personal Data Protection Act, 2023 ("**Data Protection Act**") has been enacted for implementing organisational and technical measures in processing personal data laying down norms for cross-border transfer of personal data to ensure the accountability of entities processing personal data. The Data Protection Act introduced stricter data protection norms for an entity such as ours and may impact our processes. The Data Protection Act is introduced to maintain the highest level of security and protection for all such information regarding our various customer. The RBI has also issued a circular dated April 6, 2018 on the procedure of storage of payment systems data to ensure that data relating to payment systems that we operate are stored only in India.

While there have been no instances of non-compliance with data protection laws in the nine months ended December 31, 2024 and the last three fiscals, we cannot assure you that we will be able to continue to be compliant with evolving regulatory norms on personal information protection. Any failure, or perceived failure, by us to comply with any applicable regulatory requirements, including but not limited to privacy, data protection, information security, or consumer protection-related privacy laws and regulations, could result in proceedings or actions against us by governmental entities or individuals who may subject us to fines, penalties, and/ or judgments which may adversely affect our business and reputation.

59. We may face cyber threats, theft of the sensitive internal data of our customers and any significant security breaches of our systems could damage the reputation and could adversely impact our business.

We offer online banking services to our customers. Our online banking channel includes multiple services such as electronic funds transfer, bill payment services, usage of credit cards on-line, requesting account statements, and requesting cheque books. We are therefore exposed to various cyber threats which includes phishing and trojans targeting our customers, wherein fraudsters send unsolicited mails to our customers seeking account sensitive information or to infect customer machines to search and attempt exfiltration of account sensitive information, hacking, wherein attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting services; and data theft, wherein cyber criminals may attempt to enter our network with the intention of stealing our data or information. Any cyber security breach could also subject us to additional regulatory scrutiny and expose us to civil litigation and related financial liability.

We seek to protect our computer systems and network infrastructure including ATMs from physical break-ins as well as security breaches and other disruptive problems caused by our increased use of the internet. Computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and network infrastructure. There may be areas in the system that have not been properly protected from security breaches and other attacks. We employ security systems, including advance threat defense systems, sophisticated threat management systems and password encryption, designed to minimize the risk of security breaches. Although we intend to continue to implement security technology and establish operational procedures to prevent break-ins, damage and failures, there can be no assurance that these security measures will be adequate or successful.

While there have been no instances of security breaches in the nine months ended December 31, 2024 and the last three fiscals, any failed security measures or failure to adhere with the cyber security policy under the Cyber Security Framework issued by the RBI or inadequate focus in addressing major issues such as those relating to implementation of risk management system, increase in reported frauds, absence of straight through processing in critical systems and their integration with CBS, inadequate collateral management and delayed compliance in implementing the observations of the risk assessment reports, could have a material adverse effect on our business and operations, our future financial performance and the trading price of the Equity Shares. Our Bank has ensured to put in place all the necessary control measures as required by the RBI. Our audit department conducts annual audit of the same by external auditors to adhere with the Cyber Security Framework issued by the RBI. Further, our business operations are based on a high volume of transactions. Although we take measures to safeguard against systems related and other fraud and have been compliant with the Cyber Security Framework as per regular internal and external information security audits, there can be no assurance that we will be able to prevent fraud. Our reputation could be adversely affected by significant fraud committed by employees, customers or outsiders.

While compliance checks are regularly reported to top executives and committees, and the bank is fully committed to protecting its IT infrastructure from all types of external and internal threats, we cannot guarantee that there are no potential breaches. While our prompt response to threat intelligence received from various platforms and our collaboration with external regulatory agencies have kept us compliant with the cyber security regulations, there remains a risk that such breaches could affect our business operations.

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

We believe our name is associated with strong brand recognition due to its long and successful presence in the markets in which we operate and therefore maintaining and enhancing the brand is important for retaining our competitive advantage. Reputational risk, or the risk to our business from negative publicity, is inherent in our business. The reputation of the financial services industry in general has been closely monitored as a result of the financial crisis and other matters affecting the financial services industry. Any negative public opinion about the industry in which we operate could adversely affect our ability to attract and retain customers, and may expose us to litigation and regulatory action.

Further, creating and maintaining public awareness of our name is crucial to our business and we accordingly invest in various marketing and advertising campaigns. If these campaigns are poorly executed, or our customers lose confidence in us for any reason, it could harm our ability to attract and retain customers. There can be no assurances that we will be able to sustain effective marketing, advertising and branding initiatives in the future. Maintaining and enhancing our name may require us to make substantial investments in financial services industry which may not be successful.

Negative publicity can result from our actual or alleged conduct in a number of activities, including lending practices, foreclosure practices, corporate governance, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organizations in response to that conduct. We distribute several third-party products, including life insurance, health insurance, general insurance and mortgages. While there have been no such material negative publicity in the last three Fiscal and nine months ended December 31, 2024, however, any failure on the part of such third parties, including any failure to comply with applicable regulatory norms, any regulatory action taken against such parties or any adverse publicity relating to such party could, in turn, result in negative publicity about us and adversely impact our brand and reputation.

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

We intend to use the Net Proceeds for the purposes described in "***Use of Proceeds***" on page 80 of this Preliminary Placement Document towards to utilize the Net Proceeds towards augmenting our Bank's Tier I Capital to meet additional requirement on account of capital conservation buffer and to support growth plans and to enhance the business of our Bank. As on the date of this Preliminary Placement Document, our funding requirements are based on management estimates in view of past expenditures and have not been appraised by any bank or financial institution. They are based on current conditions and are subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies. While we will use the Net Proceeds towards augmenting our Bank's Tier I Capital to meet additional requirement on account of capital conservation buffer and to support growth plans and to enhance the business of our Bank or any other purposes in the manner specified in "***Use of Proceeds***" on page 80, the amount of Net Proceeds to be actually used will be based on our management's discretion. However, the deployment of the Net Proceeds will not be monitored by any monitoring agency. Our internal management estimates may exceed fair market value or the value that would have been determined by third-party appraisals, which may require us to reschedule or reallocate our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and the results of operations.

62. If we are covered by RBI guidelines relating to prompt corrective action then our business, future financial performance and results of operations could be materially and adversely affected.

On November 2, 2021, the RBI revised the Prompt Corrective Action ("**PCA**") framework for banks. When the PCA framework is triggered, RBI has a range of discretionary actions it can take in addition to the corrective actions mentioned in the PCA. These discretionary actions include conducting supervisory meetings, conducting reviews, advising banks' boards for altering business strategy, review of capital planning, restricting staff expansion, removing of managerial persons and superseding the Board, as per the classification of different risk threshold. If we trigger any risk threshold under the PCA framework, it could materially and adversely affect our business, future financial performance and results of operations.

63. This Preliminary Placement Document includes certain non-GAAP financial measures and certain other selected statistical information related to our Bank's operations and financial condition.

These non-GAAP financial measures and statistical information may vary from any standard methodology that is applicable across the banking industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other banks. Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Preliminary Placement Document. Our Bank computes and discloses such non-GAAP financial measures and such other statistical information relating to our Bank's operations and financial performance as our Bank considers such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of banks, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. Such non-GAAP financial measures and other statistical and operational information are not measures of operating performance or liquidity defined by generally accepted accounting principles. These non-GAAP financial measures and other statistical and other information relating to our Bank's operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other banks in India or elsewhere.

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

Statistical and industry data used throughout this Preliminary Placement Document has been obtained from various government and industry publications. While we believe that the information contained has been obtained from sources that are reliable, but neither we nor the Book Running Lead Managers have independently verified it and the accuracy and completeness of this information is not guaranteed and its reliability cannot be assured. The market and industry data used from these sources may have been reclassified by us for purposes of presentation. In addition, market and industry data relating to India, its economy or its industries may be produced on different bases from those used in other countries. As a result, data from other market sources may not be comparable. The extent to which the market and industry data presented in this Preliminary Placement Document is meaningful will depend upon the reader's familiarity with and understanding of the methodologies used in compiling such data. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Preliminary Placement Document. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based on such information.

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

Our principal activity is providing financing to borrowers, including individuals, SMEs and MSMEs. The credit risk of our borrowers may be higher than in other economies due to the higher uncertainty in our regulatory, political and economic environment and the inability of our borrowers to adapt to global technological advancements. In addition, India's system for gathering and publishing statistical information relating to the Indian economy generally or specific economic sectors within it, or corporate or financial information relating to companies or other economic enterprises is not as comprehensive as those of countries with established market economies. Although India has credit information companies, adequate information regarding loan servicing histories, particularly in respect of individuals and small businesses, is limited. In the event that the reports of such credit information companies are not up-to-date, we may not be able to accurately assess the creditworthiness of our borrower which may increase our risk of exposure to default by borrower. As our lending operations are primarily limited to India, we may be exposed to a greater potential for loss compared to banks with lending operations in more developed countries. Inadequate loan servicing histories for borrowers increase the risk of exposure and may lead to an increase in our NPAs which may adversely affect our business, results of operations and financial condition.

We rely on information furnished by customers and counterparties while determining whether to extend credit or to enter into other transactions with such customers and counterparties. We typically rely on financial statements, other financial information and certain representations as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors provided. For example, in deciding whether to extend credit, we may assume that a customer's audited financial statements conform to generally accepted accounting principles and present fairly, in all material respects, the financial condition, results of operations and cash flows of the customer. Our financial condition and results of operations could be negatively affected by relying on financial statements that do not comply with generally accepted accounting principles or with other information that is materially misleading. We also rely on credit ratings and bureau scores assigned to our customers. Our financial condition and results of operations could be negatively impacted by such reliance on information that is inaccurate or materially misleading. This may affect the quality of information available to us about the credit history of our borrowers, especially individuals and small businesses. As a consequence, our ability to effectively manage our credit risk may be adversely affected.

Currently, India has four Credit Information Companies ("**CICs**"): (i) Credit Information Bureau (India) Limited ("**CIBIL**"); (ii) CRIF Highmark; (iii) Experian India; and (iv) Equifax India which provide Credit Information Reports. Our Bank is member of all the four CICs. However, these CICs provide the reports on borrower's repayment history only. The difficulties associated with the inability to accurately assess the value of collateral and to enforce rights in respect of collateral, along with the absence of such accurate statistical, corporate and financial information, may decrease the accuracy of our assessments of credit risk, thereby increasing the likelihood of borrower default on our loan and decreasing the likelihood that we would be able to enforce any security in respect of such a loan or that the relevant collateral will have a value commensurate to such a loan. The absence of reliable information, including audited financial statements, recognised debt rating reports and credit histories relating to our present and prospective corporate borrowers or other customers makes the assessment of credit risk, including the valuation of collateral, more difficult, especially for individuals and small businesses. The availability of accurate and comprehensive credit information on retail customers and small businesses in India is more limited than for larger corporate customers, which reduces our ability to accurately assess the credit risk associated with such lending. As a result, higher credit risk may expose us to greater potential losses, which could adversely affect our business, financial condition and results of operations.

66. ***As on the date of this Preliminary Placement Document, the composition of our Board and the composition of certain committees does not have the full strength as prescribed in the Banking Companies Act, SEBI Listing Regulations and Master RBI (Fit and Proper Criteria for Elected Directors on the Boards of PSBs) Directions, 2019 dated August 2, 2019.***

As on the date of this Preliminary Placement Document, we have six Directors on our Board consisting of one Managing Director and Chief Executive Officer and two Executive Directors appointed in accordance with Section 9(3)(a) of the Banking Companies Act. Other than three whole-time Directors, we have three non-executive Directors on our Board including one women Director. The current composition of our Board is not in compliance with the provisions of the Banking Acquisition Act since one position each under section 9(3)(e), 9(3)(f) and 9(3)(g) to be nominated by the Central Government and five positions under section 9(3)(h) to be nominated by the Central Government are vacant. We cannot provide any assurance that the composition of our Board and the committees thereof will be in terms of the applicable regulations in a timely manner or at all. Such delay or failure could result in statutory / regulatory authority(ies) taking action against us including imposing penalty on our Bank, any of which could adversely affect the Bank's business, reputation and results of operations.

RISKS RELATING TO INDIA

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

The majority of our business, assets and employees are located in India, so our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Therefore, any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operations and cash flows. The Indian economy faces potential adverse impacts from a range of factors, including pandemics, epidemics, political and regulatory shifts, social unrest, religious or communal tensions, terrorist attacks, violence or conflicts like those in the Russia-Ukraine hostilities, or the Israel-Hamas conflict. However, investors are closely monitoring the situation, especially for any signs that Iran might escalate the conflict. Traders are concerned about potential disruptions to crude oil supplies from the Middle East, which is the world's largest oil-producing region. For instance, if Iran escalates tensions, especially by using more destructive weapons or if other nations become involved, it could exacerbate concerns about disruptions in crude oil supplies.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. Further, the US Federal Reserve's rate revisions impact India's economy by altering borrowing costs, consumer spending, and inflation control. Higher rates can lead to capital outflows, a weaker rupee, and increased inflation, while lower rates may attract foreign investment and strengthen the rupee. Further, the US government trade policies, particularly imposition of tariffs under its "Fair and Reciprocal Plan" may impact Indian businesses, especially those with a substantial export presence in the US market and have led to increased costs for Indian consumers, disruptions in supply chains, and economic uncertainty. This policy has resulted in the imposition of tariffs across a diverse range of sectors, including steel, aluminum, pharmaceuticals, textiles, and electronics. As a results, Indian exporters may encounter heightened costs and uncertainties, potentially constraining their market competitiveness and profitability. Both factors influence India's economic stability and trade dynamics.

These situations could also impact banks, as financial institutions may face increased volatility and risk in certain markets. These developments, or the perception that any of them could occur, have had and may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects.

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

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

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

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

The Indian stock market is likely to experience significant volatility this year, influenced by macroeconomic indicators, global developments, central bank policies, and news related to the US Presidential election. For example, recent volatility in the Indian stock market, particularly with the Nifty 50 index, has shown significant fluctuations, such as a sharp decline of nearly 1.00% after a previous rise of over 1.00%. This pattern suggests that market volatility may be perceived as more severe than it truly is. Investor behavior, which involves buying during price drops and selling to lock in profits during price increases, can exacerbate this perception. Additionally, global tensions and economic uncertainties may contribute to heightened volatility and the impression of increased market risk.

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

Political instability or changes in government can significantly impact India's economic conditions in several ways:

- *Investment Climate:* Uncertainty about the political future can deter both domestic and foreign investors. Businesses may delay or cancel investments due to concerns over policy changes, regulatory shifts, or potential disruptions in governance. This can slow down economic growth and development.
- *Policy Continuity:* Frequent changes in government or political instability can lead to inconsistent or unpredictable economic policies. This lack of continuity can affect long-term planning and decision-making for businesses and investors, leading to decreased economic confidence and slower economic activity.
- *Economic Reforms:* Political instability might hinder the implementation of crucial economic reforms. Reform agendas may be stalled or reversed due to shifting political priorities, affecting the overall economic development and competitiveness of the country.
- *Market Sentiment:* Political uncertainty can lead to volatile financial markets. Investors may react negatively to political turmoil, causing fluctuations in stock prices, currency value, and bond yields. This volatility can further impact economic stability and investor confidence.
- *Public Spending:* Political instability can disrupt government spending and fiscal policies. Budget approvals might be delayed, or spending priorities might shift, affecting public infrastructure projects, social programs, and overall economic activity.

Consequently, the banking sector, heavily reliant on economic stability for asset quality, loan demand, and credit risk management, may face increased non-performing assets, reduced profitability, and heightened operational challenges, thereby affecting its overall business performance and stability.

Since the 1991 reforms, Indian governments have typically been multi-party coalitions, except for the last decade (2014 – 2024). Despite this, successive governments have consistently pursued economic liberalization and financial sector reforms, driving business growth. Any political instability could affect the rate of economic liberalisation and the specific laws and policies affecting foreign investment. Other matters affecting investment in the Equity Shares could change as well. A significant change in India's economic liberalisation and deregulation policies could adversely affect economic conditions in India generally and thereby adversely affect our business, financial condition, results of operations and cash flows.

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

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

72. ***There may be less information available about the companies listed on stock exchanges in India compared with information that would be available if we were listed on securities markets in certain other countries.***

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

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

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

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

The United Kingdom, United Arab Emirates, Singapore and Hong Kong, among others, have been declared by the government to be reciprocating territories for the purposes of Section 44A of the Civil Code. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

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

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

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

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

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

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

Banks' foreign currency debt ratings are tied to India's sovereign debt rating, meaning any downgrade in India's international debt credit rating also affects their ratings. The ability to secure additional foreign currency financing, along with the interest rates and other commercial terms for such financing, could be negatively impacted by any downgrade in the assessments of India's sovereign debt by international rating agencies. This could significantly harm the company's operations, cash flows, and financial condition. Although, the current scenario is signalling towards an upgrade in near future after S&P Global Ratings revised its outlook on India to positive from stable on May 29, 2024. The positive outlook on India is predicated on the account of India's robust economic growth in recent years, pronounced improvement in the quality of government spending, and political commitment to fiscal consolidation. This could have a triggering effect as well with other rating agencies to follow up in coming months. Therefore, all those factors of debt financing mentioned above could reverse and impact positively our business, financial condition, results of operations and cash flows.

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

The Bank prepares its financial statements in accordance with Indian GAAP, which differs in certain important aspects from U.S. GAAP, IFRS and other accounting principles with which prospective investors may be familiar in other countries. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Prospective investors should review the accounting policies applied in the preparation of the financial statements included in this Preliminary Placement Document and consult their own professional advisers for an understanding of the differences between these accounting policies and those with which they may be more familiar. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

RISKS RELATING TO THE EQUITY SHARES

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

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

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

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

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

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

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

- volatility in the Indian and global securities markets or prospects for our business and the sectors in which we compete;
- our financial condition, results of operations and cash flows;
- the history of and prospects for our business;
- an assessment of our management, our past and present operations and the prospects for, as well as timing of, our future revenues and cost structures;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial condition, including our results of operations and financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;
- changes in interest rates;
- fluctuations in stock market prices and volume; and
- general economic conditions.

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

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

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

82. Investors' ability to acquire and sell the Equity Shares offered in this Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Preliminary Placement Document.

Investors will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of 12 months from the date of the allotment of the Equity Shares. No actions have been taken to permit an offering of the Equity Shares offered in this Issue in any jurisdiction, except for India. As such, investors' ability to acquire Equity Shares offered in this Issue is restricted by the distribution and solicitation restrictions set forth in this Preliminary Placement Document. For further information, see "***Selling Restrictions***" on page 255. Further, the Equity Shares offered in this Issue are subject to restrictions on transferability and resale pursuant to the SEBI Regulations, including that investors will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of 12 months from the date of the allotment of the Equity Shares. Further, allotments made to certain categories of eligible QIBs in this Issue are subject to the rules and regulations applicable to them, including certain lock-in requirements. For further information, see "***Transfer Restrictions***" on page 264. Investors are required to inform themselves on, and observe, these restrictions. Our representatives, agents and Bank will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares offered in this Issue made other than in compliance with applicable law.

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

Under current Indian tax laws, capital gains arising from the sale of equity shares in an Indian company or bank are generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemptions. Accordingly, investors may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold. Further, any gain realised on the sale of the Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of Equity Shares.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

91. ***We may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.***

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility.

Our Bank may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the Offer due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors may trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation.

In the event our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity

Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

USE OF PROCEEDS

The gross proceeds from the Issue are up to ₹ [●] Crore. Subject to compliance with applicable laws and regulations, the net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue from the aggregate proceeds of the Issue, are expected to be approximately ₹ [●] Crore ("**Net Proceeds**").

Purpose of Funds and Utilization of Net Proceeds

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

Schedule of deployment of funds

Our Bank currently proposes to deploy the Net Proceeds in the aforesaid object in Fiscal 2026.

Monitoring of utilization of funds

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

Other Confirmations

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

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

CAPITALISATION STATEMENT

The following table sets forth our Bank's capitalization (on a standalone basis) on an actual basis as at December 31, 2024 which has been extracted from our Reviewed Financial Results, and as adjusted to give effect to the receipt of the gross proceeds of the Issue. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" beginning on pages 83 and 291 respectively.

(In ₹ crore)

Particulars	Pre-Issue (as at December 31, 2024)	Post-Issue as adjusted (1)
Current Borrowings:	6,515.16	[●]
Secured	6,515.16	[●]
Unsecured	-	[●]
Non-current borrowing (including current maturities of long-term debt)	6,096.75	[●]
Secured	1,859.45	[●]
Unsecured	4,237.30	[●]
Total Borrowings (a)	12,611.91	[●]
Shareholders' funds:		
Share capital	6,777.79	[●]
Securities premium	3,131.98	[●]
Reserves and surplus (excluding securities premium)	1875.09	[●]
Shareholders' funds (excluding borrowings) (b)	11,784.86	**[●]**
Total capitalization (a + b)	24,396.77	[●]
Current Borrowing / Shareholders Funds (in ratio)	0.55	[●]
Total Borrowings / Shareholders Funds (in ratio)	1.07	[●]

Note:

(1) As adjusted to reflect the number of Equity Shares issued pursuant to this Issue and proceeds from the Issue. Adjustments do not include Issue related expenses.

DIVIDEND POLICY

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

For eligibility criteria for declaration of dividend in terms of the RBI Dividend Circular, see "*Regulations and Policies in India*" and "*Description of the Equity Shares – Declaration of Dividend*" on pages 220 and 270 respectively. For a summary of certain Indian tax consequences of dividend distributions to shareholders, see "*Taxation*" on page 273

Further, the payment of dividends by banks is subject to restrictions under the Banking Regulation Act. Section 15(1) of the Banking Regulation Act states that no banking company shall pay any dividend on its shares until all its capitalized expenses (including preliminary expenses, organisation expenses, share-selling commission, brokerage, amounts of losses incurred and any other item of expenditure not represented by tangible assets) have been completely written off. In addition, Section 17(1) of the Banking Regulation Act requires every banking company to create a reserve fund and, transfer out of the balance of profit of each year as disclosed in the profit and loss account, a sum equivalent to not less than 20% of such profit to the reserve fund before declaring any dividend.

In addition, *vide* RBI circular no. BP.BC.24/21.04.018/2000-2001 dated 23.09.2000 read with RBI Master Direction on Financial Statements – Presentation and Disclosures dated August 30, 2021, Commercial Banks (excluding LABs and RRBs) are required to transfer not less than 25 per cent of 'net profit' before appropriations to the Statutory Reserve.

The details of the dividend declared by our Bank in the last three fiscal years 2024, 2023 and 2022 are set forth below:

Year/ Period	Issued and paid-up share capital (number of shares)	Face Value of Equity Share (In ₹)	Interim dividend per Equity Share (In ₹)	Final dividend per Equity Share (In ₹ Crore)	Total amount of dividend (in ₹ crores)	Dividend Rate (%)
April 1, 2024 - till the date of this Preliminary Placement Document	677,77,86,447	10	Nil	Nil	Nil	NA
Fiscal 2024	677,77,86,447	10	Nil	0.20	135.56	2.00%
Fiscal 2023	677,77,86,447	10	Nil	0.48	325.33	4.80%
Fiscal 2022	677,77,86,447	10	Nil	0.31	210.11	3.10%

The amounts paid as dividends in the past are not necessarily indicative of our Bank's Dividend Policy or dividend amounts, if any, in the future.

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

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 17 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "Risk Factors" and "Management's Discussion and Analysis of *Financial Condition and Results of Operations- Factors affecting our Results of Operations and Financial Condition" on pages 42* and 83 *respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year. Unless otherwise specified or unless the context otherwise requires, financial information herein for Fiscals 2022, 2023 and 2024 is derived from our Audited Financial Statements, and the financial information included herein for the nine months ended December 31, 2024 and December 31, 2023 is based on or derived from the Unaudited Limited Reviewed Financial Results, included in this Preliminary Placement Document

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, and includes extracts from publicly available documents from various sources, including officially prepared materials from the Government of India (the "**GoI**") and its various ministries, the Reserve Bank of India and Ministry of Statistics and Programme Implementation, and has not been prepared or independently verified by our Bank, the Book Running Lead Managers or any of their affiliates or advisers.*

References to "the Bank", "our Bank", "we", "us" or "our" are to Punjab & Sind Bank on a standalone basis.

OVERVIEW

For details on the business of the Bank, see "*Our Business*" on page 166.

PRESENTATION OF FINANCIAL INFORMATION

In this Preliminary Placement Document, we have included the following financial statements of our Bank prepared under Indian GAAP: (i) audited financial statements for Fiscal 2022 read along with the notes and auditors report thereto (the "**Fiscal 2022 Audited Financial Statements**"); (ii) audited financial statements for Fiscal 2023 read along with the notes and auditors report thereto (the "**Fiscal 2023 Audited Financial Statements**"); (iii) audited financial statements for Fiscal 2024 read along with the notes and auditors report thereto (the "**Fiscal 2024 Audited Financial Statements**" and collectively with Fiscal 2022 Audited Financial Statements and Fiscal 2023 Audited Financial Statements, the "**Audited Financial Statements**"), (iv) unaudited limited reviewed financial results of our Bank as of and for the quarter and nine months ended December 31, 2023 read along with the notes thereto (the "**Unaudited December 2023 Financial Results**") and (v) unaudited limited reviewed financial results of our Bank as of and for the quarter and nine months December 31, 2024 read along with the notes thereto (the "**Unaudited December 2024 Financial Results**" and collectively with Unaudited December 2023 Financial Results, the "**Unaudited Limited Reviewed Financial Results**").

In this section, we have included (i) a comparison of our Bank's unaudited reviewed financial results for the nine months ended December 31, 2024 with our Bank's unaudited reviewed financial results for the nine months ended December 31, 2023; (ii) a comparison of our Bank's Fiscal 2024 Audited Financial Statements with our Bank's Fiscal 2023 Audited Financial Statements, and (iii) a comparison of our Bank's Fiscal 2023 Audited Financial Statements with our Bank's Fiscal 2022 Audited Financial Statements.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our results of operations and financial condition:

Macroeconomic environment

The Indian economy is exhibiting steady growth, underpinned by solid macroeconomic fundamentals and strong domestic growth drivers. The domestic financial system is demonstrating resilience, supported by healthy balance sheets of banks and non-banks, and fortified by strong capital buffers, robust earnings and improving asset quality. *(Source: RBI – Financial Stability Report December 2024)*. As a bank with significant operations in India, our financial position and results of operations have been and will continue to be significantly affected by overall economic growth patterns in India. While our results may not entirely track India's economic growth figures, the Indian economy's performance affects the environment in which we operate. Strong economic growth tends to positively impact our results of operations, since it can cause businesses to plan and invest more confidently and support the growth of the Indian manufacturing, infrastructure, NBFCs, housing and other sectors, among other things, which would in turn drive stronger demand for bank credit as well as other banking products and services that we offer. Stronger economic growth also generally increases the interest income that we are able to generate from the loans we offer and tends to improve the overall creditworthiness of our customers.

Economic growth in India is also influenced by inflation. The level of inflation may limit monetary easing or cause monetary tightening by the RBI. In periods of high rates of inflation, the Bank's costs, such as operating expenses, may increase, which could have an adverse effect on the Bank's results of operations. Inflation may also have a bearing on the overall interest rates which may adversely affect our net interest income. For further information, see "***Risk Factors – Risks Relating to India – Any downturn in the macroeconomic environment in India may adversely affect our business, financial condition, results of operations and cash flows***." on page 70.

NPA levels and provisioning

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

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

The primary measure of asset quality is our Bank's NPA ratio, which is the value of NPAs as a percentage of our Bank's total loans. Our Bank measures the NPA ratio on a gross basis and on a net basis as a percentage of total loans. As of December 31, 2024, December 31, 2023 and March 31, 2024, 2023 and 2022, our Bank's gross NPA ratio was 3.83%, 5.70%, 5.43%, 6.97% and 12.17%, respectively, while our Bank's net NPA ratio was 1.25%, 1.80%, 1.63%, 1.84% and 2.74%, respectively.

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

The overall level of provisioning for NPAs is reflected in our Bank's "provision coverage ratio", which is the value of the provisions our Bank carries, as a percentage of the total NPAs. The RBI guidelines require banks to disclose the provisioning coverage ratio in the notes to their financial statements. Our Bank's provision coverage ratio as of December 31, 2024, December 31, 2023 and March 31, 2024, 2023 and 2022, computed as per RBI guidelines, was 68.20%, 69.66%, 71.05%, 75.01% and 79.66%, respectively. See "***Risk Factors — Our Gross NPAs were 3.83%, 5.70%, 5.43%, 6.97% and 12.17%in the nine months ended December 31, 2024 and December 31, 2023 and Fiscals 2024, 2023 and 2022 respectively. If we are not able to control or reduce the level of NPAs in our portfolio or any increase in our NPA portfolio, RBI mandated provisioning requirements could adversely affect our business, financial conditions and results of operations.***" on page 43. In addition, the RBI's annual supervisory process may assess higher provisions than our Bank has made. In addition to provisions for non-performing loans, the Bank may also incur losses as a result of investments it makes.

To the extent our Bank is able to recover any loans that have been written-off, such amount is credited to our Bank's income statement. Recoveries in written-off accounts amounted to ₹ 192.00 crore, ₹ 471.00 crore, ₹ 758.00 crore, ₹ 536.00 crore and ₹ 338.00 crore, for nine months ended December 31, 2024 and 2023 and Fiscal 2024, 2023 and 2022, respectively.

Interest income

Interest income has historically been the most significant component of our Bank's revenue. In the nine months ended December 31, 2024 and 2023 and Fiscal 2024, 2023 and 2022, our Bank's interest income was ₹ 8,322.36 crore, ₹ 7,212.71 crore, ₹ 9,693.98 crore, ₹ 7,992.73 crore and ₹ 7,095.81 crore, respectively, representing 90.33%, 89.92%, 88.81%, 89.48% and 88.09%, respectively, of our Bank's total income.

In the nine months ended December 31, 2024 and 2023 and Fiscal 2024, 2023 and 2022, net interest income was ₹ 2,661.64 crore, ₹ 2,151.72 crore, ₹ 2,841.04 crore, ₹ 2,973.38 crore and ₹ 2,651.32 crore, respectively, representing 28.89%, 26.83%, 26.03%, 33.29% and 32.91%, respectively, of our Bank's total income. Net interest income is the difference between the total interest earned on interest-earning assets and the total interest paid on interest-bearing liabilities. Our Bank's net interest income is dependent on a number of factors including the general prevailing level of interest rates, its ability to allocate its funds to assets that provide high interest rates and its cost of funding.

Interest rates

Changes in interest rates affect the interest rates we charge on our interest-earning assets and that we pay on our interest-bearing liabilities. Movements in short-term and long-term interest rates affect our interest income and interest expense as well as the level of gains and losses on our securities portfolio. Indian banks including us follow the direction of interest rates set by the RBI and adjust both deposit rates and lending rates upwards or downwards accordingly. Decreases in the RBI policy rates would prompt Indian banks to re-examine their lending rates. Adverse changes in prevailing interest rates may result in a decline in net interest income due to increase in our costs of funds or deposits without a corresponding increase in our yield on assets. Interest rates are highly sensitive to many external factors beyond our control, including growth rates in the economy, inflation, money supply, RBI's monetary policies, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. For further information, see "***Risk Factors - Our business is vulnerable to interest rate risk, and any volatility in interest rates could adversely affect our net interest margins, the value of our fixed income portfolio, income from treasury operations and our financial condition and results of operations.***" on page 42

Allocation of funds

In recent years, there has been increased demand for funding across many sectors of the Indian economy. The growth of the Indian economy has enabled us to allocate our funds from Government securities to advances, which offer us higher returns subject to maintaining minimum statutory requirements. Further, we diversify our net interest income portfolio by lending to retail customers, large corporates and small and medium enterprises across various industry segments. If the volume of our loans decreases due to a general slowdown in the economy, increased competition or other factors, our net interest income will decrease as well. In addition, we seek to allocate our funds in an optimum manner at any point of time depending on our liquidity and prevailing interest rates.

Sources of funding

Our primary interest-bearing liability is our deposit base. Adverse economic conditions may also limit or negatively affect our ability to attract deposits, replace maturing liabilities in a timely manner and at commercially acceptable rates, satisfy statutory liquidity requirements and access funding. To continue to source low-cost funding through customer deposits, we must, among other measures, further develop our rapidly expanding branch network, increase brand recall and develop products and services to distinguish ourselves in an increasingly competitive industry. However, increasing customer sophistication, competition for funding, any sharp increase in prevailing interest rates and changes to the RBI's liquidity and reserve requirements may increase the rates that we pay on our deposits. As of December 31, 2024, December 31, 2023 and March 31, 2024, 2023 and 2022, we had total deposits of ₹ 127,397.21 crore, ₹ 118,355.34 crore, ₹ 119,409.55 crore, ₹ 109,665.49 crore and ₹ 102,137.01 crore, respectively, and an advance-to-deposit ratio (calculated as advances divided by deposits) of 75.25%, 70.60%, 71.99%, 73.84% and 68.91%, respectively. As of December 31, 2024, our Bank's domestic CASA deposits were ₹ 39,701.38 crore. Our domestic CASA ratio decreased from 33.81% as in Fiscal 2022 to 33.59% in Fiscal 2023 and was 32.42% in Fiscal 2024. Our domestic CASA ratio decreased from 32.77% in December 31, 2023 to 31.16% in December 31, 2024.

Our ability to meet demand for new loans and lower our cost of funding will depend on our ability to continue to broad base deposit profile, our ability to attract and retain new customers, and continued access to term deposits from the retail, corporate and inter-bank market. Our debt service costs and cost of funds depend on many external factors, including developments in the Indian credit markets and, in particular, interest rate movements and the existence of adequate liquidity in the inter-bank markets. Internal factors that will impact cost of funds include changes in credit ratings, available credit limits and ability to mobilize low-cost deposits, particularly through our retail banking branches.

Capital adequacy, liquidity requirements and reserve ratios

Since 2013, the RBI has gradually established more stringent compulsory reserve requirements (e.g., CRR and SLR ratios). We are required to maintain a minimum holding of 18% of total net demand and time liabilities in SLR securities as stipulated by the RBI with effect from April 11, 2020. The Basel III capital regulations were implemented in India with effect from April 1, 2013 and have been fully implemented as on October 1, 2021. Banks have to comply with the regulatory limits and minima as prescribed under Basel III capital regulations, on an ongoing basis. Banks shall maintain a minimum Pillar 1 Capital to Risk-weighted Assets Ratio (CRAR) of 9% on an on-going basis (other than capital conservation buffer and countercyclical capital buffer etc.). As a matter of prudence, it has been decided that scheduled commercial banks operating in India shall maintain a minimum total capital (MTC) of 9% of total risk weighted assets (RWAs) i.e., capital to risk weighted assets (CRAR).

The surplus funds of our deposits and advances are invested by the domestic Treasury, while we are not paid interest on capital reserve balances. More stringent compulsory reserve requirements tend to negatively impact banks' capital position, thus requiring banks to commit additional capital in order to meet such increased requirements. This tends to decrease overall liquidity in the financial system and decrease the amount of capital available for deployment in credit transactions or higher-yielding investments, which negatively impacts banks' interest-earning assets.

Any increases in the compulsory reserve that are applicable to our Bank (on account of regulatory changes or otherwise) could impact our profitability by limiting the amount of our capital that is available for commercial credit transactions or for investment in higher-yielding securities, thus restricting our ability to grow our business. For example, when the CRR increases, our Bank must hold more cash in its reserves, which constrains our ability to deploy those funds by making advances to customers or investing the funds for potential gains. We may also be compelled to dispose of certain of our assets and/or take other measures in order to meet more stringent requirements, which may adversely affect our results of operations and financial condition.

Reserve ratios

Commercial banks in India are subject to Cash Reserve Ratio ("**CRR**") requirement as prescribed under RBI regulations. CRR is our balance held in a current account with the RBI and is calculated as a specified percentage of our net demand and time liabilities, excluding interbank deposits. Under the CRR requirements, as at March 31, 2024, we are required to maintain a minimum of 4.50% of our eligible demand and time liabilities in a current account with the RBI on an average fortnightly basis and on a particular day, the minimum daily maintenance of CRR should be 4.50% of prescribed CRR. Our Bank's CRR as at March 31, 2024, was 4.69% of requirement of our net demand and time liabilities. The RBI has the authority to prescribe CRR without any ceiling limits and is not obliged to pay interest payments on CRR balances. In addition, all banks operating in India are also required to maintain a Statutory Liquidity Ratio ("**SLR**"), which is a specified percentage of a bank's net demand and time liabilities by way of liquid assets such as cash, gold or approved unencumbered securities. SLR is intended to be a measure to maintain the bank's liquidity, however, it has adverse implications on our ability to expand credit. Changes in interest rates also impact the valuation of our SLR portfolio and thereby affecting our profitability. Under the SLR requirement, as at March 31, 2024, we are required to maintain 18% of our demand and time liabilities in approved securities, such as Government of India ("**GOI**") and state government securities and other approved securities. The table below summarizes the cash reserve ratio, statutory liquidity ratio and liquidity coverage ratio that are applicable to banks in India:

Particulars	**Cash Reserve Ratio**	**Statutory Liquidity Ratio**	**Liquidity Coverage Ratio**
	(% as of the date indicated)		
As at March 31, 2024	4.50%	18.00%	100.00%
As at March 31, 2023	4.50%	18.00%	100.00%
As at March 31, 2022	4.00%	18.00%	100.00%

The table below summarizes the cash reserve ratio, statutory liquidity ratio and liquidity coverage ratio of our Bank for the indicated periods:

Particulars	**Cash Reserve Ratio**	**Statutory Liquidity Ratio**	**Liquidity Coverage Ratio**
	(% as of the date indicated)		
As at March 31, 2024	4.69%	27.15%	125.36%
As at March 31, 2023	4.71%	25.91%	206.19%
As at March 31, 2022	4.23%	25.96%	254.45%

For more details on the compulsory reserve requirements applicable in India, see "***Regulations and Policies***" on page 220.

Regulatory measures and reforms

The banking sector in India is subject to stringent regulation and supervision by a number of governmental organizations and regulatory agencies including the RBI, IRDAI and the SEBI. The regulatory regime governing banks in India covers various aspects including corporate governance, acceptance of deposits, provision of loans and advances and NPAs, investments, risk management, foreign investment, foreign exchange management, capital adequacy, margin requirements, know-your customer and anti-money laundering. RBI also prescribes required levels of lending to "priority sectors" such as agriculture, which may expose us to higher levels of risk than we may otherwise face. The GoI has since 2013 introduced various economic reforms intended to provide increased control and transparency in the banking and financial services industry. In the recent past, the RBI has introduced additional measures to deal with stressed assets. In order to strengthen banks' ability to effectively resolve stressed assets and enhance transparency, the RBI has issued guidelines on the sale of stressed assets by banks and introduced measures to deal with stressed assets. These guidelines require banks to identify the specific financial assets identified for sale to other institutions, including securitisation companies/ reconstruction companies.

Basel III reforms are the response of Basel Committee on Banking Supervision ("BCBS") to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spill over from the financial sector to the real economy. Basel III reforms strengthen the bank-level i.e. micro prudential regulation, with the intention to raise the resilience of individual banking institutions in periods of stress. Besides, the reforms have a macro prudential focus also, addressing system wide risks, which can build up across the banking sector, as well as the pro cyclical amplification of these risks over time.

Monetary policy is heavily influenced by the condition of the Indian economy, and changes in the monetary policy affect the interest rates of advances and deposits. The RBI responds to fluctuating levels of economic growth, liquidity concerns and inflationary pressures in the economy by adjusting its monetary policy. A monetary policy designed to combat inflation typically results in an increase in RBI lending rates. Further, in addition to having gradually established more stringent capital adequacy requirements, the RBI has also instituted several prudential measures including an increase in risk weights for capital adequacy computation and general provisioning for certain types of asset classes.

For further information on reforms to the banking sector, see "***Regulations and Policies***" and "***Industry Overview***" on page 220 and 147 respectively.

Competition

Although difficult to quantify, competition may significantly affect our Bank's results of operations and will continue to shape the products and services offered, efficiency and ultimately profitability of Indian banks. Our Bank faces strong competition in all of its principal lines of business. Our Bank's primary competitors are other large public sector banks, small finance banks, NBFCs, private sector banks, foreign banks and, in some product areas, development financial institutions. In particular, consolidation in the Indian banking industry has increased and may continue to increase competitive pressures experienced by the Bank.

Our Bank also faces competition from big tech and fintech companies in the financial landscape. Big tech firms are increasingly encroaching on traditional banking territories by offering digital payment solutions, lending services, and other financial products, leveraging their vast user bases and technological capabilities. Fintech startups, on the other hand, are introducing innovative solutions such as peer-to-peer lending, blockchain-based services, and mobile banking applications, which appeal to technologically savvy customers looking for convenience and lower costs. These players not only provide enhances customer experiences but also operate with greater agility, posing a challenge to our Bank's traditional banking model. To stay competitive in these landscapes, our Bank invests in digital transformation to meet the rising expectations our modern customers, such as our PSB UnIC - Mobile Banking Application.

As competitive pressures intensify, our Bank may be required to expend additional resources to offer a more attractive value proposition to its customers, which could make our products more customers friendly. In addition, increasing competition may exert downward pressures on the interest rates and may have impact on Bank's margins.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements of the Bank have been prepared and presented under historical cost convention, on accrual basis of accounting, ongoing concern basis, and conform in all material aspects, unless otherwise stated. The financial statements have been prepared in accordance with requirements prescribed under Third Schedule of Banking Regulation Act, 1949. They conform to Generally Accepted Accounting Principles (GAAP) in India, statutory provisions, regulatory norms prescribed and circulars, directions and guidelines issued by Reserve Bank of India (RBI) from time to time, Banking Regulation Act, 1949, Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) to the extent relevant and applicable to the Bank and prevailing practices in the Banking Industry in India.

Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) as on date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates wherever used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to the accounting estimates is recognized prospectively from the period in which the results are known / materialized, unless otherwise stated.

Revenue Recognition

1.1 Income (other than item referred in Paragraph 1.2) and expenditure have been accounted for on accrual basis unless otherwise stated.

1.2 Income by way of Fees, all commission (other than on Government business and commission from sale of third party products including Mutual funds), Commission on Guarantees and Letters of credits, Locker rent, Service charges on various Deposit Products, money transfer services, Dividend on shares, interest on overdue bills purchased and discounted, Processing fees, income from units of mutual fund products and income from ATM operations including AMC charges for cards are accounted for on receipt basis.

1.3 Interest on income tax refunds is accounted for in the year in which order is received by the bank.

1.4 Appropriation of recoveries in NPA accounts

1.4.1 Income on Non-Performing Assets (NPAs) comprising of advances and investments is recognized on realization basis in accordance with the prudential norms prescribed by Reserve Bank of India.

1.4.2 Appropriation of Recoveries in NPA accounts (other than stated in para 1.4.3) shall be as under:

a. Towards Expenditure/Out of Pocket Expenses/charges incurred by the bank for Recovery
b. Thereafter towards the interest irregularities/accrued interest
c. Principal irregularities i.e. NPA outstanding in the account

1.4.3 In case of Compromise, Resolution/Settlement through NCLT, Technically Written Off (TWO) & Credits received on account of CGTMSE/ ECGC/ GECL/ CGMFU and subsidy if any, shall be appropriated in the order of Principal, Charges and interest.

1.4.4 In case of suit filed/decreed accounts or Consortium accounts, recovery shall be appropriated as under:

a. As per the directives of the concerned Court or as per the decision made in JLF.
b. In the absence of specific directives from the Court or a decision made in JLF in this regard, as mentioned at para 1.4.3 above shall prevail.

1.4.5 For cases covered under special schemes introduced by RBI viz. Scheme for Sustainable Structuring of Stressed Assets (S4A), Strategic Debt Restructuring, Flexible Structuring of Long-Term Project Loans (5/25), Change in Ownership of Borrowing Entities (Outside Strategic Debt Restructuring Scheme), where subsequently the account turns NPA, any recovery shall be appropriated in the manner specified in para no. 1.4.2

1.5 Appropriation of Recoveries in Standard accounts: The appropriation of recovery in Standard accounts is effected as per the date of demands raised and the earliest demand is satisfied in the following order-

a. Towards costs /charges / expenses paid or incurred by the bank
b. Thereafter towards the interest/additional interest if any, due to the bank
c. Towards payment of Principal amount

1.6 Interest on overdue Term Deposits is provided at the rate of interest applicable to Savings Bank Accounts.

1.7 Bond Issue Expenses incurred in connection with raising Tier-II Capital are treated as Deferred Revenue Expenditure to be written off over a period of five years.

1.8 Share Issue Expenses are adjusted against the Share Premium Account.

1.9 Rebate on compromised accounts is accounted for at the time of full and final adjustment of the account.

1.10 Amount recovered against bad debts written off are recognized as revenue in the year of recovery.

Investments

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation issued vide Master Circular Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 dated September 23, 2023.

2.1 Classification:

In compliance with the RBI guidelines, the Investment portfolio has been classified into 3 categories (except investments in own subsidiaries, joint ventures and associates) namely –

2.1.1 Held to Maturity (HTM) comprising of Investments that the Bank intends to hold till maturity i.e., the financial assets are held with an objective to collect the contractual cash flows & the contractual terms of the security give rise to cash flows that are solely payments of principal and interest on principal outstanding (‘SPPI Criterion’) on specified dates.

2.1.2 Available for Sale (AFS): Securities that are acquired with an objective that is achieved by both collecting contractual cash flows and selling securities and the contractual terms of the security meet the 'SPPI criterion'. Provided that on initial recognition, Bank to make an irrevocable election to classify an equity instrument that is not held with the objective of trading. AFS securities shall inter-alia include debt securities held for asset liability management (ALM) purposes that meet the SPPI criterion where the bank's intent is flexible with respect to holding to maturity or selling before maturity.

Notwithstanding the intent with which the following securities are acquired, they shall not meet the SPPI criteria and therefore shall not be eligible for classification either as HTM or AFS:

i. Instruments with compulsorily, optionally or contingently convertible features.
ii. Instruments with contractual loss absorbency features such as those qualifying for Additional Tier 1 and Tier 2 under Basel III Capital Regulations.
iii. Instruments whose coupons are not in the nature of interest as defined in Clause 4(a) (xviii) of Reserve Bank of India (Classification, Valuation and Operation of Investment Portfolio of Commercial Banks) Directions, 2023.
iv. Preference shares and Equity shares.

2.1.3 Fair Value Through Profit & Loss (FVTPL) with Held for Trading (HFT) being maintained as separate investment subcategory within FVTPL -

Securities that do not qualify for inclusion in HTM or AFS shall be classified under FVTPL. These shall inter-alia include:

i. Equity shares, other than (a) equity shares of subsidiaries, associates or joint ventures and (b) equity shares where, at initial recognition, the irrevocable option to classify at AFS has been exercised.
ii. Investments in Mutual Funds, Alternative Investment Funds, Real Estate Investment Trusts, Infrastructure Investment Trusts, etc.
iii. Investment in securitization notes which represent the equity tranche of a securitization transaction. Investments in senior and other subordinate tranches shall need to be reviewed for their compliance with SPPI criterion.
iv. Bonds, debentures, etc. where the payment is linked to the movement in a particular index such as an equity index rather than an interest rate benchmark.

2.1.3.1 HFT (Held for Trading): A separate sub-category called HFT within FVTPL has been created. The securities which complies with the following requirements are classified under HFT.

a) Any instrument held by the bank for one or more of the following purposes shall, when it is first recognized on its books, be designated as a HFT instrument

i. short-term resale
ii. profiting from short-term price movements
iii. locking in arbitrage profits; or
iv. hedging risks that arise from instruments meeting (i), (ii) or (iii) above

b) The following instruments shall not be included in HFT category

i. unlisted equities and equity investments in subsidiaries, associates and joint ventures
ii. Instruments designated for securitization warehousing.
iii. Direct holding of real estate and derivatives on direct holdings of real estate.
iv. equity investments in a fund, unless the bank meets at least one of the following conditions:

- Bank is able to look through the fund to its individual components and there is sufficient and frequent information, verified by an independent third party, provided to the bank regarding the fund's composition
- Bank obtains daily price quotes for the fund and it has access to the information contained in the fund's mandate or in the national regulations governing such investment funds

v. derivative instruments and funds that have instrument types specified from (i) to (iv) above as underlying assets; or

vi. instruments held for the purpose of hedging a particular risk of a position in the types of instruments specified from (i) to (v) above.

2.1.4 Transfer between categories: An investment is classified under the above categories at the time of its purchase. Bank shall not reclassify investments between categories (viz. HTM, AFS and FVTPL) without the approval of their Board of Directors. Further, reclassification shall also require the prior approval of the Department of Supervision (DoS), RBI.

The reclassification if done (as per approval from above point) to be applied prospectively from reclassification date.

In case of reclassification of investments from one category to another category, the accounting treatment shall be as per instructions contained in Reserve Bank of India (Classification, Valuation and Operation of Investment Portfolio of Commercial Banks) Directions, 2023.

2.1.5 For disclosure in the Balance sheet, the aforesaid Investments are classified as Investments in India and Outside India.

Investments in India are further categorized as under:

i. Government Securities
ii. Other approved securities
iii. Shares
iv. Debentures & Bonds
v. Subsidiaries and /or Joint Ventures
vi. Others (to be specified)

Investments Outside India are further categorized as under:

i. Government Securities (including local authorities)
ii. Subsidiaries, associates and Joint Ventures
iii. Other investments

Accounting of Investments:

2.2.1 The transactions in all the securities are recorded on Settlement Date i.e the recognition of an asset on the day it is received by the entity, and de-recognition of an asset and recognition of any gain or loss on disposal, on the day it is delivered by the entity.

2.2.2 Cost of acquisition: The cost is determined on weighted average cost method. Brokerage / commission received on subscription is reduced from the cost. Brokerage, commission, Securities Transaction Tax (STT) etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost. Interest accrued up to the date of acquisition / sale of securities i.e. broken period interest on debt instruments is excluded from the acquisition cost / sale consideration and is treated as interest expense / income.

Valuation:

2.3.1 Initial recognition: All investments shall be measured at fair value on initial recognition. Unless facts and circumstances suggest that the fair value is materially different from the acquisition cost, it shall be presumed that the acquisition cost is the fair value.

Situations where the presumption to be tested include where:

(a) The transaction is between related parties.
(b) The transaction is taking place under duress where one party is forced to accept the price in the transaction.
(c) The transaction is done outside the principal market for that class of securities.
(d) Other situations, where in the opinion of the supervisor, facts and circumstances warrant testing of the presumption.

- In respect of government securities acquired through auction (including devolvement), switch operations and open market operations (OMO) conducted by the RBI, the price at which the security is allotted shall be the fair value for initial recognition purposes.

- Where the securities are quoted or the fair value can be determined based on market observable inputs (such as yield curve, credit spread, etc.) any Day 1 gain/ loss shall be recognized in the Profit and Loss Account, under Schedule 14: 'Other Income' within the subhead 'Profit on revaluation of investments' or 'Loss on revaluation of investments', as the case may be.

- Any Day 1 loss arising from Level 3 investments shall be recognized immediately.

- Any Day 1 gains arising from Level 3 investments shall be deferred.

In the case of debt instruments, the Day 1 gain shall be amortized on a straight-line basis up to the maturity date (or earliest call date for perpetual instruments), while for unquoted equity instruments, the gain shall be set aside as a liability until the security is listed or derecognized.

2.3.2 *Subsequent Measurement*

2.3.2.1 *HTM*

Securities held in HTM shall be carried at cost and shall not be marked to market (MTM) after initial recognition. Any discount or premium on the securities under HTM shall be amortized over the remaining life of the instrument. The amortized amount shall be reflected in the financial statements under item II 'Income on Investments' of Schedule 13:'Interest Earned' with a contra in Schedule 8:'Investments

2.3.2.2 *AFS*

a. The securities held in AFS shall be fair valued at least on a quarterly basis, if not more frequently. Any discount or premium on the acquisition of debt securities under AFS shall be amortised over the remaining life of the instrument. The amortised amount shall be reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8:'Investments
b. The valuation gains and losses across all performing investments, irrespective of classification (i.e., Government securities, other approved securities, Bonds and Debentures, etc.), held under AFS shall be aggregated. Net appreciation or depreciation11 shall be directly credited or debited to a reserve named AFS Reserve without routing through the Profit & Loss Account.
c. The unrealised gains transferred to AFS-Reserve shall not be available for any distribution such as dividend and coupon on Additional Tier 1.
d. Upon sale or maturity of a debt instrument in AFS category, the accumulated gain/ loss for that security in the AFS-Reserve shall be transferred from the AFS Reserve and recognized in the Profit and Loss Account under item II Profit on sale of investments under Schedule 14-Other Income.
e. In the case of equity instruments designated under AFS at the time of initial recognition, any gain or loss on sale of such investments shall not be transferred from AFS-Reserve to the Profit and Loss Account. Instead, such gain or loss shall be transferred from AFS-Reserve to the Capital Reserve.

2.3.2.3 *FVTPL*

a. The securities held in FVTPL shall be fair valued and the net gain or loss arising on such valuation shall be directly credited or debited to the Profit and Loss Account. Securities that are classified under the HFT sub-category within FVTPL shall be fair valued on a daily basis, whereas other securities in FVTPL shall be fair valued at least on a quarterly, if not on a more frequent basis.
b. Any discount or premium on the acquisition of debt securities under FVTPL shall be amortised over the remaining life of the instrument. The amortised amount shall be reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8:'Investments'.

2.3.3 *Sale of investments from HTM*

Any sales from HTM shall be as per a Board approved policy. Any profit or loss on the sale of investments in HTM shall be recognized in the Profit and Loss Account under Item II of Schedule 14:'Other Income'.

The profit on sale of an investment in HTM shall be appropriated below the line from the Profit and Loss Account to the ‘Capital Reserve Account’. The amount so appropriated shall be net of taxes and the amount required to be transferred to Statutory Reserve.

2.3.4 *Fair Value of Investments*

The 'market price / fair value' for the purpose of valuation of investments included in the 'Available for Sale' and FVTPL (Including HFT) & HTM categories is the market price of the scrip as available from the trades/quotes on the stock exchanges, price list of RBI, prices declared by Primary Dealers Association of India (PDAI) jointly with the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

In respect of unquoted securities, the 'market price / fair value' is ascertained as under:

2.3.4 **Fair Value of Investments**

The 'market price / fair value' for the purpose of valuation of investments included in the 'Available for Sale' and FVTPL (Including HFT) & HTM categories is the market price of the scrip as available from the trades/quotes on the stock exchanges, price list of RBI, prices declared by Primary Dealers Association of India (PDAI) jointly with the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

In respect of unquoted securities, the 'market price / fair value' is ascertained as under:

Sr. No.	Particulars	Description
a.	Government Securities: i. Central Government securities ii. State Government securities.	At market prices/YTM as published by Fixed Income Money Market Derivatives Association of India (FIMMDA) & Financial Benchm India Pvt. Ltd (FBIL). At rates put out by FIMMDA/PDAI/FBIL
b.	Securities guaranteed by Central / State Government, PSU Bonds (not in the nature of advances)	On appropriate yield to maturity basis as per FIMMDA/ RBI guidelin
c.	Equity Shares: i. Listed ii. Unlisted	i. Listed equity shares are valued using lower of rates from NSI BSE. ii. At Break-up Value (without considering revaluation reserve) ba on the latest Balance Sheet, which are not older than one year the date of valuation is considered. In cases where latest Bala Sheets are not available, the shares are valued at Re.1 per compa
d.	Preference shares	(a) When a preference share has been traded on exchange withi days prior to the valuation date, the value shall not be hig than the price at which the share was traded. (b) The valuation of unquoted preference shares shall be done YTM basis with appropriate mark-up over the YTM rates Central Government Securities of equivalent maturity put by the FBIL subject to such preference share not being val above its redemption value. The mark-up shall be gra according to the ratings assigned to the preference shares by rating agencies and shall be subject to the following:

		i. The mark-up cannot be negative i.e., the YTM rate shall not be lower than the coupon rate/ YTM for a Central Government India security of equivalent maturity. ii. The rate used for the YTM for unrated preference shares shall not be less than the rate applicable to rated preference shares of equivalent maturity and shall appropriately reflect the credit risk borne by the bank. iii. Where the investment in preference shares is made as part of a resolution, the mark-up shall not be lower than 1.5 percentage points. (c) Where preference dividends/coupons are in arrears, no credit should be taken for accrued dividends/coupons and the value determined as above on YTM basis should be discounted further by at least 15 per cent if arrears are for one year,25 per cent if arrears are for two years, so on and so forth (i.e., with 10 percent increments). The overarching principle should be that valuation shall be based on conservative assessment of cash flows with appropriate discount rates to reflect the risk. Statutory Auditors should also specifically examine as to whether the valuations adequately reflect the risk associated with such instruments. The depreciation / provision requirement arrived at in respect of non-performing shares where dividends are in arrears shall not be allowed to be set-off against appreciation on other performing preference shares.
e.	Bonds and debentures (not in the nature of advances)	On appropriate yield to maturity basis as per RBI/FIMMDA guidelines.
f.	Mutual Fund Units, Venture Capital Funds and Security Receipt	At re-purchase price or Net Assets Value.
g.	Treasury Bills, Cash Management Bill, Commercial Papers, Certificate of Deposits, Recapitalization Bonds, Subsidiaries, Joint Ventures and Sponsored Institutions:	At carrying cost.
h.	Other Investments	At carrying cost less diminution in value.

Non-Performing Investments (NPI)

Investments are subject to provisioning / de-recognition of income, as per prudential norms of Reserve Bank of India for NPI classification. The depreciation/provision in respect of non-performing securities is not set off against the appreciation in respect of the other performing securities.

If any credit facility availed by an entity is NPA in the books of the Bank, investment in any of the securities issued by the same entity would also be treated as NPI and vice versa. However, in respect of NPI preference share where the dividend is not paid, the corresponding credit facility is not treated as NPA.

Investment Fluctuation Reserve

Bank shall create an Investment Fluctuation Reserve (IFR) until the amount of IFR is at least two per cent of the AFS and FVTPL (including HFT) portfolio, on a continuing basis, by transferring to the IFR an amount not less than the lower of the following:

i. Net profit on sale of investments during the year.

ii. Net profit for the year, less mandatory appropriations.

Loans / Advances and Provisions thereon:

3.1 Loans and Advances are classified as "Performing" and "Non-Performing" assets based on guidelines issued by RBI. The provisions on such advances are made in accordance with prudential norms prescribed by the Reserve Bank of India.

3.2 All Advances are classified into Standard, Sub-Standard, Doubtful and Loss assets, borrower wise.

3.3 Provisions for NPA are made as per the extant guidelines prescribed by RBI, subject to minimum provisions as per RBI Directions as prescribed below:

Category of Assets	Provision norms
Sub-Standard	i. A general provision of 15% on the total outstanding. ii. Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realizable value of security is not more than 10% ab-initio). iii. Unsecured exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available-20%.
Doubtful Assets	
i. Secured Portion	- Upto one year : 25% - One to three years : 40% - More than three years : 100%
ii. Unsecured Portion	100%
Loss Assets	100%

3.4 Advances are stated net of specific loan loss provisions (in case of NPA), provision for diminution in fair value of restructured advances, unrealized interest.

3.5 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are included under Schedule 5 of the Balance Sheet under the head "Other Liabilities and Provisions" and are not considered for arriving at the Net NPAs.

3.6 For restructured/rescheduled advances, provisions are made in accordance with the guidelines issued by RBI.

3.7 The sale of NPA is accounted for as per guidelines prescribed by RBI, as under:

i. When the Bank sells its financial assets to Securitization Company (SC) / Reconstruction Company (RC), the same is removed from the books.

ii. If the sale is at a price below the net book value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit & Loss account of the year of sale.

iii. If the sale is for a value higher than the NBV, the excess provision is reversed in the year the amounts are received.

Floating Provisions

In accordance with the RBI guidelines, the Bank has an approved policy for creation and utilization of floating provisions separately for advances and investments. The quantum of floating provisions to be created is assessed, at the end of each financial year. The floating provisions would be utilized only for contingencies under extra ordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

Fixed Assets

5.1 Premises and other Fixed Assets are stated at historical cost (except revalued premises which are stated at revalued amount) net off accumulated depreciation / amortization and impairment losses, if any. The appreciation on revaluation is credited to Revaluation Reserve and the incremental depreciation attributable to the revalued amount is debited to the Profit & Loss account and the equal amount is transferred from Revaluation Reserve to Revenue & Other Reserve.

Cost of fixed assets include cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset till the time of capitalization / put to use. Subsequent expenditure/s incurred on the assets put to use is capitalized only when it increases the future benefits from such assets or their functioning capability.

5.2 Where segregation of cost between land and superstructure cannot be ascertained, depreciation is provided on the composite cost at the rate applicable to superstructure.

5.3 Land included under Premises taken on perpetual lease is considered as freehold and not depreciated.

5.4 The bank revalues immovable properties once in every three years. Properties acquired during last three years are not revalued. Valuation of the revalued assets is done every three years thereafter.

Depreciation on Fixed Assets and Amortization

6.1 Depreciation on Fixed Assets (other than Computers) is charged on straight line method basis as per useful life of assets, considering residual value at 5% of original cost. The useful life and depreciation rate are given hereunder:

S. No.	Particulars	Useful life	Depreciation Rate
1	Premises	60	1.58%
2	Furniture and fixtures	10	9.50%
3	Plant & Machinery	15	6.33%
4	Vehicles	8	11.88%

6.2 Computers are fully depreciated at 33.33%, on straight-line method as per RBI guidelines.

6.3 Revalued premises are depreciated over the balance useful life of such premises.

6.4 Additions during the year are depreciated for the full year irrespective of its date of addition.

6.5 No depreciation is provided on assets sold/disposed of during the year.

6.6 In respect of leasehold premises, the lease premium, if any, is amortized over the period of the lease.

Employment Benefits

7.1 *Long term Employee Benefits:*

7.1.1 *Defined Contribution Plan:*

Provident Fund and New Pension Scheme (which is applicable to employees who have joined Bank on or after 01.04.2010) are defined contribution schemes, as the Bank pays fixed contribution at predetermined rates. The obligation of the bank is limited to such fixed contribution. The contributions are charged to the Profit and Loss Account.

7.1.2 *Defined Benefit Plans:*

Gratuity, Pension and Leave Encashment liabilities are defined benefit obligations and are provided for on the basis of actuarial valuation made at the end of the financial year as per AS 15 “Employee Benefits” issued by ICAI. These schemes are funded by the Bank and are managed by separate trusts. The short / excess of the liability as compared to the fund held by the respective trust is accounted for as liability / assets as at the at the end of the financial year.

Other long term Employee benefits such as Silver Jubliee, Bonus and Retirement Gifts are provided for based on actuarial valuation.

7.2 *Short Term employment benefits*

Short term employee benefits (eg medical benefits) are recognized as an expense in the Profit and Loss account of the year in which the related services are rendered.

Foreign Exchange Transactions

8.1 Monetary assets and liabilities, guarantees, acceptances, endorsements and other obligations are translated in Indian Rupee equivalent at the exchange rates prevailing as on the Balance Sheet date as per Foreign Exchange Dealers' Association of India (FEDAI) guidelines.

8.2 Non-monetary items other than fixed assets which are carried at historical cost are translated at exchange rate prevailing on the date of transaction.

8.3 Forward exchange contracts and bills are translated at the exchange rates prevailing on the date of commitment. Outstanding foreign exchange contracts and bills are translated as on the Balance Sheet date at the rates notified by FEDAI and the resultant gain / loss is taken to revenue.

8.4 Income and expenditure items are recorded at exchange rates prevailing on the date of the transaction.

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

Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/ losses are recognized in the Profit and Loss Account.

8.5 Contingent liabilities on account of acceptances, endorsements and other obligations including guarantees and letter of credits in foreign currencies are reported at the Balance Sheet date using the FEDAI closing spot rates, except the Bills for Collection which are accounted for at the notional rates at the time of lodgment.

Taxes on Income

Income tax expense is the aggregate amount of current tax, including Minimum Alternate Tax (MAT), wherever applicable and Deferred tax. The current tax and deffered tax are determined in accordance with the provisions of Income tax act 1961 and AS 22 Accounting for Taxes on Income issued by ICAI.

Current tax is determined as the amount of tax payable for the year and accordingly provision for tax is made.

Deferred Tax Assets and Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only if there is virtual certainty of realization of such assets in future.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that there will be payment of normal income tax during the period specified under the Income Tax Act, 1961.

Impairment of Assets

Impairment losses if any, on fixed assets (including revalued assets) are recognized in accordance with AS 28 on Impairment of Assets issued by ICAI and charged to Profit and Loss account. The carrying costs of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors an impairment loss is recognized wherever the carrying cost of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, if any, depreciation is provided on the revised carrying cost of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

Segment Reporting

The Bank recognizes the business segment as the primary reporting segment, in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by ICAI. As Bank has no overseas branch / operation, there is no geographical segment.

Provisions, Contingent Liabilities and Contingent Assets

In conformity with Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets" issued by the ICAI, the Bank recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Further, the cases which although have been filed against the bank but possibility of any obligation arising upon the bank in those case is remote, have not been construed and included in Contingent liability.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

Leases

Lease payments including cost escalations for assets taken on operating lease are recognized in the Profit and Loss Account over the lease term considering the concept of materiality.

Earnings Per Share

The Bank reports basic and diluted earnings per equity share in accordance with the Accounting Standard 20 “Earnings Per Share” issued by the ICAI. Basic earnings per equity share is arrived at by dividing net profit after tax with the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

CHANGES IN ACCOUNTING POLICIES

Except as described below there have been no changes in our accounting policies during the nine months ended December 31, 2024 and December 31, 2023 and Fiscals 2024, 2023 and 2022.

a. Financial results for the nine months ended December 31, 2024 have been prepared in accordance with Accounting Standard (AS) - 25 on Interim Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI), following the same accounting policies and practices as those followed in the Annual Financial Statements for the year ended March 31, 2024 except for the classification and valuation of investments which is as per the Master Direction No. RBI/DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24 on Classification, Valuation and Operation of Investment Portfolio of

Commercial Banks (Directions), 2023 dated September 12, 2023 issued by Reserve Bank of India and applicable from April 01, 2024. While hitherto, the investment portfolio was classified under the Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) categories, the revised norms/framework bring in a principle-based classification of investment portfolio and a symmetric treatment of fair value gains and losses. In accordance with the revised framework and the Bank's Board approved policy, the Bank has classified its investment portfolio as on April 1, 2024 under the categories of Held to Maturity (HTM), Available for Sale (AFS) and Fair Value Through Profit and Loss (FVTPL) with Held for Trading (HFT) as a sub-category of FVTPL and from that date, measures and values the investment portfolio under the revised framework. On transition to the framework on April 1, 2024, the net difference of ₹ 4,249.54 crore (debit), net of tax impact, between the revised carrying value and the previous carrying value of the investment portfolio has been adjusted / debited in the general reserve in accordance with this framework. Also, the balances in Investment Reserve Account (IRA) as of March 31, 2024 amounting to ₹ 33.32 crore has been transferred to the revenue/ general reserve since the Bank meets the minimum regulatory requirements of IFR. Further, there is increase in income on investments by ₹ 342.59 crore during the nine months ended December 31, 2024 and net increase in AFS Reserve by ₹ 26.91 crores during the nine months ended December 31, 2024.

b. As per the Accounting Policy till March 31, 2024, the recovery in non-performing assets (other than the cases covered under special schemes introduced by RBI, Strategic Debt Restructuring, Flexible Structuring of Long-Term Project Loans, Change in Ownership of Borrowing Entities, Outside Strategic Debt Restructuring Scheme where subsequently the account turns NPA) was appropriated first towards principal and thereafter towards interest and charges. To ensure better financial presentation and in consonance with industry practice, the Bank during the nine months ended December 31, 2024 has changed the said practice retrospectively from the beginning of the current year i.e. from April 1, 2024 and accordingly has appropriated the recovery in the non-performing assets (NPA) first towards charges, costs etc., thereafter towards interest irregularities /accrued interest and then towards the principal. The same has resulted in an increase in interest income by ₹ 31.85 crore for the nine months ended December 31, 2024 respectively and increase in NPA and provision by ₹ 15.23 crore as at December 31, 2024.

Further, there was change in the methodology of computation of LCR during the year ended March 31, 2023, as LCR as at 31st March, 2023 and onwards is computed considering total outstanding deposit balance for wholesale funding as outflow instead of wholesale deposit having residual maturity of 30 days. The said change has no impact/ effect on the Financial Statements.

COMPONENTS OF INCOME AND EXPENDITURE

Income

Interest Earned

Interest earned consists of interest/ discount on advances and bills, income on investments, interest on balances with Reserve Bank of India and other inter-bank funds and other interest earned. Income from investments consists of interest on investments in India and outside India. Our securities portfolio consists primarily of Government securities, debentures and bonds, equity shares, mutual fund units, certificates of deposit, commercial paper and security receipts. We do not receive any interest on the balances that we maintain with the RBI to meet our cash reserve requirements.

Other Income

Our non-interest income consists of (i) commission, exchange and brokerage, (ii) profit on the sale of investments, (iii) profit/loss on revaluation of investments, (iv) profit/ loss on the sale of land, buildings and other assets (v) profit on exchange transactions, and (vi) miscellaneous income, which primarily includes loan processing fees, incidental charges, ATM centre income and recovery in TWO A/cs.

Expenditure

Interest Expended

Our interest expended includes interest on deposits, interest on RBI and inter-bank borrowings and other interest, such as, interest paid on bonds and interest paid on borrowings from IDBI/SIDBI/NABARD/Others/Term Borrowings.

Operating Expenses

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

Provisions and Contingencies

Our provisions and contingencies consist of (i) provision made towards NPA, (ii) provision towards rebate, (iii) provision for NPA on investments, (iv) provision towards frauds, and (v) other provisions which includes provisions and contingencies towards provision against standard assets, bad debts written off, provision for deferred tax.

RESULTS OF OPERATIONS

NINE MONTHS ENDED DECEMBER 31, 2024 COMPARED TO NINE MONTHS ENDED DECEMBER 31, 2023

The following table sets forth certain information with respect to our Bank's results of operations for the nine months ended December 31, 2024 and 2023:

(₹ crore)

Particulars	Nine months ended	
	December 31, 2024	December 31, 2023
Income		
Interest earned	8,322.36	7,212.71
Other income	890.88	808.52
Total Income	**9,213.24**	**8,021.23**
Expenditure		
Interest expended	5,660.71	5,060.99
Operating expenses	2,294.00	2,165.65
Provisions and contingencies (including income tax)	555.48	338.52
Total expenses	**8,510.19**	**7,565.16**
Net profit/ (loss) for the period	703.05	456.07

Income

Interest Earned

Total interest earned increased by 15.38% from ₹ 7,212.71 crore in the nine months ended December 31, 2023 to ₹ 8,322.36 crore in the nine months ended December 31, 2024. This increase was primarily attributable due to an increase in (i) interest/discount on advances/ bills by 12.42% from ₹ 5,183.44 crore in the nine months ended December 31, 2023, to ₹ 5,827.24 crore in the nine months ended December 31, 2024, primarily due to an increase in advances by 16.39% during the same period; (ii) income on investments by 23.01% from ₹ 1,961.79 crore in the nine months ended December 31, 2023 to ₹ 2,413.26 crore in the nine months ended December 31, 2024 on account of an increase in our investment in government securities from 64.17% in the nine months ended December 31, 2023 to 71.43% in in the nine months ended December 31, 2024; (iii) other interest income that increased by 35.50% from ₹ 51.24 crore in the nine months ended December 31, 2023 to ₹ 69.43 crore in the nine months ended December 31, 2024.

This was offset by decrease in interest on balances with RBI and other inter-bank funds by 23.46% from ₹ 16.24 crore in the nine months ended December 31, 2023 to ₹ 12.43 crore in the nine months ended December 31, 2024.

Other Income

Other income increased by 10.19% from ₹ 808.52 crore in the nine months ended December 31, 2023 to ₹ 890.89 crore in the nine months ended December 31, 2024. This was primarily due to an increase in (i) profit on sale of investments by 327.83% from ₹ 49.26 crore in the nine months ended December 31, 2023 to ₹ 210.75 crore in the nine months ended December 31, 2024 (ii) profit on revaluation of investments from ₹ (57.56) crore in the nine months ended December 31, 2023 to ₹ 39.29 crore in the nine months ended December 31, 2024.

Expenditure

Interest Expended

Total interest expended increased by 11.85% from ₹ 5,060.99 crore in the nine months ended December 31, 2023 to ₹ 5,660.71 crore in the nine months ended December 31, 2024. This increase was primarily attributable due to (i) an increase in interest on deposits by 12.98% from ₹ 4,660.99 crore in the nine months ended December 31, 2023 to ₹ 5,265.79 crore in the nine months ended December 31, 2024 due to an increase in our aggregate term deposits by 10.21% in the nine months ended December 31, 2024.

Operating Expenses

Operating expenses increased by 5.93% from ₹ 2,165.65 crore in the nine months ended December 31, 2023 to ₹ 2,294.00 crore in the nine months ended December 31, 2024. This increase was primarily attributable due to (i) increase in other operating expenses by 15.43% from ₹ 734.39 crore in the nine months ended December 31, 2023 to ₹ 847.71 crore in the nine months ended December 31, 2024; (ii) increase in employee cost by 1.05% from ₹ 1,431.26 crore in the nine months ended December 31, 2023 to ₹ 1,446.29 crore in the nine months ended December 31, 2024.

Provisions and Contingencies (including income tax)

Provisions and contingencies increased by 64.09% from ₹ 338.52 crore in the nine months ended December 31, 2023 to ₹ 555.48 crore in the nine months ended December 31, 2024. These provisions mainly include provision towards NPA, rebate, provision for NPA on investments and other provisions and contingencies. The increase in provision and contingencies was primarily due to the increase in rebate by 2,346.21% from ₹ 16.23 crore in the nine months ended December 31, 2023 to ₹ 397.02 crore in the nine months ended December 31, 2024.

Net Profit/ (Loss) for the Period

As a result of the reasons discussed above, we recorded an increase in net profit from ₹ 456.07 crore in the nine months ended December 31, 2023 to ₹ 703.05 crore in the nine months ended December 31, 2024.

FISCAL 2024 COMPARED TO FISCAL 2023

The following table sets forth certain information with respect to our Bank's results of operations for Fiscals 2024 and 2023:

(₹ crore)

Particulars	Fiscal	
	2024	2023
Income		
Interest earned	9,693.98	7,992.73
Other income	1,221.47	939.96
Total Income	**10,915.45**	**8,932.69**
Expenditure		
Interest expended	6,852.94	5,019.35
Operating expenses	2,931.57	2,463.40
Provisions and contingencies (including income tax)	535.52	136.91
Total expenses	**10,320.03**	**7,619.66**
Net profit/ (loss) for the period	595.42	1,313.03

Income

Interest Earned

Total interest earned increased by 21.28% from ₹ 7,992.73 crore in Fiscal 2023 to ₹ 9,693.98 crore in Fiscal 2024. This increase was primarily attributable due to an increase in (i) interest/discount on advances/ bills by 26.33% from ₹ 5,502.44 crore in Fiscal 2023, to ₹ 6,951.24 crore in Fiscal 2024, primarily due to an increase in advances by 7.70% during the same period; and (ii) income on investments by 12.58% from ₹ 2,359.34 crore in Fiscal 2023 to ₹ 2,656.03 crore in Fiscal 2024 on account of an increase in our SLR from 25.91% in Fiscal 2023 to 27.15% in Fiscal 2024.

This increase was offset by decrease in (i) interest on balances with RBI and other inter-bank funds by 28.26% from ₹ 30.71 crore in Fiscal 2023 to ₹ 22.03 crore in Fiscal 2024 and (ii) other interest income that decreased by 35.47% from ₹ 100.23 crore in Fiscal 2023 to ₹ 64.68 crore in Fiscal 2024.

Other Income

Other income increased by 29.95% from ₹ 939.96 crore in Fiscal 2023 to ₹ 1,221.47 crore in Fiscal 2024. This was primarily due to an increase in (i) commission, exchange and brokerage by 18.54% from ₹ 113.91 crore in Fiscal 2023 to ₹ 135.04 crore in Fiscal 2024; and (ii) miscellaneous income by 30.60% from ₹ 801.86 crore in Fiscal 2023 to ₹ 1,047.19 crore in Fiscal 2024.

This increase was offset by decrease in (ii) profit on sale of land, buildings and other assets by 79.53% from ₹ 2.15 crore in Fiscal 2023 to ₹ 0.44 crore in Fiscal 2024; and (iii) profit on exchange transactions by 24.28% from ₹ 36.21 crore in Fiscal 2023 to ₹ 27.42 crore in Fiscal 2024 and reduction in loss on revaluation of investments by 22.29% from ₹ 115.40 crore in Fiscal 2023 to ₹ 89.68 crore in Fiscal 2024.

Expenditure

Interest Expended

Total interest expended increased by 36.53% from ₹ 5,019.35 crore in Fiscal 2023 to ₹ 6,852.93 crore in Fiscal 2024. This increase was primarily attributable due to (i) an increase in interest on deposits by 33.79% from ₹ 4,717.84 crore in Fiscal 2023 to ₹ 6,311.87 crore in Fiscal 2024 due to an increase in our term deposits by 10.80% from ₹ 72,832.38 crore in Fiscal 2023 to ₹ 80,701.30 crore in Fiscal 2024; (ii) an increase in interest on the RBI/ interbank borrowings by 95.12% from ₹ 149.49 crore in Fiscal 2023 to ₹ 291.69 crore in Fiscal 2024 on account of borrowings made under long-term repo operations, i.e., option given to banks for long-term borrowings from the RBI at the repo rate; and an increase in other interest expended by 64.04% from ₹ 152.02 crore in Fiscal 2023 to ₹ 249.38 crore in Fiscal 2024 due to an increase in interest paid on bonds.

Operating Expenses

Operating expenses increased by 19.01% from ₹ 2,463.40 crore in Fiscal 2023 to ₹ 2,931.57 crore in Fiscal 2024. This increase was primarily attributable due to (i) increase in establishment cost by 25.89% from ₹ 1,544.42 crore in Fiscal 2023 to ₹ 1,944.20 crore in Fiscal 2024; and (ii) increase in other operating expenses by 7.44% from ₹ 918.98 crore in Fiscal 2023 to ₹ 987.37 crore in Fiscal 2024.

Provisions and Contingencies (including income tax)

Provisions and contingencies increased by 291.15% from ₹ 136.91 crore in Fiscal 2023 to ₹ 535.52 crore in Fiscal 2024. These provisions mainly include provision towards NPA, rebate, provision for NPA on investments, provision for frauds and other provisions and contingencies. The increase in provision and contingencies was primarily due to the increase in provision for NPA on investments by 1,304.14% from ₹ 25.13 crore in Fiscal 2023 to ₹ 352.86 crore in Fiscal 2024.

Net Profit/ (Loss) for the Period

As a result of the reasons discussed above, we recorded a decrease in net profit from ₹ 1,313.03 crore in Fiscal 2023 to ₹ 595.42 crore in the Fiscal 2024.

FISCAL 2023 COMPARED TO FISCAL 2022

The following table sets forth certain information with respect to our Bank's results of operations for Fiscals 2023 and 2022:

(₹ crore)

Particulars	Fiscal	
	2023	2022
Income		
Interest earned	7,992.73	7,095.81
Other income	939.96	959.38
Total Income	**8,932.69**	**8,055.19**
Expenditure		
Interest expended	5,019.35	4,444.49
Operating expenses	2,463.40	2,280.61
Provisions and contingencies (including income tax)	136.91	291.04
Total expenses	**7,619.66**	**7,016.13**
Net profit/ (loss) for the period	**1,313.03**	**1,039.05**

Income

Interest Earned

Total interest earned increased by 12.64% from ₹ 7,095.81 crore in Fiscal 2022 to ₹ 7,992.73 crore in Fiscal 2023. This increase was primarily attributable due to an increase in (i) interest/discount on advances/ bills by 15.15% from ₹ 4,778.41 crore in Fiscal 2022, to ₹ 5,502.44 crore in Fiscal 2023, primarily due to an increase in advances by 20.73% during the same period; (ii) income on investments by 12.64% from ₹ 2,094.66 crore in Fiscal 2022 to ₹ 2,359.34 crore in Fiscal 2023 on account of an increase in our Government Securities from 64.03% in Fiscal 2022 to 64.35% in Fiscal 2023.

This increase was partially offset by decrease in interest on balances with RBI and other inter-bank funds by 74.07% from ₹ 118.43 crore in Fiscal 2022 to ₹ 30.71 crore in Fiscal 2023 due to decrease in the balance with RBI in reverse repo by ₹ 840.00 crore.

Other Income

Other income decreased by 2.02% from ₹ 959.37 crore in Fiscal 2022 to ₹ 939.96 crore in Fiscal 2023. This was primarily due to a decrease in (i) profit on sale of investments (net) by 69.46% from ₹ 331.47 crore in Fiscal 2022 to ₹ 101.22 crore in Fiscal 2023; (ii) profit on revaluation of investments by 89.77% from ₹ (60.81) crore in Fiscal 2022 to ₹ (115.40) crore in Fiscal 2023; (iii) profit on exchange transactions (net) by 35.51% from ₹ 56.15 crore in Fiscal 2022 to ₹ 36.21 crore in Fiscal 2023.

This decrease was offset by increase in (i) commission, exchange and brokerage by 13.26% from ₹ 100.58 crore in Fiscal 2022 to ₹ 113.92 crore in Fiscal 2023 (ii) profit on sale of land, buildings and other assets (net) from ₹ (0.16) crore in Fiscal 2022 to ₹ 2.15 crore in Fiscal 2023; and (iii) miscellaneous income by 50.69% from ₹ 532.14 crore in Fiscal 2022 to ₹ 801.86 crore in Fiscal 2023.

Expenditure

Interest Expended

Total interest expended increased by 12.93% from ₹ 4,444.49 crore in Fiscal 2022 to ₹ 5,019.35 crore in Fiscal 2023. This increase was primarily attributable due to (i) an increase in interest on deposits by 12.12% from ₹ 4,207.70 crore in Fiscal 2022 to ₹ 4,717.84 crore in Fiscal 2023 due to an increase in our aggregate term deposits 7.73% from ₹ 67,608.59 crore in Fiscal 2022 to ₹ 72,832.38 crore in Fiscal 2023; (ii) an increase in interest on the RBI/ interbank borrowings by 5,903.61% from ₹ 2.49 crore in Fiscal 2022 to ₹ 149.49 crore in Fiscal 2023 on account of borrowings made under long-term repo operations, i.e., option given to banks for long-term borrowings from the RBI at the repo rate.

This increase was partially offset by 35.12% decrease in other interest expended from ₹ 234.30 crore in Fiscal 2022 to ₹ 152.02 crore in Fiscal 2023 due to decrease in interest paid on bonds.

Operating Expenses

Operating expenses increased by 8.02% from ₹ 2,280.60 crore in Fiscal 2022 to ₹ 2,463.40 crore in Fiscal 2023. This increase was primarily attributable due to (i) increase in establishment cost by 4.45% from ₹ 1,478.56 crore in Fiscal 2022 to ₹ 1,544.42 crore in Fiscal 2023; and (ii) other operating expenses by 14.58% from ₹ 802.04 crore in Fiscal 2022 to ₹ 918.98 crore in Fiscal 2023.

Provisions and Contingencies (including income tax)

Provisions and contingencies decreased by 52.96% from ₹ 291.04 crore in Fiscal 2022 to ₹ 136.91 crore in Fiscal 2023. These provisions mainly include provision towards NPA, rebate, NPA in investments, and other provisions and contingencies. The decrease in provision and contingencies was primarily due to the reversal of NPA by 150.28% from ₹ 940.49 crore in Fiscal 2022 to ₹ (472.84) crore in Fiscal 2023.

Net Profit/ (Loss) for the Period

As a result of the reasons discussed above, we recorded an increase in net profit from ₹ 1,039.05 crore in Fiscal 2022 to ₹ 1,313.03 crore in the Fiscal 2023.

FINANCIAL CONDITION

Assets

(₹ crore)

Particulars	As of December 31, 2024	As of December 31, 2023	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Cash & balances with Reserve Bank Of India	6,269.29	6,214.81	7,312.46	6,225.40	6,139.24
Balances with banks & money at call and short notice	821.86	471.40	70.55	71.32	148.99
Investments	46,071.60	49,881.28	49,599.16	44,838.42	42,280.87
Advances	93,488.03	80,324.78	82,736.38	76,819.43	63,626.56
Fixed Assets	1,691.40	1,564.07	1,755.78	1,519.42	1,577.44
Other Assets	6,365.50	6,805.07	6,182.20	6,980.52	7,294.44
Total	**154,707.68**	**145,261.40**	**147,656.53**	**136,454.52**	**121,067.55**

Total assets increased by 6.50% from ₹ 145,261.40 crore as of December 31, 2023 to ₹ 154,707.68 crore as of December 31, 2024. This increase was primarily due to (i) an increase in cash and balances with the RBI by 0.88% from ₹ 6,214.81 crore as of December 31, 2023 to ₹ 6,269.29 crore as of December 31, 2024; (ii) an increase in balance with banks and money at call and short notice by 74.34% from ₹ 471.40 crore as of December 31, 2023 to ₹ 821.86 crore as of December 31, 2024; (iii) an increase in advances by 16.39% from ₹ 80,324.78 crore as of December 31, 2023 to ₹ 93,488.03 crore as of December 31, 2024; and (iv) an increase in fixed assets by 8.14% from ₹1,564.07 crore as of December 31, 2023 to ₹1,691.40 crore as of December 31, 2024. This increase was marginally offset by (i) a decrease in investments by 7.64% from ₹ 49,881.28 crore as of December 31, 2023 to ₹ 46,071.60 crore as of December 31, 2024; and (ii) a decrease in other assets by 6.46% from ₹ 6,805.07 crore as of December 31, 2023 to ₹ 6,365.50 crore as of December 31, 2024.

Total assets increased by 8.21% from ₹ 136,454.52 crore as of March 31, 2023 to ₹ 147,656.53 crore as of March 31, 2024. This increase was primarily due to (i) an increase in cash and balances with the RBI by 17.46% from ₹ 6,225.40 crore as of March 31, 2023 to ₹ 7,312.46 crore as of March 31, 2024; (iii) an increase in investments by 10.62% from ₹ 44,838.42 crore as of March 31, 2023 to ₹ 49,599.16 crore as of March 31, 2024; (iv) an increase in advances by 7.70% from ₹ 76,819.43 crore as of March 31, 2023 to ₹ 82,736.38 crore as of March 31, 2024; and (v) an increase in fixed assets by 15.56% from ₹ 1,519.42 crore as of March 31, 2023 to ₹ 1,755.78 crore as of March 31, 2024. This increase was marginally offset by a decrease in (i) balance with banks and money at call and short notice by 1.08% from ₹ 71.32 crore as of March 31, 2023 to ₹ 70.55 crore as of March 31, 2024; and (ii) other assets by 11.44% from ₹ 6,980.52 crore as of March 31, 2023 to ₹ 6,182.20 crore as of March 31, 2024.

Total assets increased by 12.71% from ₹ 121,067.55 crore as of March 31, 2022 to ₹ 136,454.52 crore as of March 31, 2023. This increase was primarily due to (i) an increase in cash and balances with the RBI by 1.40% from ₹ 6,139.24 crore as of March 31, 2022 to ₹ 6,225.40 crore as of March 31, 2023; (ii) an increase in balance with banks and money at call and short notice by (52.13)% from ₹ 148.99 crore as of March 31, 2022 to ₹ 71.32 crore as of March 31, 2023; (iii) an increase in investments by 6.05% from ₹ 42,280.87 crore as of March 31, 2022 to ₹ 44,838.42 crore as of March 31, 2023; (iv) an increase in advances by 20.73% from ₹ 63,626.56 crore as of March 31, 2022 to ₹ 76,819.43 crore as of March 31, 2023. This increase was marginally offset by a decrease in (i) fixed assets by 3.68% from ₹ 1,577.44 crore as of March 31, 2022 to ₹ 1,519.42 crore as of March 31, 2023;

and (ii) other assets by 4.30% from ₹ 7,294.44 crore as of March 31, 2022 to ₹ 6,980.52 crore as of March 31, 2023.

Advances

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

(₹ crore)

	Particulars	As of December 31, 2024	As of December 31, 2023	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
A	i) Bills purchased & discounted	1,610.49	720.95	1,036.30	976.67	614.12
	ii) Cash credits, overdrafts and loans repayable on demand	28,286.57	27,359.93	27,112.30	24,261.81	21,919.87
	iii) Term Loans	63,590.97	52,243.90	54,587.78	51,580.95	41,092.58
	Total	**93,488.03**	**80,324.78**	**82,736.38**	**76,819.43**	**63,626.56**
B	i) Secured by tangible assets (includes advances against Book Debt)	69,974.27	58,675.64	61,918.10	57,302.17	48,947.34
	ii) Covered by Bank/ Government Guarantees	14,126.78	14,918.89	13,479.12	12,341.31	12,702.77
	iii) Unsecured	9,386.98	6,730.25	7,339.16	7,175.95	1,976.45
	Total	**93,488.03**	**80,324.78**	**82,736.38**	**76,819.43**	**63,626.56**
C	**I. ADVANCES IN INDIA**					
	i) Priority Sector	33,760.75	30,273.92	30,973.80	29,729.13	27,061.55
	i) Public Sector	21,875.42	15,412.24	14,806.06	17,249.59	14,597.33
	iii) Banks	1,008.29	503.40	505.34	469.72	1,300.00
	iv) Others	36,843.57	34,135.21	36,451.17	29,370.99	20,667.68
	Total	**93488.03**	**80324.78**	**82736.38**	**76819.43**	**63626.56**
	II. ADVANCES OUTSIDE INDIA	-	-	-	-	-
	Total (I + II)	**93,488.03**	**80,324.78**	**82,736.38**	**76,819.43**	**63,626.56**

Total advances consist of bills purchased and discounted, cash credit, overdrafts and loans repayable on demand, and term loans.

Our Bank's gross advances increased by 14.73% to ₹ 95,869.78 crore as of December 31, 2024 from ₹ 83,559.25 crore as of December 31, 2023. This increase was primarily due to increase in bills purchased which increased by 123.38% from ₹ 720.95 crore as of December 31, 2023 to ₹ 1,610.49 crore as of December 31, 2024.

Our Bank's gross advances increased by 6.15% to ₹ 85,964.47 crore as of March 31, 2024 from ₹ 80,981.73 crore as of March 31, 2023. This increase was primarily due to increase in cash credits, overdrafts and loans repayable on demand which increased by 11.75% from ₹ 24,261.80 crore as of March 31, 2023 to ₹ 27,112.30 crore as of March 31, 2024.

Our Bank's gross advances increased by 15.05% to ₹ 80,981.73 crore as of March 31, 2023 from ₹ 70,387.09 crore as of March 31, 2022. This increase was primarily due to increase in bills purchased & discounted which increased by 59.04% from ₹ 614.12 crore as of March 31, 2022 to ₹ 976.67 crore as of March 31, 2023.

Investments

Our Bank's investments primarily represent investments in government securities and other approved securities, investments in debt instruments such as debentures and bonds, investments in shares, commercial paper, certificate of deposit, securitized receipts and RURAL Infrastructure Development Fund ("**RIDF**") and investments in units of UTI, other mutual funds and venture capital.

Net Investments decreased by 7.64% from ₹ 49,881.28 crore as of December 31, 2023 to ₹ 46,071.60 crore as of December 31, 2024, mainly due to decrease in investments in Non-SLR securities by ₹ 4,883.00 crore.

Net Investments increased by 10.62% from ₹ 44,838.42 crore as of March 31, 2023 to ₹ 49,599.16 crore as of March 31, 2024, primarily due to an increase in government securities by 11.33% from ₹ 28,851.51 crore as of March 31, 2023 to ₹ 32,119.82 crore as of March 31, 2024. The increase of government securities in our investment portfolio was driven by increase in SLR. We also recorded an increase in shares, which increased by

3.75% from ₹ 155.14 crore as of March 31, 2023 to ₹ 160.96 crore as of March 31, 2024 and increase in commercial paper, certificate of deposit, securitized receipts and RIDF by 158.39% from ₹ 370.91 crore as of March 31, 2023 to ₹ 958.38 crore as of March 31, 2024. Further, debentures and bonds increased by 5.90% from ₹ 15,423.60 crore as of March 31, 2023 to ₹ 16,334.15 crore as of March 31, 2024. This increase was partially offset by a decrease in investments in units of UTI, other mutual funds and venture capital by 30.62% from ₹ 37.26 crore as of March 31, 2023 to ₹ 25.85 crore as of March 31, 2024.

Net Investments increased by 6.05% from ₹ 42,280.87 crore as of March 31, 2022 to ₹ 44,838.42 crore as of March 31, 2023, primarily due to an increase in government securities by 6.57% from ₹ 27,072.71 crore as of March 31, 2022 to ₹ 28,851.51 crore as of March 31, 2023. The increase of government securities in our investment portfolio was primarily driven by increase in SLR investment. We also recorded an increase in shares, which increased by 1.40% from ₹ 153.00 crore as of March 31, 2022 to ₹ 155.14 crore as of March 31, 2023 and increase in commercial paper, certificate of deposit, securitized receipts and RIDF by 13.60% from ₹ 326.51 crore as of March 31, 2022 to ₹ 370.91 crore as of March 31, 2023 and increase in investments in units of UTI other mutual funds by 31.94% from ₹ 28.24 crore as of March 31, 2022 to ₹ 37.26 crore as of March 31, 2023. Further, debentures and bonds increased by 4.92% from ₹ 14,700.42 crore as of March 31, 2022 to ₹ 15,423.60 crore as of March 31, 2023.

Balances with Banks and Money at Call and Short Notice

Balances with Banks and Money at Call and Short Notice was ₹ 821.86 crore as of December 31, 2024 compared to ₹ 471.40 crore as of December 31, 2023. The increase in the nine months ended December 31, 2024 was primarily driven by increase in balance with bank in current account and, money at call and short notice with banks.

Balances with Banks and Money at Call and Short Notice was ₹ 70.55 crore as of March 31, 2024 compared to ₹ 71.32 crore as of March 31, 2023 and ₹ 148.99 crore as of March 31, 2022. The decrease in Fiscal 2024 was primarily driven by a decrease in balances with banks from ₹ 15.80 crore as of March 31, 2023 to ₹ 15.18 crore as of March 31, 2024 by 3.92% on account of decrease in balances in current accounts in India which decreased by 3.92% from ₹ 15.80 crore as of March 31, 2023 to ₹ 15.18 crore as of March 31, 2024. Further, balances in current accounts outside India decreased by 0.29% from ₹ 55.52 crore as of March 31, 2023 to ₹ 55.36 crore as of March 31, 2024.

Other Assets

Other assets primarily include inter-office deposits (net), interest accrued, tax paid in advance/ tax deducted at source (net of provisions), stationery and stamps, non-banking assets acquired in satisfaction of claims, others and deferred tax assets (net).

Other assets amounted to ₹ 6,365.50 crore as of December 31, 2024 compared to ₹ 6,805.07 crore as of December 31, 2023. The decrease as of December 31, 2024 was due to decrease in tax paid in advance by 73.25% from ₹ 636.74 crore as of December 31, 2023 to ₹ 170.35 crore as of December 31, 2024 and decrease in deferred tax Asset by 13.88% from ₹ 1,658.28 crore as of December 31, 2023 to ₹ 1,428.10 crore as of December 31, 2024

Other assets amounted to ₹ 6,182.20 crore as of March 31, 2024 compared to ₹ 6,980.52 crore as of March 31, 2023 and ₹ 7,294.44 crore as of March 31, 2022. The decrease in Fiscal 2024 was due to a decrease in (i) deferred tax asset (net) by 12.15% from ₹ 1,844.25 crore as of March 31, 2023 to ₹ 1,620.23 crore as of March 31, 2024; and (ii) others including deposits placed with NABARD under RIDF of ₹1,673.84 crore as of March 2024 by 29.06% from ₹ 2,359.44 crore as of March 31, 2023 mainly on account of decrease in RIDF. This decrease in Fiscal 2024 was partially offset by an increase in (i) interest accrued by 18.29% from ₹ 676.14 crore as of March 31, 2023 to ₹ 799.79 crore as of March 31, 2024, (ii) stationery and stamps by 20.05% from ₹ 4.29 crore as of March 31, 2023 to ₹ 5.15 crore as of March 31, 2024; and (iii) tax paid in advance/ tax deducted at source (net of provisions) by 29.50% from ₹ 541.51 crore as of March 31, 2023 to ₹ 701.28 crore as of March 31, 2024.

The decrease during Fiscal 2023 was primarily driven by a decrease in deferred tax asset (net) by 14.95% from ₹ 2,168.34 crore as of March 31, 2022 to ₹1,844.25 crore as of March 31, 2023, stationary and stamps by 8.92% from ₹ 4.71 crore as of March 31, 2022 to ₹4.29 crore as of March 31, 2023 and others including deposits placed with NABARD under RIDF of ₹ 2,359.44 crore, by 14.49% from ₹ 2,759.23 crore as of March 31, 2022 to ₹ 2,359.44 crore as of March 31, 2023. This decrease was offset by an increase in tax paid in advance/tax deducted at source by 17.62% from ₹ 460.38 crore as of March 31, 2022 to ₹ 541.51 crore as of March 31, 2023, interest accrued by 8.74% from ₹ 621.81 crore as of March 31, 2022 to ₹ 676.14 crore as of March 31, 2023.

Capital and Liabilities

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

(₹ crore)

Particulars	As of December 31, 2024	As of December 31, 2023	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Capital	6,777.79	6,777.79	6,777.79	6,777.79	6,777.79
Reserves and surplus	5,007.07	8,459.46	8,755.64	8,330.72	7,232.80
Deposits	127,397.21	118,355.34	119,409.55	109,665.49	102,137.01
Borrowings	1,2611.91	8,810.53	9,770.86	9,018.38	2,443.63
Other liabilities and provisions	2,913.71	2,858.29	2,942.69	2,662.14	2,476.31
Total	**154,707.68**	**145,261.40**	**147,656.53**	**136,454.52**	**121,067.55**

Total liabilities amounted to ₹ 154,707.68 crore as of December 31, 2024 compared to ₹ 145,261.40 crore as of December 31, 2023. Total liabilities amounted to ₹ 147,656.53 crore as of March 31, 2024 compared to ₹ 136,454.52 crore as of March 31, 2023 and ₹ 121,067.55 crore as of March 31, 2022. The increase was primarily on account of growth in deposits and borrowings.

Deposits

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

(₹ crore, except percentages)

Particulars	As of December 31,				As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	2024		2023		Amount	% of Total	Amount	% of Total	Amount	% of Total
	Amount	% of Total	Amount	% of Total						
Term deposits	80,530.34	63.21	72,556.35	61.30	71,558.86	59.93	71,359.76	65.07	67,608.59	66.19
Saving deposits	34,599.01	27.16	34,178.04	28.88	33,532.19	28.08	31,858.18	29.05	30,374.84	29.74
Current deposits	5,102.37	4.01	4,607.44	3.89	5,176.06	4.33	4,974.93	4.54	4,153.58	4.07
Certificate of deposits	7,165.49	5.62	7,013.51	5.93	9,142.44	7.66	1,472.62	1.34	-	-
Total	**127,397.21**	**100.00**	**118,355.34**	**100.00**	**119,409.55**	**100.00**	**109,665.49**	**100.00**	**102,137.01**	**100.00**

Deposits mainly comprise term deposits, savings deposits, current deposits and certificate of deposits.

Deposits increased by 7.64% from ₹ 118,355.34 crore as of December 31, 2023 to ₹ 127,397.21 crore as of December 31, 2024 primarily due to increase in term deposits by 10.21% from ₹ 79,569.86 crore as of December 31, 2023 to ₹ 87,695.83 crore as of December 31, 2024.

Deposits increased by 8.89% from ₹ 109,665.49 crore as of March 31, 2023 to ₹ 119,409.55 crore as of March 31, 2024 primarily due to an increase in savings bank deposits by 5.25% from ₹ 31,858.18 crore as of March 31, 2023 to ₹ 33,532.19 crore as of March 31, 2024 and increase in certificate of deposits by 520.83% from ₹ 1,472.62 crore as of March 31, 2023 to ₹ 9,142.44 crore as of March 31, 2024.

Deposits increased by 7.37% from ₹ 102,137.01 crore as of March 31, 2022 to ₹ 109,665.49 crore as of March 31, 2023 primarily due to an increase in term deposits by 7.73% from ₹ 67,608.59 crore as of March 31, 2022 to ₹ 72,832.38 crore as of March 31, 2023. Certificate of deposits stood at ₹ 1,472.62 crore as of March 31, 2023 as against nil as of March 31, 2022.

Borrowings

Borrowings mainly comprise borrowings from the RBI, other banks, other institutions and agencies and subordinated debt.

Our Bank's borrowings increased by 43.15% from ₹ 8,810.53 crore as of December 31, 2023 to ₹ 12,611.91 crore as of December 31, 2024, primarily attributable to raising of Infra Bonds of ₹ 3,000.00 crore.

Our Bank's borrowings increased by 8.34% from ₹ 9,018.38 crore as of March 31, 2023 to ₹ 9,770.86 crore as of March 31, 2024, primarily attributable to an increase in (i) borrowings from RBI from nil crore as of March 31, 2023 to ₹ 600.00 crore as of March 31, 2024; and (ii) other institutions and agencies in India by 1.97 % from ₹ 7,781.08 crore as of March 31, 2023 to ₹ 7,933.56 crore as of March 31, 2024.

Our Bank's borrowings increased by 269.06 % from ₹ 2,443.63 crore as of March 31, 2022 to ₹ 9,018.38 crore as of March 31, 2023, primarily attributable to an increase in borrowings from other institutions and agencies by 3,671.18 % from ₹ 206.33 crore as of March 31, 2022 to ₹ 7,781.08 crore as of March 31, 2023 on account of borrowings from other banks. This increase was partially offset by a decrease in additional tier- I bonds by 100.00% from ₹ 1,000.00 crore as of March 31, 2022 to nil crore as of March 31, 2023 on account of redemption.

Other Liabilities and Provisions

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

Other liabilities and provisions increased by 1.94% from ₹ 2,858.29 crore as of December 31, 2023 to ₹ 2,913.71 crore as of December 31, 2024, primarily due to an increase of 43.72% in bills payable as of December 31, 2024 to ₹ 327.92 crore from ₹ 228.16 crore as of December 31, 2023.

Other liabilities and provisions increased by 10.54% from ₹ 2,662.14 crore as of March 31, 2023 to ₹ 2,942.69 crore as of March 31, 2024, primarily due to an increase in (i) interest accrued by 27.15% from ₹ 811.39 crore as of March 31, 2023 to ₹ 1,031.71 crore as of March 31, 2024; and (ii) others (including provisions) by 16.44% from ₹ 1,387.11 crore as of March 31, 2023 to ₹ 1,615.14 crore as of March 31, 2024. This increase in Fiscal 2024 was partially offset by decrease in bills payable from ₹ 330.37 crore as of March 31, 2023 to ₹ 250.08 crore as of March 31, 2024 and decrease in inter-office adjustments (net) from ₹ 133.26 crore as of March 31, 2023 to ₹ 45.76 crore as of March 31, 2024.

Other liabilities and provisions increased by 7.50% from ₹ 2,476.31 crore as of March 31, 2022 to ₹ 2,662.14 crore as of March 31, 2023, primarily due to an increase in (i) bills payable by 23.24% from ₹ 268.08 crore as of March 31, 2022 to ₹ 330.37 crore as of March 31, 2023; (ii) interest accrued by 17.99% from ₹ 687.66 crore as of March 31, 2022 to ₹ 811.39 crore as of March 31, 2023; and (iii) others (including provisions) by 0.49% from ₹ 1,380.41 crore as of March 31, 2022 to ₹ 1,387.11 crore as of March 31, 2023. This increase in Fiscal 2023 was partially offset by decrease in inter-office adjustments (net) from ₹ 140.15 crore as of March 31, 2022 to ₹ 133.26 crore as of March 31, 2023.

For further information, see "***Financial Statements***" and "***Risk Factors – Weakness or failures of our internal control system may cause significant operational errors, which may in turn materially and adversely affect our business.***" on page 291 and 56 respectively.

Divergence in Asset Classification and Provisioning

The RBI assesses the compliance by banks with the extant prudential norms on income recognition, asset classification and provisioning ("**IRACP**") as part of its supervisory processes. As per RBI Master Direction on Financial Statements – Presentation and Disclosures No. DOR.ACC.REC.N0.45/21.04.018/2021-22 dated August 30, 2021 (updated as on April 1, 2024), banks shall make suitable disclosures as tabulated below, if either or both of the following conditions are satisfied:

(i) The additional provisioning for NPAs assessed by the RBI as part of its supervisory process exceeds 5% of the reported profit before provisions and contingencies for the reference period; and/ or
(ii) The additional gross NPAs identified by RBI as part of its supervisory process exceed 5% of the reported incremental Gross NPAs for the reference period.

There has been no divergence in respect of provision and NPAs for the financial year ended March 31, 2024.

LIQUIDITY AND CAPITAL RESOURCES

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

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

(₹ crore)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net Cash Generated from Operating Activities	1,748.88	1,428.36	(5,998.57)
Net Cash Generated from / (Used In) Investing Activities	(228.63)	(88.16)	(120.79)
Net Cash Generated from / (Used In) Financing Activities	(433.96)	(1,331.70)	4,068.14
Cash and Cash Equivalents	1,086.29	8.50	(2,051.22)

Operating Activities

Fiscal 2024

Net cash flow from operating activities was ₹ 1,748.88 crore in Fiscal 2024. Profit before tax in Fiscal 2024 amounted to ₹ 936.98 crore with the primary adjustments consisting of provisions and contingencies of ₹ 535.52 crore, depreciation on fixed assets of ₹ 150.08 crore, interest paid on bonds of ₹ 106.13 crore and profit on sale of assets of ₹ (0.44) crore in Fiscal 2024. The main working capital adjustments towards increase in cash flow in Fiscal 2024 included increase in deposits of ₹ 9,744.06 crore, increase in borrowings of ₹ 752.47 crore, increase in other liabilities of ₹ 345.79 crore, decrease in other assets of ₹ 799.24 crore. This was partially offset by an increase in investments of ₹ 5,158.17 crore, increase in advances of ₹ 5,778.71 crore. Cash flow from operations amounted to ₹ 1,748.88 crore in Fiscal 2024, and taxes paid (net of refund) amounted to ₹ (342.47) crore in Fiscal 2024.

Fiscal 2023

Net cash from operating activities was ₹ 1,428.36 crore in Fiscal 2023. Profit before tax in Fiscal 2023 amounted to ₹ 1,619.84 crore with the primary adjustments consisting of provisions and contingencies of ₹ 136.91 crore, depreciation on fixed assets of ₹ 148.33 crore, interest paid on bonds of ₹ 116.59 crore and profit on sale of assets of ₹ (2.15) crore in Fiscal 2023. The main working capital adjustments towards increase in cash flow in Fiscal 2023 consists increase in deposits of ₹ 7,528.48 crore, increase in borrowings of ₹ 7,574.75 crore, increase in other liabilities of ₹ 195.22 crore, and a decrease in other assets of ₹ 156.50 crore. This increase was partially offset by increase in advances of ₹ 12,875.68 crore and increase in investment of ₹ (2,714.22) crore. Cash from operations amounted to ₹ 1,428.36 crore in Fiscal 2023, and taxes paid (net of refund) amounted to ₹ (149.40) crore in Fiscal 2023.

Fiscal 2022

Net cash from operating activities was ₹ (5,998.57) crore in Fiscal 2022. Profit before tax in Fiscal 2022 amounted to ₹ 1,186.69 crore with the primary adjustments consisting of provisions and contingencies of ₹ 291.04 crore, depreciation on fixed assets of ₹ 137.09 crore, interest paid on bonds of ₹ 231.40 crore and profit on sale of assets of ₹ 0.16 crore in Fiscal 2022. The main working capital adjustments towards increase in cash flow in Fiscal 2022 included increase in borrowings of ₹ 100.08 crore, and increase in deposits of ₹ 6,028.83 crore. This was partially offset by a decrease in other liabilities of ₹ 12.47 crore, increase in advances of ₹ 3,709.46 crore, increase in other assets of ₹ 702.99 crore and decrease in investments of ₹ (10,255.26) crore. Cash from operations amounted to ₹ (5,998.57) crore in Fiscal 2022, and taxes paid (net of refund) amounted to ₹ 853.95 crore in Fiscal 2022.

Investing Activities

Fiscal 2024

Net cash used in investing activities was ₹ (228.63) crore in Fiscal 2024, primarily due to increase in fixed assets of ₹ 229.07 crore, and profit on sale of assets of ₹ 0.44 crore.

Fiscal 2023

Net cash used in investing activities was ₹ (88.16) crore in Fiscal 2023, primarily due to increase in fixed assets of ₹ (90.31) crore and profit on sale of assets of ₹ 2.15 crore.

Fiscal 2022

Net cash used in investing activities was ₹ (120.79) crore in Fiscal 2022, primarily due to increase in fixed assets of ₹ (120.64) crore. This was partially offset by loss on sale of fixed assets amounting to ₹ (0.16) crore in Fiscal 2022.

Financing Activities

Fiscal 2024

Net cash from financing activities was ₹ (433.96) crore in Fiscal 2024, primarily on account of interest paid on bonds amounting to ₹ (106.13) crore, dividend paid on equity amounting to ₹ (325.33) crore and employee welfare trust amounting to ₹ 2.50 crore in Fiscal 2024.

Fiscal 2023

Net cash from financing activities was ₹ (1,331.70) crore in Fiscal 2023, primarily on account of redemption of subordinated bonds amounting to ₹ 1,000.00 crore, interest on bonds amounting to ₹ (116.59) crore, dividend paid on equity amounting to ₹ (210.11) crore and employee welfare trust amounting to ₹ (5.00) crore in Fiscal 2023.

Fiscal 2022

Net cash from financing activities was ₹ 4,068.14 crore in Fiscal 2022, primarily on account of preferential issue expenses amounting to ₹ 0.47 crore, redemption of subordinated bonds amounting to ₹ 300.00 crore and interest on bonds amounting to ₹ (231.40) crore, which was offset by issue of Equity Shares (face value) for cash amounting to ₹ 2,725.12 crore in Fiscal 2022 and share premium received amounting to ₹ 1,874.88 crore.

Capital

We calculate our Capital to Risk Weighted Assets Ratio under Basel III guidelines. Our Bank's CRAR under Basel III was 15.95%, as of December 31, 2024.

We are registered with and subject to supervision by the RBI, including the RBI's detailed guidelines for implementation of Basel III capital regulations that were issued in May 2012. Basel III Capital Regulations are being implemented in India with effect from April 1, 2013 in a phased manner, which our Bank has complied with. Also see "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting Our Results of Operations and Financial Condition – Capital Adequacy, liquidity requirements and reserve ratios***" on page 110.

Our Bank's regulatory capital and capital adequacy ratios calculated under Basel III as of the dates indicated, are as follows:

(₹ crore, except percentages)

	Particulars	As of December 31, 2024
Regulatory capital		
Tier I capital		9,716.03
Tier II capital		1,327.73
Total Capital		**11,043.76**
(i)	Common Equity Tier I Ratio	14.04%
(ii)	Capital Conservation Buffer (comprising Common Equity)	-
(iii)	Common Equity Tier I Ratio plus Capital Conservation Buffer (i)+(ii)	14.04%
(iv)	Additional Tier I capital (CRAR)	-
(v)	Tier I capital adequacy ratio (i) +(iv)	14.04%

	Particulars	As of December 31, 2024
(vi)	Tier II capital (CRAR)	1.92%
(vii)	Total Capital Ratio (MTC) (v)+(vi)	15.95%
(viii)	Total Capital Ratio plus Capital Conservation Buffer (vii)+(ii)	15.95%

Capital Expenditure

The following table sets forth our capital expenditure for the periods indicated:

(₹ crore)

Particulars	Nine months ended December 31, 2024	Nine months ended December 31, 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
Capital Expenditure	58.76	98.87	229.79	249.75	79.00

Contingent Liabilities

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

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

(₹ crore)

Particulars	**As of December 31, 2024**	**As of December 31, 2023**	**As of March 31,**		
			2024	**2023**	**2022**
Claims against our Bank not acknowledged as debts	0.72	6.78	6.78	6.78	6.78
Liability for partly paid investments	32.78	45.37	43.84	38.31	55.81
Liability on account of outstanding forward exchange contracts	1,223.94	2,921.24	2,140.28	3,422.37	6,068.23
Guarantees given on behalf of constituents	2,656.77	2,635.07	2,706.29	2,790.36	2,612.43
Acceptances, endorsements and other obligations	287.47	211.23	267.94	178.12	197.20
Other items for which our bank is contingently liable	1,688.83	1,349.20	1,494.55	1,209.44	971.85
Total	**5,890.51**	**7,168.91**	**6,659.68**	**7,645.40**	**9,912.30**

Off Balance Sheet Arrangements

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

Auditor Observations and Matters of Emphasis

Our auditors have provided certain emphasis of matters in their reports of our Bank in relation to our Financial Statements for the nine months ended December 31, 2024, and Fiscals 2024, 2023 and 2022. For further information, see "***Financial Statements***" on page 291.

Related Party Transactions

Our Bank enters into various transactions with related parties in the ordinary course of business. These transactions principally include remuneration paid to KMP and others, and interest received/ paid on deposits. For further information relating to our related party transactions, see "***Financial Statements***" on page 291.

Qualitative Disclosure about Risks and Risk Management

Our Bank is exposed to various risks that are an inherent part of any banking business, with the major risks being credit risk, market risk, liquidity risk and operational risk. We have various policies and procedures in place to measure, manage and monitor these risks systematically across all its portfolios. For further information about the types of risks and our risk management policies, see "***Our Business – Risk Management***" on page 166.

For the Bank's interest rate sensitivity analysis, see "***Selected Statistical Information — Maturity and Interest Rate Sensitivity of Loans and Credit Substitutes***" on page 136

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

We have one primary business segment, namely banking industry. For further information, see "***Industry Overview***" and "***Financial Statements***" on pages 147 and 291 respectively.

New Products or Business Segments

Other than as disclosed in the section titled "***Our Business***" on page 166 our Bank has not publicly announced any new products or business segments nor have there been any material increases in our revenues due to increased disbursements and introduction of new products.

Unusual or Infrequent Events or Transactions

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

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

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from our operations identified above in "***Management's Discussion and Analysis of Financial Condition and Results of Operations - Factors Affecting our Results of Operations and Financial Condition***" and the uncertainties described in the section "***Risk Factors***" on pages 83 and 42 respectively.

Known Trends or Uncertainties

Other than as described in this Preliminary Placement Document, particularly in this section and "***Risk Factors***" section on page 42 to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

Future Relationship between Cost and Income

Other than as described elsewhere in this section and the sections "***Risk Factors***" and "***Our Business***" on pages 42 and 166 respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

Competitive Conditions

We operate in a competitive environment. See sections, "***Our Business***", "***Industry Overview***", "***Risk Factors***" *and* "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting our Results of Operations and Financial Condition – Competition***" on pages 166, 147, 42 and 83 respectively.

Significant Developments after December 31, 2024 that may affect our Future Results of Operations

Except as otherwise as set out in this Preliminary Placement Document, to our knowledge, no circumstances have arisen since December 31, 2024 which may materially and adversely affect or is likely to affect, our profitability, or the value of our assets or our ability to pay our liabilities.

SELECTED STATISTICAL INFORMATION

Please read "Summary of Financial Information" on page 35 before reading this section. This section should be read together with "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and "Financial Statements" on pages 166, 83 and 291 respectively.

The following information is included for analytical purposes. Certain Non-GAAP Financial Measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Preliminary Placement Document. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such Non-GAAP Financial Measures and other statistical and operational information when reporting their financial results. Such Non-GAAP Financial Measures and other statistical and operational information are not measures of operating performance or liquidity defined by Ind AS. These Non-GAAP Financial Measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other banks in India or elsewhere.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year. Unless otherwise specified or unless the context otherwise requires, financial information herein for Fiscals 2022, 2023 and 2024 is derived from our Audited Financial Statements, and the financial information included herein for the nine months ended December 31, 2024 and December 31, 2023 is based on or derived from the Unaudited Limited Reviewed Financial Results, included in this Preliminary Placement Document.

Average Balance Sheet

The tables below presents the Bank's average balances for interest-earning assets and interest-bearing liabilities together with the related interest income and expense amounts, resulting in the presentation of the average yields and average cost of average interest bearing liabilities, for the periods indicated.

Average Balance: The average balances of Advance, Deposits and Investments are the fortnightly average of balances outstanding.

Average Yield on Average Interest-Earning Assets: The average yield on average interest-earning assets is the ratio of interest income to average interest-earning assets.

Average Cost on Average Interest-Bearing Liabilities: The average cost on average interest-bearing liabilities is the ratio of interest expense to average interest-bearing liabilities. For purposes of calculating spread, interest bearing liabilities include non-interest bearing demand deposits.

Average Balance of Advances: The average balances of advances are net of average balances of bills rediscounted ("**BRDS**") and bank risk participation ("**IBPC**"), consistent with our balance sheet presentation, as mandated by the RBI. Accordingly, interest expended on BRDS and IBPC transactions is netted off from interest income on advances for the purposes of the information on average yield/cost. The interest expended on these transactions is included under interest expense on borrowings in our financial statements for each of the periods presented.

Average Balance of Investments: The average balances of investments are net of average balances of securities sold under repurchase agreements (repo transactions) with the RBI and include average balances of securities purchased under agreements to resell (reverse repo transactions) with the RBI, consistent with our balance sheet presentation, as mandated by the RBI. Accordingly, interest expended on these repo transactions is netted off from interest income on investments, and interest income on the reverse repo transactions is included under interest income on investments for the purposes of the information on average yield/cost. The interest expended on the repo transactions is included under interest expense on borrowings and the interest income on the reverse repo transactions is included under interest income on balances with the RBI and other inter-bank funds in our financial statements for each of the periods presented.

(₹ crore, except percentages)

Particulars	As of / For Nine months ended December 31,					
	2024			2023		
	Average Balance	Interest Income/ Expenses	Average yield/ cost (%)	Average Balance	Interest Income/ Expenses	Average yield/ cost (%)
Interest-earning assets:						
Advances#^	87,588.84	5,827.24	8.87	79,819.27	5,183.44	8.66
Investments#^	45,800.39	2,413.26	7.03	38,560.77	1,961.79	6.78
Other#	1,748.89	81.85	6.24	2,525.82	67.48	3.56
Total interest – earning assets	135,138.12	8,322.36	8.21	120,905.86	7,212.71	7.95
Non-Interest-earning assets						
Fixed assets*	1,627.74	-	-	1,541.29	-	-
Other assets*$	13,483.31	-	-	20,967.02	-	-
Total non-interest earning assets	15,111.04	-	-	22,508.31	-	-
Total assets	150,249.16	8,322.36	7.39	143,414.17	7,212.71	6.71
Interest-bearing liabilities						
Total deposits#	122,256.03	5,265.79	5.74	113,158.72	4,660.99	5.49
Subordinated loans#	1,237.30	87.09	9.38	1,237.30	79.75	8.59
Borrowings#	6,593.27	307.83	6.23	6,523.37	320.25	6.55
Total interest-bearing liabilities	130,086.60	5,660.72	5.80	120,919.39	5,060.99	5.58
Non-interest-bearing liabilities						
Capital and reserves*	13,511.05	-	-	14,944.38	-	-
Bills Payable*	278.04	-	-	229.93	-	-
Other liabilities*@	6,373.47	-	-	7,320.47	-	-
Total non-interest-bearing liabilities	20,162.56	-	-	22,494.78	-	-
Total liabilities	150,249.16	5,660.72	5.02	143,414.17	5,060.99	4.71

Notes:

(1) *Average yield/cost is annualised.*

 # Daily Average Balance.

**Yearly Average Balance.*

^ *Gross amount.*

$ Due to averaging of Assets & Liabilities, the mismatch in total of assets and total of liabilities has been adjusted in Other Assets.

@ Provision on NPA & NPI adjusted in other Liabilities.

(₹ crore, except percentages)

Particulars	As of / For Year ended March 31								
	2024			2023			2022		
	Average Balance	Interest Income/ Expenses	Average yield/ cost (%)	Average Balance	Interest Income/ Expenses	Average yield/ cost (%)	Average Balance	Interest Income/ Expenses	Average yield/ cost (%)
Interest-earning assets:									
Advances#^	80,243.28	6,951.24	8.66	71,719.26	5,502.44	7.67	66,336.43	4,778.41	7.20
Investments#^	39,101.92	2,656.03	6.79	35,574.35	2,359.34	6.63	31,298.08	2,094.66	6.69
Other#	2,426.18	86.71	3.57	3,233.76	130.95	4.05	6,560.91	222.74	3.39
Total interest – earning assets	121,771.38	9,693.98	7.96	110,527.38	7,992.73	7.23	104,195.42	7,095.81	6.81
Non-Interest-earning assets									
Fixed assets*	1,637.60	-	-	1,548.43	-	-	1,581.18	-	-
Other assets*$	20,976.57	-	-	19,881.59	-	-	16,521.07	-	-
Total non-interest earning assets	22,614.17	-	-	214,30.02	-	-	18,102.25	-	-
Total assets	144,385.55	9,693.98	6.71	131,957.39	7,992.73	6.06	122,297.67	7,095.81	5.80
Interest-bearing liabilities									
Total deposits#	113,793.75	6,311.87	5.55	104,084.20	4,717.84	4.53	98,313.45	4,207.70	4.28
Subordinated loans#	1,237.30	106.13	8.58	1,335.93	116.59	8.73	2,407.44	231.40	9.61
Borrowings#	6,688.74	434.93	6.50	3391.44	184.92	5.45	162.75	5.40	3.32
Total interest-bearing liabilities	121,719.79	6,852.93	5.63	108,811.57	5,019.35	4.61	100,883.64	4,444.50	4.41
Non-interest-bearing liabilities									
Capital and reserves*	15,320.97	-	-	14,559.55	-	-	11,186.80	-	-
Bills Payable*	290.23	-	-	299.23	-	-	243.02	-	-
Other liabilities*@	7,054.57	-	-	8,287.05	-	-	9,984.21	-	-
Total non-interest-bearing liabilities	22,665.76	-	-	23,145.83	-	-	21,414.03	-	-

Particulars	As of / For Year ended March 31								
	2024			2023			2022		
	Average Balance	Interest Income/ Expenses	Average yield/ cost (%)	Average Balance	Interest Income/ Expenses	Average yield/ cost (%)	Average Balance	Interest Income/ Expenses	Average yield/ cost (%)
Total liabilities	144,385.55	6,852.93	4.75	131,957.39	5,019.35	5.72	122,297.67	4,444.50	5.72

Notes:
 # Daily Average Balance.
**Yearly Average Balance.*
^ Gross Balance.
$ Due to averaging of Assets & Liabilities, the mismatch in total of assets and total of liabilities has been adjusted in Other Assets.
@ Provision on NPA & NPI adjusted in other Liabilities.

Analysis of Changes in Interest Income and Interest Expense

The following table sets forth, for the periods indicated, the allocation of the changes in our interest income and interest expense between average volume and average rate. The changes in net interest income between periods have been reflected as attributed either to average volume or average rate changes.

Particulars	Nine months ended December 31, 2024 vs. Nine months ended December 31, 2023		
	Net Changes in Interest(1) (₹ crore)	Change in Average Volume(2) (₹ crore)	Change in Average Rate(3) (%)
Interest income:			
Advances	643.80	7,769.57	0.21
Investments	451.47	7,239.62	0.24
Others	14.38	(776.93)	2.68
Interest expenses:			
Deposits	604.80	9,097.31	0.25
Subordinate loan & Borrowings	(5.07)	69.90	0.47
Total interest expense	**599.73**	**9167.21**	**0.22**

Note: Ratios are annualised.

Particulars	Fiscal 2024 vs. Fiscal 2023		
	Net Changes in Interest(1) (₹ crore)	Change in Average Volume(2) (₹ crore)	Change in Average Rate(3) (%)
Interest income:			
Advances	1,448.80	8,524.02	0.99
Investments	296.69	3,527.57	0.16
Others	(44.24)	(807.58)	(0.48)

Particulars	Fiscal 2024 vs. Fiscal 2023		
	Net Changes in Interest(1) (₹ crore)	Change in Average Volume(2) (₹ crore)	Change in Average Rate(3) (%)
Interest expenses:			
Deposits	1,594.03	9,709.55	1.01
Subordinate loan & Borrowings	239.56	3,198.67	0.90
Total interest expense	**1,833.58**	**12,908.22**	**1.02**
Particulars	**Fiscal 2023 vs. Fiscal 2022**		
	Net Changes in Interest(1) (₹ crore)	**Change in Average Volume(2) (₹ crore)**	**Change in Average Rate(3) (%)**
Interest income:			
Advances	724.03	5,382.83	0.47
Investments	264.69	4,276.27	(0.06)
Others	(91.79)	(3,327.15)	0.65
Interest expenses:			
Deposits	510.14	5,770.75	0.25
Subordinate loan & Borrowings	64.72	2,157.18	1.25
Total interest expense	**574.86**	**7,927.93**	**0.21**

Yields, Spreads, Cost of Funds and Margins

The following table sets forth, for the periods indicated, the yields, spreads and interest margins on our interest-earning assets.

(₹ crore, except percentages)

Particulars	As of / For the Nine months ended December 31,	
	2024	2023
Interest income on interest-earning assets	8,322.36	7,212.71
Interest expense on interest-bearing liabilities (Deposits + Borrowings)	5,660.72	5,060.99
Average interest-earning assets	135,138.12	120,905.86
Average interest-bearing liabilities (Yearly average of Deposit of and Borrowings)	130,086.60	120,919.39
Average total assets	150,249.16	143,414.17
Average interest-earning assets as a percentage of average total assets	89.94%	84.31%
Average interest-bearing liabilities as a percentage of average total assets	86.58%	84.31%
Average interest-earning assets as a percentage of average interest-bearing Liabilities	147.02%	142.52%
Yield on funds (1) #	8.53%	8.38%
Cost of funds(2) #	5.80%	5.58%

Particulars	As of / For the Nine months ended December 31,	
	2024	2023
Spread (Yield – Cost of Funds)(3)	2.73%	2.80%
Net interest margin(4))#	2.73%	2.50%
Net Interest Income(5)	2,661.64	2,151.72

Notes:

 # Annualised figures.

(1) Yield on funds is the ratio of interest income divided by average interest earning assets.

(2) Cost of fund is the ratio of interest expense to average interest-bearing liabilities (Deposits & Borrowings).

(3) Spread is the difference between the yield on funds and Cost of funds.

(4) Net interest margin is the difference between interest earned and interest expended divided by the total average interest-earning assets.

(5) Net interest income is the difference between interest earned and interest expended.

(₹ crore, except percentages)

Particulars	As of / For the Year ended March 31,		
	2024	2023	2022
Interest income on interest-earning assets	9,693.98	7,992.73	7,095.81
Interest expense on interest-bearing liabilities (Deposits + Borrowings)	6,852.93	5,019.35	4,444.50
Average interest-earning assets	121,771.38	110,527.38	104,195.42
Average interest-bearing liabilities (Yearly average of Deposit of and Borrowings)	121,719.79	108,811.57	100,883.64
Average total assets	144,385.55	131,957.39	122,297.67
Average interest-earning assets as a percentage of average total assets	84.34%	83.76%	85.20%
Average interest-bearing liabilities as a percentage of average total assets	84.30%	82.46%	82.49%
Average interest-earning assets as a percentage of average interest-bearing Liabilities	141.46%	159.24%	159.65%
Yield on funds (1)#	8.37%	7.82%	7.48%
Cost of funds(2)#	5.63%	4.61%	4.41%
Spread (Yield – Cost of Funds)(3)	2.74%	3.21%	3.08%
Net interest margin4)#	2.45%	2.91%	2.80%
Net Interest Income(5)	2,841.04	2,973.38	2,651.32

 # Annualised figures.

Notes:

(1) Yield on funds is the ratio of interest income divided by average interest earning assets.

(2) Cost of fund is the ratio of interest expense to average interest-bearing liabilities (Deposits & Borrowings).

(3) Spread is the difference between the yield on funds and Cost of funds.

(4) Net interest margin is the difference between interest earned and interest expended divided by the total average interest-earning assets.

(5) Net interest income is the difference between interest earned and interest expended.

Financial Ratios

The following table sets forth certain of our key financial indicators as of and for the periods indicated.

(₹ crore, except percentages)

	As of / For the Nine months ended December 31,	
	2024	**2023**
Return on average equity[(1)#]	10.98	8.54
Return on average assets[(2)#]	0.63	0.42
Dividend pay-out ratio[(3)]	-	-
Cost to average assets[(4)#]	2.04	2.01
Tier I capital adequacy ratio*	14.04	13.75
Tier II capital adequacy ratio*	1.92	2.38
Total capital adequacy ratio*	15.95	16.13
Net non-performing assets ratio[(5)]	1.25	1.8
Allowance as percentage of gross non-performing assets (Provision Coverage Ratio)[(6)]	89.53	88.16
Average net worth to total average assets[(7)]	5.68	4.96
Credit to deposit ratio[(8)]	75.25	70.60
Cost to income ratio[(9)]	64.57	73.16
Other income to operating income ratio[(10)]	25.08	27.31
Credit cost	(0.17)%	(0.36)%
Cost of deposits[(11)]	5.74	5.49
Leverage ratio	6.03	5.84
Liquidity coverage ratio[(12)]	133.99%	123.58%
Risk weighted assets	69,221.21	61,491.67
CET I Capital	9,716.03	8,455.18

**Under Basel III*
#Annualised Figures

Notes:

(18) *Return on average equity is the ratio of the net profit after tax to the yearly average net worth (capital plus reserves excluding revaluation reserves, DTA and other deduction).*
(19) *Return on average assets is the ratio of the net profit after tax to the Average Working Funds.*
(20) *Dividend pay-out ratio is the ratio of dividend to adjusted net profit (after exclusion of a one-off income item from net profit).*
(21) *Cost to average assets is the ratio of the operating expenses, to the average assets.*
(22) *Net non-performing assets ratio is the ratio of net non-performing assets divided by net advances.*
(23) *Allowance as a percentage of gross non-performing assets is the ratio of NPA provisions made to the gross NPAs(Provision Coverage Ratio).*
(24) *Average net worth to total average assets is the ratio of average net worth (capital plus reserves excluding revaluation reserves, DTA and other deduction). divided by total average assets.*
(25) *Credit to deposit ratio is calculated as a ratio of total gross advances to total deposits.*
(26) *Cost to income ratio is calculated as a ratio of operating expenses excluding exceptional items divided by total operating income (total of net interest income and non-interest income).*
(27) *Other income to operating income ratio is calculated as a ratio of other income divided by total operating income (total of net interest income and non-interest income).*
(28) *Cost of Deposit is calculated based on Interest on Deposits by Average Deposits.*
(29) *Liquidity Coverage Ratio is the value of the stock of High-Quality Liquid Assets (HQLA) divided by total net cash outflows.*

(₹ crore, except percentages)

	As of / For the Year ended March 31,		
	2024	**2023**	**2022**
Return on average equity(1)	8.14	22.18	20.42
Return on average assets(2)	0.41	0.98	0.85
Dividend pay-out ratio(3)	22.77	24.78	20.22
Cost to average assets(4)	2.03	1.87	1.86
Tier I capital adequacy ratio*	14.74	14.32	14.8
Tier II capital adequacy ratio*	2.42	2.78	3.74
Total capital adequacy ratio*	17.16	17.1	18.54
Net non-performing assets ratio(5)	1.63	1.84	2.74
Allowance as percentage of gross non-performing assets (Provision Coverage Ratio) (6)	88.69	89.06	87.89
Average net worth to total average assets(7)	5.06	4.49	4.16
Credit to deposit ratio(8)	71.99	73.84	68.91
Cost to income ratio(9)	72.16	62.95	63.16
Other income to operating income ratio(10)	30.07	24.02	26.57
Credit cost	(0.22)%	(0.66)%	1.49%
Cost of deposits(11)	5.55	4.53	4.28
Leverage ratio	6.23	5.88	6.03
Liquidity coverage ratio(12)	125.36%	206.19%	254.45%
Risk weighted assets	62,776.74	55,815.43	49,380.54
CET I Capital	9,251.94	7,990.22	6,306.61

**Under Basel III*

#Annualised figures.

Notes:

1. *Return on average equity is the ratio of the net profit after tax to the yearly/ nine month average net worth (capital plus reserves excluding revaluation reserves, DTA and other deduction).*
2. *Return on average assets is the ratio of the net profit after tax to the Average Working Funds.*
3. *Dividend pay-out ratio is the ratio of dividend to adjusted net profit (after exclusion of a one-off income item from net profit).*
4. *Cost to average assets is the ratio of the operating expenses, to the average assets.*
5. *Net non-performing assets ratio is the ratio of net non-performing assets divided by net advances.*
6. *Allowance as a percentage of gross non-performing assets is the ratio of NPA provisions made to the gross NPAs(Provision Coverage Ratio).*
7. *Average net worth to total average assets is the ratio of average capital (shareholders' funds) and reserves divided by total average assets.*
8. *Credit to deposit ratio is calculated as a ratio of total gross advances to total deposits.*
9. *Cost to income ratio is calculated as a ratio of operating expenses excluding exceptional items divided by total operating income (total of net interest income and non-interest income).*
10. *Other income to operating income ratio is calculated as a ratio of other income divided by total operating income (total of net interest income and non-interest income).*
11. *Cost of Deposit is calculated based on Interest on Deposits by Average Deposits.*
12. *Liquidity Coverage Ratio is the value of the stock of High-Quality Liquid Assets (HQLA) divided by total net cash outflows.*

Return on Equity and Assets

The following table presents selected financial ratios of the period indicated:

(₹ crore, except percentages)

Particulars	As of / For the Nine months ended December 31,		As of / For the Year ended March 31,		
	2024	2023	2024	2023	2022
Net profit	703.05	456.07	595.42	1,313.03	1,039.05
Average total assets	150,249.16	143,414.17	144,385.55	131,957.39	122,297.67
Average total shareholders' equity(1)	8,535.09	7,119.73	7,310.86	5,918.92	5,089.08
Return on assets (net profit as a percentage of average working funds) (%)#	0.63	0.42	0.41	0.98	0.85
Return on equity (net profit as a percentage of average total shareholders' equity) (%)#	10.98	8.54	8.14	22.18	20.42
Average total shareholders' equity as a percentage of average total assets (2) (%)	5.68	4.96	5.06	4.49	4.16
Dividend Payout Ratio (3) (%)	-	-	22.77	24.78	20.22

 # Annualised figures.

Notes:

(1) Average total shareholder's equity is the yearly average of share capital plus reserves excluding revaluation reserves, DTA and other deduction.

(2) Average total shareholders' equity as a percentage of average total assets is calculated as average shareholder's equity divided by average total assets.

(3) Dividend pay-out ratio is the ratio of dividend to adjusted net profit (after exclusion of a one-off income item from net profit).

Investment Portfolio

As of December 31, 2024 and December 31, 2023, and as of March 31, 2024, 2023 and 2022, our Net Investments (domestic) comprised 29.78%, 34.34%, 33.59%, 32.86% and 34.92% of our total assets, respectively, while Net Advances (domestic) were 60.43%, 55.30%, 56.03%, 56.30% and 52.55% of our total assets, respectively.

We carry out our investment activities according to our Investment Policy. The investment policy sets forth delegation of powers, types of instruments, maximum limits on investments in different types of securities, position limits, stop loss limits, duration limits, and minimum acceptable credit ratings. We attempt to achieve optimal risk-adjusted returns on our funds.

We are required to maintain a minimum holding of 18% of our demand and time liabilities in SLR securities as per RBI guidelines. In addition, the surplus funds are invested by treasury. These investments are in conformity with our policy on investments and the risk limits set by our Board.

Total Bank Investment Portfolio

The following tables set forth, as of the dates indicated, information relating to the Bank's total investment portfolio.

(₹ crore, except percentages)

Particulars	**As of December 31,**							
	2024				**2023**			
Rating Distribution Value	**Book Value**	**Market Value**	**Unrealized Gain**	**Unrealized Loss**	**Book Value**	**Market Value**	**Unrealized Gain**	**Unrealized Loss**
Government securities	32,910.48	32,911.07	152.63	152.04	32,132.49	31,465.61	22.38	566.95
Other debt securities	5,184.52	5,262.72	78.20	-	6,043.69	5,967.13	0.05	-
Recap	7,599.12	7,599.12	-	-	11,672.00	6,560.71	-	5,111.29
Total debt securities	45,694.12	45,772.91	230.83	152.04	49,848.18	43,993.45	22.43	5,678.24
Non-debt securities	378.50	378.50	-	-	239.26	363.39	185.22	48.84
NPI	808.39	-	-	-	899.22	18.76	-	18.76
Total	46,881.01	46,151.41	230.83	152.04	50,986.66	44,375.60	207.65	5,745.84

(₹ crore, except percentages)

Particulars	**As of March 31,**											
	2024				**2023**				**2022**			
Rating Distribution Value	**Book Value**	**Market Value**	**Unrealized Gain**	**Unrealized Loss**	**Book Value**	**Market Value**	**Unrealized Gain**	**Unrealized Loss**	**Book Value**	**Market Value**	**Unrealized Gain**	**Unrealized Loss**
Government securities	32,216.03	31,826.17	75.25	368.90	28,976.69	28,203.82	13.67	661.36	27,072.71	27,044.12	310.61	339.20
Other debt securities	5,659.48	5,611.69	70.73	60.82	4,092.46	4,072.31	0.08	-	3,358.44	3,467.29	158.34	9.49
Recap	11,672.00	6,755.70	-	4,916.30	1,1672	6,248.21	-	5,423.79	1,1672	5,991.02	-	5,680.98
Total debt securities	**4,9547.51**	**4,4193.56**	**145.98**	**5,346.02**	**44,741.15**	**38,524.34**	**13.75**	**6,085.15**	**42,103.15**	**36,502.43**	**468.95**	**6,029.67**
Non-debt securities	289.94	342.83	186.04	31.53	240.58	293.98	161.02	52.35	225.00	296.27	140.21	57.93
NPI	830.16	18.75	-	18.75	482.60	24.04	-	24.04	438.10	4.68	-	4.68
Total	**50,667.61**	**44,555.14**	**332.02**	**5,396.30**	**45,464.33**	**3,8842.36**	**174.77**	**6,161.54**	**42,766.25**	**36,803.38**	**609.16**	**6,092.28**

The following table sets forth the gross book value of the Bank's investment portfolio as of the specified dates:

(₹ crore, except the percentages)

Particulars	As of December 31,		As of March 31,		
	2024	2023	2024	2023	2022
Investment in Government securities	32,910.48	32,132.49	32,216.04	28,976.68	27,072.71
Investment in shares	541.28	377.04	362.66	367.34	354.13
Investment in bonds and debentures	5,425.68	5,622.94	5,341.74	4,039.32	3,312.19
Recap Bonds	7,599.12	11,672.00	11,672.00	11,672.00	11,672.00
Investment in commercial paper	147.87	484.67	462.00	197.38	47.16
Investment in certificates of deposit	218.92	571.98	496.37	147.30	247.56
Investment in venture capital	37.66	28.92	27.37	38.08	28.71
Investment in subsidiaries/ joint ventures	-	-	-	-	-
Others	-	96.62	89.43	26.23	31.79
Gross Investments in India	**46,881.01**	**50,986.66**	**50,667.61**	**45,464.33**	**42,766.25**
Others (Equity shares and bonds)	-	-	-	-	-
Recap Bonds	-	-	-	-	-
Investments outside India	-	-	-	-	-
Gross Investment	**46,881.01**	**50,986.66**	**50,667.61**	**45,464.33**	**42,766.25**

**For the period ending December 31, 2024, fair value of investments considered.*

The following table sets forth figures relating to income earned from the following activities for the periods indicated.

(₹ crore)

Particulars	For Nine months ended December 31,		For the year ended March 31,		
	2024	2023	2024	2023	2022
Interest earned on Government securities	1,686.93	1,588.67	2,146.39	1,952.12	1,684.29
Interest earned on debt securities	702.11	345.03	466.21	389.22	382.07
Interest earned from investments in commercial paper / certificate of deposit	22.43	25.33	40.16	14.21	25.04
Dividends from investments in units of mutual funds & Venture Capital Funds	0.23	0.84	1.19	0.95	0.53
Dividends from investments in shares	1.56	1.92	2.08	2.84	2.73
Total	**2,413.26**	**1,961.79**	**2,656.03**	**2,359.34**	**2,094.66**
Net gain from sale of Government securities	119.28	4.22	32.74	88.27	282.95
Net gain from sale of debt securities	14.28	3.28	7.81	4.52	8.40
Net gain from sale of equities	45.47	33.09	51.26	6.15	29.04
Net gain from sale of commercial paper	31.89	8.68	9.26	2.28	11.08

Particulars	For Nine months ended December 31,		For the year ended March 31,		
	2024	2023	2024	2023	2022
/ certificates of deposit					
Net gain from sale of units of mutual funds & Venture Capital Funds	-	-	-	-	-
Total	**210.92**	**49.27**	**101.07**	**101.22**	**331.47**

The following table sets forth the rating distribution value of the Bank's standard domestic advances as of the specified dates:

(₹ crore, except the percentages)

Particulars	As of December 31,				As of March 31,					
	2024		2023		2024		2023		2022	
Rating Distribution Value	**Gross Book**	**% of total**	**Gross Book**	**% of total**	**Gross Book**	**% of total**	**Gross Book**	**% of total**	**Gross Book**	**% of total**
AAA and above	10,592.70	19.49	10,038.97	21.28	10,984.71	22.02	11,468.98	26.27	3,354.00	10.30
AA	12,163.96	22.38	9,856.26	20.89	10,810.12	21.67	7,575.18	17.35	6,369.00	19.55
A	8,526.93	15.69	3,806.05	8.07	4,400.88	8.82	4,144.58	9.50	3,926.00	12.05
BBB	2,502.16	4.60	2,035.78	4.32	2,036.51	4.08	1,570.49	3.60	1,797.00	5.52
Total BBB and above	**33,785.76**	**62.15**	**25,737.06**	**54.56**	**28,232.22**	**56.60**	**24,759.23**	**56.72**	**15,446.00**	**47.42**
BB & Below	1,636.63	3.01	1,787.74	3.79	2,378.48	4.77	2,248.99	5.15	2,619.00	8.04
Total	**35,422.39**	**65.16**	**27,524.81**	**58.35**	**30,610.70**	**61.37**	**27,008.22**	**61.87**	**18,065.00**	**55.46**
Govt. Guaranteed	14,273.81	26.26	14,899.59	31.58	14,684.97	29.44	12,359.76	28.32	12,722.00	39.05
Unrated	4,663.12	8.58	4,751.21	10.07	4,586.36	9.19	4,283.92	9.81	1,790.00	5.49
Total of rating eligible advances	**54,359.32**	**100.00**	**47,175.61**	**100.00**	**49,882.03**	**100.00**	**43,651.90**	**100.00**	**32,577.00**	**100.00**

Note: AA includes AA+/AA- and A incudes A+/A-.

Available for Sale *("AFS")* Investments

The following table sets forth information relating to the Bank's AFS investments as of the specified dates.

(₹ crore)

Particulars	As of December 31,							
	2024				2023			
	Book Value	**Market Value**	**Unrealised Gain**	**Unrealised Loss**	**Book Value**	**Market Value**	**Unrealised Gain**	**Unrealised Loss**
Government securities	7,072.51	7,072.51	-	-	7,678.88	7,556.56	-	-
Other debt securities	3,784.78	3,784.78	-	-	6,040.86	5,964.25	-	-
Total debt securities	**10,857.29**	**10,857.29**	**-**	**-**	**13,719.74**	**13,520.81**	**-**	**-**
Non-debt securities	-	-	-	-	211.86	335.93	184.73	48.41
NPI	616.88	-	-	-	899.22	18.76	-	18.76

Particulars	As of December 31,							
	2024				2023			
	Book Value	Market Value	Unrealised Gain	Unrealised Loss	Book Value	Market Value	Unrealised Gain	Unrealised Loss
Total	11,474.17	10,857.29	-	-	14,830.82	13,875.50	184.73	67.17

(₹ crore)

Particulars	As of March 31, 2024				As of March 31, 2023				As of March 31, 2022			
	Book Value	Market Value	Unrealised Gain	Unrealised Loss	Book Value	Market Value	Unrealised Gain	Unrealised Loss	Book Value	Market Value	Unrealised Gain	Unrealised Loss
Government securities	7,607.46	7,511.25	-	-	6,753.77	6,628.60	-	-	5,443.46	5,447.41	68.52	64.57
Other debt securities	5,656.65	5,608.81	70.68	60.82	4,089.63	4,069.40	-	-	3,241.45	3,346.04	154.08	9.49
Total debt securities	**13,264.11**	**13,120.06**	**70.68**	**60.82**	**10,843.40**	**10,698.00**			**8,684.91**	**8,793.45**	**222.60**	**74.06**
Non-debt securities	264.09	316.76	185.77	31.48	204.27	293.98	161.02	50.36	198.02	272.35	140.21	54.87
NPI	830.16	18.75	-	18.75	482.60	24.04	-	24.04	438.10	4.68	-	4.68
Total	**14,358.36**	**13,455.57**	**256.45**	**111.05**	**11,530.27**	**11,016.02**	**161.02**	**74.40**	**9,321.03**	**9,070.48**	**362.81**	**133.61**

Held to Maturity *("HTM")* Investments

The following table sets forth information relating to the Bank's HTM investments as of the specified dates.

(₹ crore)

Particulars	As of December 31,							
	2024				2023			
	Book Value	Market Value	Unrealised Gain	Unrealised Loss	Book Value	Market Value	Unrealised Gain	Unrealised Loss
Government securities	22,329.98	22,330.57	152.63	152.04	24,453.61	23,909.05	22.38	566.95
Other debt securities	753.00	831.20	78.20	-	2.83	2.88	0.05	-
Recap	7,599.12	7,599.12	-	-	11,672.00	6,560.71	-	5,111.29
Total debt securities	**30,682.10**	**30,760.89**	**230.83**	**152.04**	**36,128.44**	**30,472.64**	**22.43**	**5,678.24**
Non-debt securities	-	-	-	-	27.40	27.46	0.49	0.43
Total	**30,682.10**	**30,760.89**	**230.83**	**152.04**	**36,155.04**	**30,500.10**	**22.92**	**5,678.67**

(₹ crore)

Particulars	As of March 31, 2024				As of March 31, 2023				As of March 31, 2022			
	Book Value	Market Value	Unrealised Gain	Unrealised Loss	Book Value	Market Value	Unrealised Gain	Unrealised Loss	Book Value	Market Value	Unrealised Gain	Unrealised Loss
Government securities	24,608.57	24,314.92	75.25	368.90	22,222.92	21,575.22	13.67	661.36	21,629.25	21,596.71	242.09	274.63
Other debt securities	2.83	2.88	0.05	-	2.83	2.91	0.08	-	116.99	121.25	4.26	-
Recap	11,672.00	6,755.70	-	4,916.30	11,672.00	6,248.21	-	5,423.79	11,672.00	5,991.02	-	5,680.98
Total debt securities	**36,283.40**	**31,073.50**	**75.30**	**5,285.20**	**33,897.75**	**27,826.34**	**13.75**	**6,085.15**	**33,418.24**	**27,708.98**	**246.35**	**5,955.61**
Non-debt securities	25.85	26.07	0.27	0.05	36.31	-	-	1.99	26.98	23.92	-	3.06
Total	**36,309.25**	**31,099.57**	**75.57**	**5,285.25**	**33,934.06**	**27,826.34**	**13.75**	**6,087.14**	**33,445.22**	**27,732.90**	**246.35**	**5,958.67**

Held for Trading Investments

The following table sets forth information relating to the Bank's HFT investments as of the specified dates.

(₹ crore)

Particulars	As of December 31,							
	2024				2023			
	Book Value	Market Value	Unrealised Gain	Unrealised Loss	Book Value	Market Value	Unrealised Gain	Unrealised Loss
Government securities	3,507.99	3,507.99	-	-	-	-	-	-
Other debt securities	646.74	646.74	-	-	-	-	-	-
Total debt securities	**4,154.73**	**4,154.73**	-	-	-	-	-	-
Non-debt securities	378.50	378.50	-	-	-	-	-	-
NPI	191.51	-	-	-	-	-	-	-
Total	**4,724.74**	**4,533.23**	-	-	-	-	-	-

(₹ crore)

Particulars	As of March 31, 2024				As of March 31, 2023				As of March 31, 2022			
	Book Value	Market Value	Unrealised Gain	Unrealised Loss	Book Value	Market Value	Unrealised Gain	Unrealised Loss	Book Value	Market Value	Unrealised Gain	Unrealised Loss
Government securities	-	-	-	-	-	-	-	-	-	-	-	-
Other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Total debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Non-debt securities	-	-	-	-	-	-	-	-	-	-	-	-

Particulars	As of March 31, 2024				As of March 31, 2023				As of March 31, 2022			
	Book Value	Market Value	Unrealised Gain	Unrealised Loss	Book Value	Market Value	Unrealised Gain	Unrealised Loss	Book Value	Market Value	Unrealised Gain	Unrealised Loss
Total	-	-	-	-	-	-	-	-	-	-	-	-

Residual Maturity Profile

Available for Sale

The following tables set forth, as of the dates indicated, an analysis of the residual maturity profile of our domestic investments in government and corporate debt securities classified as AFS securities and their weighted average market yields.

(₹ crore, except the percentages)

Particulars	**As of December 31, 2024**							
	Up to three months		**Three months to one year**		**One to five year**		**More than five years**	
	Amount	**Yield (%)**	**Amount**	**Yield (%)**	**Amount**	**Yield (%)**	**Amount**	**Yield (%)**
Government Securities	229.34	6.68	1,673.11	6.77	1,652.22	6.85	3,517.84	6.95
Other Approved Securities	-	-	-	-	-	-	-	-
Bonds & Debentures, Certificate of Deposits, Commercial Paper, Preference Shares	215.04	5.99	633.32	7.72	2,253.27	7.73	1,300.03	7.41
Equity, Venture Capital Funds, Security Receipts	-	-	-	-	-	-	-	-
Total Securities	**444.38**	-	**2,306.43**	-	**3,905.49**	-	**4,817.87**	-

(₹ crore, except the percentages)

Particulars	**As of December 31, 2023**							
	Up to three months		**Three months to one year**		**One to five year**		**More than five years**	
	Amount	**Yield (%)**	**Amount**	**Yield (%)**	**Amount**	**Yield (%)**	**Amount**	**Yield (%)**
Government Securities	283.32	7.15	2,032.90	7.08	2,387.10	7.25	2,975.56	7.41
Other Approved Securities	-	-	-	-	-	-	-	-
Bonds & Debentures, Certificate of Deposits, Commercial Paper, Preference Shares	893.00	7.85	703.22	7.74	2,459.38	8.04	2,674.39	8.35
Equity, Venture Capital Funds, Security Receipts)	83.12	-	-	-	182.26	-	156.57	-
Total Securities	**1,259.44**	**-**	**2,736.12**	**-**	**5,028.74**	**-**	**5,806.52**	**-**

(₹ crore, except the percentages)

Particulars	**As of March 31, 2024**							
	Up to three months		**Three months to one year**		**One to five year**		**More than five years**	
	Amount	**Yield (%)**	**Amount**	**Yield (%)**	**Amount**	**Yield (%)**	**Amount**	**Yield (%)**
Government Securities	720.59	6.93	1,453.95	7.07	2,519.85	7.22	2,913.07	7.20
Other Approved Securities	-	-	-	-	-	-	-	-
Bonds & Debentures, Certificate of Deposits, Commercial Paper, Preference Shares	892.45	7.70	330.81	7.91	2,583.02	8.00	2,544.24	8.17
Equity, Venture Capital Funds, Security Receipts)	55.45	-	-	-	189.89		155.04	-
Total Securities	**1,668.49**		**1,784.76**		**5,292.76**		**5,612.35**	**-**

(₹ crore, except the percentages)

Particulars	**As of March 31, 2023**							
	Up to three months		**Three months to one year**		**One to five year**		**More than five years**	
	Amount	**Yield (%)**	**Amount**	**Yield (%)**	**Amount**	**Yield (%)**	**Amount**	**Yield (%)**
Government Securities	617.03	6.34	1,978.87	5.50	2,826.70	5.88	1,331.17	7.04
Other Approved Securities	-	-	-	-	-	-	-	-
Bonds & Debentures, Certificate of Deposits, Commercial Paper, Preference Shares	436.65	7.33	655.68	6.90	1,532.12	7.50	1,813.87	8.45
Equity, Venture Capital Funds, Security Receipts	95.33	-	-	-	85.24	-	157.61	-
Total Securities	**1,149.01**	**-**	**2,634.55**	**-**	**4,444.06**	**-**	**3,302.65**	**-**

(₹ crore, except the percentages)

Particulars	**As of March 31, 2022**							
	Up to three months		**Three months to one year**		**One to five year**		**More than five years**	
	Amount	**Yield (%)**	**Amount**	**Yield (%)**	**Amount**	**Yield (%)**	**Amount**	**Yield (%)**
Government Securities	589.22	4.58	895.29	4.52	2,974.09	5.94	984.86	6.91
Other Approved Securities	-	-	-	-	-	-	-	-
Bonds &	363.81	4.35	530.64	8.20	1,015.75	6.49	1,636.87	8.61

Particulars	As of March 31, 2022							
	Up to three months		Three months to one year		One to five year		More than five years	
	Amount	Yield (%)	Amount	Yield (%)	Amount	Yield (%)	Amount	Yield (%)
Debentures, Certificate of Deposits, Commercial Paper, Preference Shares								
Equity, Venture Capital Funds, Security Receipts	83.55	-	-	-	245.22	-	1.73	-
Total Securities	**1,036.58**	**-**	**1,425.93**	**-**	**4,235.06**	**-**	**2,623.46**	**-**

Held to Maturity

The following tables set forth, as of the dates indicated, an analysis of the Residual Maturity Profile of our domestic investments in government and corporate debt securities classified as HTM and their weighted average market yields.

(₹ crore, except the percentages)

Particulars	As of December 31, 2024							
	Up to three months		Three months to one year		One to five year		More than five years	
	Amount	Yield (%)	Amount	Yield (%)	Amount	Yield (%)	Amount	Yield (%)
Government Securities	-	-	543.14	6.82	5,609.17	6.96	16,177.67	6.96
Other Approved Securities	-	-	-	-	-	-	-	-
Bonds & Debentures, Certificate of Deposits, Commercial Paper, Preference Shares	8.94	6.71	-	-	451.73	6.86	7,891.45	7.08
Equity, Venture Capital Funds, Security Receipts	-	-	-	-	-	-	-	-
Total Securities	**8.94**	**-**	**543.14**	**-**	**6,060.9**	**-**	**24,069.12**	**-**

**Average yield to maturity excluding yield to maturity for ₹ 10,100 crore (GOI non-interest bearing recapitalization bonds).*

(₹ crore, except the percentages)

Particulars	As of December 31, 2023							
	Up to three months		Three months to one year		One to five year		More than five years	
	Amount	Yield (%)	Amount	Yield (%)	Amount	Yield (%)	Amount	Yield (%)
Government	250.43	6.76	55.76	7.38	5,186.86	7.31	18,960.56	7.39

Particulars	As of December 31, 2023							
	Up to three months		Three months to one year		One to five year		More than five years	
	Amount	Yield (%)	Amount	Yield (%)	Amount	Yield (%)	Amount	Yield (%)
Securities								
Other Approved Securities	-	-	-	-	-	-	-	-
Bonds & Debentures, Certificate of Deposits, Commercial Paper, Preference Shares	-	-	-	-	137.67	7.35	11,537.16	7.04
Equity, Venture Capital Funds, Security Receipts	-	-	-	-	-	-	27.4	-
Total Securities	**250.43**	**-**	**55.76**	**-**	**5,324.53**	**-**	**30,525.12**	**-**

**Average yield to maturity excluding yield to maturity for ₹ 10,100 crore (GOI non-interest bearing recapitalization bonds).*

(₹ crore, except the percentages)

Particulars	As of March 31, 2024							
	Up to three months		Three months to one year		One to five year		More than five years	
	Amount	Yield (%)	Amount	Yield (%)	Amount	Yield (%)	Amount	Yield (%)
Government Securities	10.01	6.98	45.47	7.12	5,701.10	7.25	18,851.99	7.21
Other Approved Securities	-	-	-	-	-	-	-	-
Bonds & Debentures, Certificate of Deposits, Commercial Paper, Preference Shares	-	-	0.94	7.12	266.73	7.38	11,407.16	7.00
Equity, Venture Capital Funds, Security Receipts	-	-	-	-	-	-	25.85	-
Total Securities	**10.01**	**-**	**46.41**	**-**	**5,967.83**	**-**	**30,285.00**	**-**

**Average yield to maturity excluding yield to maturity for ₹ 10,100 crore (GOI non-interest bearing recapitalization bonds).*

(₹ crore, except the percentages)

Particulars	As of March 31, 2023							
	Up to three months		Three months to one year		One to five year		More than five years	
	Amount	Yield (%)	Amount	Yield (%)	Amount	Yield (%)	Amount	Yield (%)
Government	29.67	6.37	740.46	5.11	3,794.94	6.46	17,657.85	6.96

Particulars	As of March 31, 2023							
	Up to three months		Three months to one year		One to five year		More than five years	
	Amount	Yield (%)	Amount	Yield (%)	Amount	Yield (%)	Amount	Yield (%)
Securities								
Other Approved Securities	-	-	-	-	-	-	-	-
Bonds & Debentures, Certificate of Deposits, Commercial Paper, Preference Shares	-	-	-	-	137.67	7.37	11,537.16	7.04
Equity, Venture Capital Funds, Security Receipts	-	-	-	-	-	-	36.31	-
Total Securities	**29.67**	**-**	**740.46**	**-**	**3,932.61**	**-**	**29,231.32**	**-**

**Average yield to maturity excluding yield to maturity for ₹ 10,100 crore (GOI non-interest bearing recapitalization bonds).*

(₹ crore, except the percentages)

Particulars	As of March 31, 2022							
	Up to three months		Three months to one year		One to five year		More than five years	
	Amount	Yield (%)	Amount	Yield (%)	Amount	Yield (%)	Amount	Yield (%)
Government Securities	62.18	8.81	555.43	7.33	5,272.33	6.71	15,739.31	6.88
Other Approved Securities	-	-	-	-	-	-	-	-
Bonds & Debentures, Certificate of Deposits, Commercial Paper, Preference Shares	-	-	114.16	8.29	2.67	8.39	11,672.16	7.07
Equity, Venture Capital Funds, Security Receipts	-	-	-	-	-	-	26.98	-
Total Securities	**62.18**	**-**	**669.59**	**-**	**5,275.00**	**-**	**27,438.45**	**-**

**Average yield to maturity excluding yield to maturity for ₹ 10,100 crore (GOI non-interest bearing recapitalization bonds).*

Fair Value through Profit & Loss Account

(₹ crore, except the percentages)

Particulars	As of December 31, 2024							
	Up to three months		Three months to one year		One to five year		More than five years	
	Amount	Yield(%)	Amount	Yield(%)	Amount	Yield(%)	Amount	Yield(%)
Government Securities	50,008	6.40	25.21	6.90	1,018.38	6.83	2,414.39	6.95
Other Approved Securities	-	-	-	-	-	-	-	-
Bonds & Debentures, Certificate of Deposits, Commercial Paper, Preference Shares	-	-	34.86	7.75	498.54	7.94	151.33	8.23
Equity, Venture Capital Funds, Security Receipts	18.47	-	-	-	322.37	-	191.18	-
Total Securities	**68,478**	**-**	**60.07**	**-**	**1,839.29**	**-**	**2,756.90**	**-**

Funding

The Bank's funding operations are designed to ensure stability, low cost of funding and effective liquidity management. Our principal sources of funds are deposits from retail and corporate customers, borrowings from the RBI and other financial institutions, foreign currency borrowings, profits from the purchase and sale of investments, and the public and private issuance of bonds. Of the Bank's domestic deposits as of December 31, 2024, 4.00% were current deposits and 27.16% were savings bank deposits, while 41.92% were retail term deposits up to ₹ 53,398.63 crore. Bank's ratio of domestic CASA deposits to its total domestic deposits as of nine months ended December 31, 2024, 2023 and March 31, 2024, 2023 and 2022 was 31.16%, 32.77%, 32.42%, 33.59% and 33.81%, respectively. The sources of funding include the details set out below:

Total Deposits

(₹ crore, except the percentages)

Particulars	As of Nine months ended December 31,				As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	2024		2023		Amount	% of Total	Amount	% of Total	Amount	% of Total
	Amount	% of Total	Amount	% of Total						
Term deposits	80,530.34	63.21	72,556.35	61.30	71,558.86	59.93	71,359.76	65.07	67,608.59	66.19
Saving deposits	34,599.01	27.16	34,178.04	28.88	33,532.19	28.08	31,858.18	29.05	30,374.84	29.74
Current deposits	5,102.37	4.01	4,607.44	3.89	5,176.06	4.33	4,974.93	4.54	4,153.58	4.07
Certificate of deposits	7,165.49	5.62	7,013.51	5.93	9,142.44	7.66	1,472.62	1.34	0.00	0.00
Total	**127,397.21**	**100.00**	**118,355.34**	**100.00**	**119,409.55**	**100.00**	**109,665.49**	**100.00**	**102,137.01**	**100.00**

As of nine months ended December 31, 2024, our individual domestic term deposits in excess of ₹0.50 crore had balance to maturity profiles are as set out below:

(₹ crore, except the percentages)

Balance to maturity for deposits exceeding ₹ 50 lakh	Up to three months	Over three months to one year	Over one year to five years	Over five years	Total
	14,560.00	21,919.00	5,916.64	46.36	42,442.00

Short-term Borrowings

The following table sets forth, for the periods indicated, information related to our Short-Term Domestic Borrowings, which primarily include borrowing under Call, Notice, CBLO and Repos.

(₹ crore)

Particulars	As of Nine months ended December 31,		As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
	2024	2023			
Period End Balance	4,025.00	5,493.00	6,205.00	5,400.00	-
Average Balance During The period not captured[(1)]	3,930.55	4,135.20	4,439.00	2,580.80	77.72
Average interest rate during the period[(2)](in percentage)	6.50	6.65	6.57	5.79	3.21
Interest at period end[(3)]	191.69	206.34	291.69	149.49	2.48

Notes:

1. *Average daily balances outstanding.*
2. *Represents the ratio of interest expense on short-term borrowings to the average of balances of short-term borrowings.*
3. *Represents the total interest paid on account of short term borrowings during the period.*

Cash Flow Mismatch Analysis

The following table sets forth our structural liquidity gap position as of nine months ended December 31, 2024.

(₹ crore, except the percentages)

Particulars	As of December 31, 2024				
	Up to three months	Three months to one year	One to five years	More than five years	Total
Cash and Balances with RBI	1,145.40	1,760.56	1,371.63	1,011.97	5,289.56
Balances with Other Banks	102.01	-	-	-	102.01
Investments	14,277.08	8,954.96	8,978.77	13,440.04	45,650.85
Advances	12,846.37	12,715.22	46,200.76	20,052.77	91,815.13
Operating Fixed Assets	-	-	-	1,810.54	1,810.54
Deferred Tax Assets	-	-	-	-	-
Other Assets	588.86	420.57	908.48	3,078.77	4,996.68
NPA	-	-	698.95	851.96	1,550.91
Reverse Repo	980.17	-	-	-	980.17
Swaps	-	-	-	-	-
Interest Receivable	184.35	4.02	1.85	-	190.21
Export Refinance	-	-	-	-	-
Total Inflows	30,124.24	23,855.33	58,160.44	40,246.05	152,386.06
Capital and Reserves	-	-	1,237.30	11,085.82	12,323.12
Bills Payable	49.09	-	278.83	-	327.92
Borrowings	3,398.06	2,217.11	1,859.44	3,000.00	10,474.61
Deposits from Other Accounts	-	-	-	-	-
Total Deposit[1]	22,201.98	45,403.54	32,008.37	27,542.09	127,155.98
Un-availed portion of Cash Credit/ Overdraft/ Demand Loans component of working capital	3,718.46	721.19	-	-	4,439.65
Other Liabilities	2,996.90	3.11	313.07	-	3,313.08
Letter of Credit	1.70	3.97	3.71	1.62	11.00
Repos	901.21	-	-	-	901.21
Swaps	563.87	405.61	-	-	969.49
Interest Payable	1,056.25	0.87	-	-	1,057.12

[1]*Total Deposit of the Bank.*

Particulars	As of December 31, 2024				
	Up to three months	Three months to one year	One to five years	More than five years	Total
Total Outflows	34,887.53	48,755.40	35,700.72	41,629.53	1,60,973.17
Liquidity Gap	(4,763.29)	(24,900.07)	22,459.72	(1,383.48)	(8,587.12)
Cumulative Gap	(4,763.29)	(29,663.36)	(7,203.64)	(8,587.12)	(8,587.12)
Liquidity gap as % of Total Liabilities (total outflow)	(13.65)%	(51.07)%	62.91%	(3.32)%	(5.33)%

Notes:

1. *Classification methodologies are based on the Asset Liability Management Guidelines issued by the RBI.*
2. *Assets and liabilities are classified into categories as per residual maturity.*
3. *Assets and liabilities that do not mature or have ambiguous maturities are classified as per historical behavioural analysis or management judgment.*

Loan Portfolio and Credit Substitutes

Total advances based on the lending rate for the indicated periods.

(₹ crore)

Interest Rate Benchmark	As at December 31,		As at March 31,		
	2024	2023	2024	2023	2022
Base Rate	2,006.10	1,390.86	1,591.50	2,072.75	2,774.68
BPLR	131.44	32.03	30.27	36.50	60.21
Fixed	12,242.66	6,388.14	7,058.15	8,247.72	7,893.28
MCLR	35,847.13	36,830.98	36,250.54	41,498.09	38,182.83
Repo-EBLR	45,642.46	38,917.24	41,034.01	29,126.67	21,476.08
Grand Total	**95,869.78**	**83,559.25**	**85,964.47**	**80,981.73**	**70,387.08**

As of December 31, 2024, our gross loan portfolio was ₹ 95,869.78 crore. The majority of our gross loans and credit substitutes are to borrowers in India. For a description of our consumer loan products, see *"**Our Business**"*.

We make loans to a wide range of public sector and private sector commercial and industrial customers, agricultural customers and individual customers, in each case within the guidelines issued by the RBI. Working capital facilities consist of revolving cash credit facilities and short-term loans. Revolving cash credit facilities, based on a traditional overdraft system of lending, have been the most common form of working capital financing in India. Pursuant to RBI guidelines, only a specified percentage of a working capital facility can be accessed as cash credit, with the balance being short-term loans having a minimum maturity of one year.

The following table sets forth, for the periods indicated, our loan portfolio classified by product groups:

(₹ crore, except the percentages)

Particulars	As of Nine months ended December 31,				As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	2024		2023		Amount	% of total credit	Amount	% of total credit	Amount	% of total credit
	Amount	% of total credit	Amount	% of total credit						
Retail	20,680.16	21.57	15,305.16	18.32	16,034.57	18.65	13,945.98	17.22	11,737.28	16.68
MSME	18,388.78	19.18	15,716.21	18.81	15,908.81	18.51	14,856.84	18.35	13,021.07	18.50
Agriculture	12,897.06	13.45	11978.79	14.34	12,523.73	14.57	11,787.44	14.56	10,933.87	15.53
Corporate/ Others	43,903.78	45.80	40,559.09	48.54	41,497.36	48.27	40,391.47	49.88	34,694.86	49.29
Gross Advances	95,869.78	100.00	83,559.25	100.00	85,964.47	100.00	80,981.73	100.00	70,387.08	100.00

Maturity and Interest Rate Sensitivity of Loans and Credit Substitutes

The following tables set forth the interest rate sensitivity of the Bank's loans and credit substitutes for the specified periods:

(₹ crore)

Particulars	As of December 31, 2024				Total
	Due in One Year or Less	One Year to Five Years	Due after Five Years	No contracted maturity	
Interest rate classification of loans by maturity					
Variable rates	21,165.00	14,711.00	19,770.00	28,551.00	84,197.00
Fixed rates	7,997.00	104.00	1,908.00	1,664.00	11,673.00
Gross Loans	**29,232.00**	**14,815.00**	**21,678.00**	**30,215.00**	**95,870.00**
Interest rate classification of credit substitutes by maturity					
Variable rates	-	-	-	-	-
Fixed rates	-	-	-	-	-
Others	2,318.00	977.00	43.00	-	3,338.00
Gross Credit Substitutes	**2,318.00**	**977.00**	**43.00**	-	**3,338.00**
Interest rate classification of loans and credit substitutes by maturity					
Variable rates	21,165.00	14,711.00	19,770.00	28,551.00	84,197.00
Fixed rates	7,997.00	104.00	1,908.00	1,664.00	11,673.00
Others	2,318.00	977.00	43.00	-	3,338.00
Gross loans and credit substitutes	**31,480.00**	**15,792.00**	**21,721.00**	**30,215.00**	**99,208.00**

Concentration of Loans and Credit Substitutes

The Bank follows a policy of portfolio diversification and evaluates its total financing exposure in a particular industry in the light of the Bank's growth and profitability forecasts for that industry. The Bank's Risk Department monitors all major sectors of the economy and specifically follows industries in which the Bank has credit exposure. The Bank actively manages its loan portfolio by responding to economic weaknesses in an industry segment by restricting new credits to that industry segment and by increasing new credits to growing industry segments. In order to avoid concentration, the Bank has set internal ceilings on portfolio exposures to different industry sectors.

The following table sets forth the Bank's gross fund-based loans outstanding and credit substitutes categorized by borrower industry or economic activity as at the specified dates.

(₹ crore, except the percentages)

Particulars	As at March 31,		
	2024	2023	2022
Retail Loans	16,034.57	13,945.98	11,737.28
Telecommunication services	419.20	337.01	990.71
Chemical and chemical products	223.24	462.83	381.34
Drugs and pharmaceuticals	25.09	29.88	281.04
Agriculture	12,523.73	11,787.44	10,933.87
Textiles	1,273.36	1,361.93	1,548.28
Real estate	323.15	614.50	1,226.27
Transportation and Logistics	4,992.91	4,865.41	2,917.63
Cement	102.36	123.51	46.68
Trading	6,711.12	4,687.24	6,545.75
Engineering	648.86	764.22	491.75
Food Processing	1,013.24	876.03	770.73
Power	-	-	-
Petrochemicals and Petroleum Products	18.31	26.14	17.76
Financial Intermediaries – Housing Fin. Companies.	3,728.77	2,906.38	-
Entertainment and Media	-	-	-
Metal and metal products	2,152.44	2,013.95	831.27
Infrastructure	16,671.36	17,373.43	15,948.64
Paper and paper products	131.95	137.09	137.46
Financial intermediaries	13,065.17	12,897.29	-
Gems and Jewellery	39.28	33.18	31.55

Particulars	As at March 31,		
	2024	2023	2022
Sugar	106.19	84.42	157.44
IT and ITES	-	-	-
Auto Ancillaries	-	-	-
Others	5,760.17	5,653.87	15,391.63
Gross loans and credit substitutes	85,964.47	80,981.73	70,387.08

(₹ crore, except the percentages)

Particulars	As at Nine months ended December 31, 2024	
	2024	2023
Retail Loans	20,680.16	15,305.16
Telecommunication services	168.36	221.20
Chemical and chemical products	485.42	441.69
Drugs and pharmaceuticals	56.07	30.18
Agriculture	12,897.06	11,978.79
Textiles	1,208.77	1,343.64
Real estate	1,427.49	332.45
Transportation and Logistics	4,878.70	5,158.43
Cement	220.69	99.47
Trading	4,446.30	4,674.39
Engineering	660.52	615.46
Food Processing	1,720.70	855.13
Power	-	-
Petrochemicals and Petroleum Products	188.98	22.67
Financial Intermediaries – Housing Fin. Companies	2,702.17	3,764.32
Entertainment and Media	-	-
Metal and metal products	3,157.31	1,985.61
Infrastructure	15,320.37	17,588.87
Paper and paper products	170.82	135.58
Financial intermediaries	16,215.14	13,131.95
Gems and Jewellery	31.55	34.43
Sugar	181.12	87.31
IT and ITES	-	-
Auto Ancillaries	-	-
Others	9,052.08	5,752.52
Gross loans and credit substitutes	**95,869.78**	**83,559.25**

As of December 31, 2024, aggregate credit exposure (including derivative exposure) to the Bank's 20 largest borrowers (fund and non-fund based) amounted to ₹ 26,044.44 crore, representing 235.83% of the Bank's total capital (comprising Tier I capital and Tier II capital). The Bank's single largest borrower (fund and non-fund based) as of December 31, 2024 had a loan balance of ₹ 4,963.59 crore, representing 44.94% of the Bank's total capital (comprising Tier I capital and Tier II capital).

Regional Concentration

Our widespread branch network enables us to diversify our lending risks geographically. The following table presents an analysis of our gross credit by State/Union Territory as of the dates indicated:

(₹ crore)

State/ Union Territory	As of Nine months ended December 31,		As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
	2024	2023			
Andhra Pradesh	3,879.24	3,923.54	3,912.09	4,304.12	4,290.70
Arunachal Pradesh	23.34	17.96	17.11	15.11	13.14
Assam	311.61	267.06	282.20	227.57	193.85
Bihar	357.10	332.61	343.07	294.98	248.40
Chandigarh	1,493.72	845.97	882.91	810.74	1,079.08
Chhattisgarh	298.04	295.27	290.78	290.17	301.75
Delhi	24,842.14	32,947.98	34,661.56	32,611.91	25,713.98
Goa	36.71	26.52	31.78	22.00	20.93
Gujarat	1,134.15	1,152.58	1,159.20	1,139.51	961.40

State/ Union Territory	As of Nine months ended December 31, 2024	2023	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Haryana	3,812.85	3,239.54	3,613.97	3,254.03	2,943.44
Himachal Pradesh	598.22	564.40	561.37	516.25	446.54
Jammu & Kashmir	315.82	276.96	296.81	241.71	208.92
Jharkhand	415.87	380.37	371.48	350.72	323.61
Karnataka	1,129.02	2,065.08	1,895.15	1,724.81	1,435.50
Kerala	685.56	531.70	533.54	467.97	302.98
Madhya Pradesh	1,194.99	1,113.52	1,132.90	1,049.32	993.35
Maharashtra	20,203.94	1,233.07	1,256.32	1,313.22	1,199.43
Manipur	140.65	110.83	119.79	100.10	78.47
Meghalaya	5.34	5.34	5.30	4.05	2.78
Mizoram	17.41	15.28	16.09	12.74	7.70
Nagaland	35.01	37.43	38.89	35.39	20.44
Odisha	458.73	1,645.51	1,592.46	1,829.87	1,006.69
Puducherry	37.93	29.64	31.57	24.69	18.26
Punjab	15,325.15	14,934.60	15,315.48	14,329.85	13,579.24
Rajasthan	2,187.86	2,093.75	2,099.68	2,132.42	2,233.44
Sikkim	54.30	36.11	40.53	30.74	28.82
Tamil Nadu	1,398.04	997.26	1,020.45	668.90	801.37
Telangana	2,575.94	2,694.47	2,621.11	2,789.17	2,952.71
Tripura	12.23	13.41	13.17	12.52	9.84
Uttar Pradesh	7,464.28	6,951.95	7,014.07	6,511.82	5,623.49
Uttarakhand	1,310.92	1,126.55	1,159.76	1,000.79	906.84
West Bengal	4,113.67	3,652.97	3,633.89	2,864.53	2,439.96
Total	**95,869.78**	**83,559.25**	**85,964.47**	**80,981.73**	**70,387.08**

Priority Sector Lending

As stipulated by the RBI, commercial banks in India are required to lend, through advances or investment, 40% of their adjusted net bank credit or credit equivalent amount of off-balance sheet exposures, whichever is higher, to specified sectors known as "priority sectors," subject to certain exemptions permitted by RBI from time to time. Priority sector advances include advances to the agriculture sector, micro, small and medium enterprises, housing and education finance up to certain ceilings. We are required to comply with the priority sector lending requirements in each fiscal year. Any shortfall in the amount required to be lent to the priority sectors may be required to be deposited with the Rural Infrastructure Development Fund established by NABARD or funds with other financial institutions as specified by the RBI.

A breakdown of our priority sector lending in the form of gross advances for the periods indicated is as follows:

(₹ crore, except the percentages)

Particulars	As of Nine months ended December 31, 2024		As of Nine months ended December 31, 2023		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Agricultural and Allied Activities	15,804.10	40.76%	12,841.33	38.32%	18,443.65	47.15%	12,328.19	37.59%	12,550.82	40.26%
Industry	4,707.04	12.14%	4,336.63	12.94%	4,590.75	11.74%	4,575.49	13.95%	3,732.59	11.97%
Services	13,919.53	35.90%	11,919.06	35.57%	11,662.58	29.81%	11,009.36	33.57%	9,463.35	30.35%
Personal Loans and other	4,341.42	11.20%	4,411.15	13.16%	4,422.66	11.31%	4,882.02	14.89%	54,31.25	17.42%
Priority Sector Lending	**38,772.09**	**100.00%**	**33,508.17**	**100.00%**	**39,119.64**	**100.00%**	**32,795.06**	**100.00%**	**31,178.01**	**100.00%**

Note: Figures include Balances with RIDF (NABARD, NHB, SIDBI & MUDRA) and PSLC.

Provisioning Policy for Non-Performing Assets

Specific loan loss provisions in respect of non-performing advances are made based on management's assessment of the degree of impairment of wholesale and retail advances, subject to the minimum provisioning level prescribed by the RBI. The specific provision levels for retail NPAs are also based on the nature of product and delinquency levels. In relation to non-performing derivative contracts, as per the extant RBI guidelines, we make provision for the entire amount of overdue and future receivables relating to positive marked to market value of the said derivative contracts. Provisions for substandard, doubtful and loss asset categories are required to be made as per the RBI guidelines described below. These provisioning requirements are the minimum provisions that have to be made in accordance with the RBI guidelines.

Substandard Assets

An account becomes non-performing if the interest and/or instalment of principal remains overdue for more than 90 days (an exception to this rule is advances to agricultural borrowers which will be classified as non-performing only if the advance/loan remains overdue for more than two crop seasons in the case of short-duration crops and one crop season for long-duration crops). A substandard asset is one which has remained non-performing for a period of up to 12 months.

Doubtful Assets

A doubtful asset is one which has remained an NPA for a period greater than 12 months. Doubtful assets are classified into Doubtful-I, Doubtful-II and Doubtful-III depending on the age of the NPAs as set out below:

(a) If the asset has remained in the doubtful category for a period of up to one year it is classified as a Doubtful-I asset.

(b) If the asset has remained in the doubtful category for a period of more than one year but less than three years it is classified as a Doubtful-II asset.

(c) If the asset has remained in the doubtful category for a period of more than three years it is classified as a Doubtful-III asset.

Loss Assets

A loss asset is one which is considered irrecoverable with little or no salvage value.

An NPA need not go through the various stages of classification in cases of serious credit impairment and such assets should be immediately classified as doubtful or as a loss asset, as appropriate. Erosion in the value of security can be reckoned as significant when the realizable value of the security is less than 50% of the value assessed by the Bank or accepted by the RBI at the time of last inspection, as the case may be. Such NPAs may be immediately classified as a Doubtful Asset.

If the realizable value of the security, as assessed by the Bank, approved appraisers or the RBI is less than 10% of the borrower's outstanding accounts, the existence of the security is ignored and the asset is immediately classified as a loss that may be either written-off or fully provided for by the Bank.

Analysis of Non-Performing Assets

RBI Classification and Provisioning Requirements

We recognize NPAs in accordance with the RBI's guidelines. The guidelines require Indian banks to classify their NPAs into three categories, as described below, based on the period for which the asset has remained non performing and the estimated realization of amounts due in relation to such asset. Further, the NPA classification is at the borrower level, rather than at the facility level and accordingly, if one of the advances granted to a borrower becomes nonperforming, such borrower is classified as non-performing and all advances due from it are so classified.

A non-performing asset is a loan or an advance where: (i) interest and/or installment of principal remains overdue for a period of more than 90 days in respect of a term loan; (ii) the account remains "out of order" in respect of an overdraft or cash credit; (iii) the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted; (iv) the installment of principal or interest thereon remains overdue for two crop seasons for short duration crops; (v) the installment of principal or interest thereon remains overdue for one crop season for long duration crops; (vi) the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of guidelines on securitization dated February 1, 2006; or (vii) in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment. According to guidelines specified by the RBI, an account should be classified as NPA on the basis of the record of recovery and not merely on deficiencies which are temporary in nature, such as non-renewal of limits on the due date or non-submission of stock statements. Further, RBI requires the banks to classify an account as a non-performing asset only if the interest due and charged during any quarter is not serviced fully within 90 days from the end of the quarter.

Our gross NPA ratio decreased from 5.70% as of December 31, 2023 to 3.83% as of December 31, 2024, decreased from 12.17% as of March 31, 2022 to 6.97% as of March 31, 2023 due to the recovery and further decreased to 5.43% as of March 31, 2024, respectively, while our net NPA ratio decreased from 2.74% as of March 31, 2022 to 1.84% as of March 31, 2023 and to 1.63% as of March 31, 2024. For further information, see "***Risk Factors - Our Gross NPAs were 3.83%, 5.70%, 5.43%, 6.97% and 12.17% in the nine months ended December 31, 2024 and December 31, 2023 and Fiscals 2024, 2023 and 2022 respectively. If we are not able to control or reduce the level of NPAs in our portfolio or any increase in our NPA portfolio, RBI mandated provisioning requirements could adversely affect our business, financial conditions and results of operations.***"

The following table sets forth, as of the dates indicated, information about our NPA portfolio:

(₹ crore, except the percentages)

Particulars	**As of December 31,**		**As of March 31, 2024**	**As of March 31, 2023**	**As of March 31, 2022**
	2024	**2023**			
Gross NPAs	3,675.81	4,759.23	4,665.35	5,648.21	8,564.82
Specific provisions against NPAs	2,380.38	3,232.49	3,226.37	4,159.78	6,756.23
Floating provisions	-	-	-	-	-
Deductions*	126.57	82.97	88.52	76.93	66.32
NPA net of provisions	1,168.86	1,443.77	1,350.46	1,411.50	1,742.27
Gross advances	95,869.78	83,559.25	85,964.47	80,981.73	70,387.09
Net advances	93,361.46	80,241.81	82,647.85	76,742.50	63,560.24
Gross NPAs/gross advances (%)	3.83	5.70	5.43	6.97	12.17
Net NPAs/net advances (%)	1.25	1.80	1.63	1.87	2.74
Specific provision as a percentage of gross NPAs (PCR Without TWO)	68.20	69.66	71.05	75.01	79.66
Total provisions as a percentage of gross NPAs (PCR With TWO)	89.53	88.16	88.69	89.06	87.89

**Deductions - DICGC/ECGC received and part payment received against NPA pending for adjustment.*

Our provisioning coverage ratio (including TWO) as of nine months ended December 31, 2024 and 2023, and years ended March 31, 2024, 2023 and 2022, computed as per RBI guidelines, was 89.53%, 88.16%, 88.69%, 89.06% and 87.89% respectively. The following table sets forth, for periods indicated, information about our NPA provisions.

(₹ crore, except the percentages)

Particulars	**As of December 31,**		**As of March 31, 2024**	**As of March 31, 2023**	**As of March 31, 2022**
	2024	**2023**			
Specific provision at the beginning of the year	3,226.37	4,159.78	4,159.78	6,756.23	6,816.70
Addition during the year	501.01	402.06	636.16	574.08	1,964.76
Reduction during the period	1,347.00	1,329.35	1,569.57	3,170.53	2,025.23
Specific provision at the end	2,380.38	3,232.49	3,226.37	4,159.78	6,756.23
Floating provision at the end	-	-	-	-	-
Gross advances	95,869.78	83,559.25	85,964.47	80,981.73	70,387.08
Net advances	93,488.03	80,324.78	82,736.38	76,819.43	63,626.56

(₹ crore, except the percentages)

Particulars	As of December 31, 2024	As of December 31, 2023	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Cash Recovery	515.70	906.18	1,076.95	1,380.24	1,116.11
Upgradation	235.71	240.24	249.38	235.28	689.01
Write Off	1,098.92	653.34	795.96	2,283.29	1,133.54
Gross Reduction	1,850.33	1,799.76	2,122.29	3,898.81	2,938.66
Fresh Slippages	619.16	751.38	966.91	903.41	2,064.63
Net Increase/ (Decrease)	989.54	888.98	982.86	2,916.61	769.18
Gross NPA%	3.83	5.70	5.43	6.97	12.17

The following table sets forth the classification of our gross loan assets as of the dates indicated.

(₹ crore)

Particulars	As of December 31, 2024	As of December 31, 2023	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Standard (excluding restructured accounts)	90,682.02	76,856.40	79,462.18	73,028.57	58,831.85
Restructured Standard assets	1,511.95	1,943.62	1,836.95	2,304.95	2,990.41
Non-performing assets	3,675.81	4,759.23	4,665.35	5,648.21	8,564.82

(₹ crore)

Particulars	As of December 31, 2024	As of December 31, 2023	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Standard	92,193.97	78,800.02	81,299.13	75,333.52	61,822.26
Doubtful	2,509.50	2,839.07	2,849.45	2,893.27	5,568.83
Loss	309.26	983.53	945.36	1,861.73	2,162.86
Sub-Standard	857.05	936.63	870.53	893.21	833.14
Non-performing assets	3,675.81	4,759.23	4,665.34	5,648.21	8,564.83

The following table provides a summary of our gross loan assets as of the periods indicated, in accordance with RBI classifications:

(₹ crore)

Particulars	As of December 31, 2024	As of December 31, 2023	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Standard	92,193.97	78,800.02	81,299.13	75,333.52	61,822.26
Sub- standard	857.05	936.63	870.53	893.21	833.14
Doubtful	2,509.50	2,839.07	2,849.45	2,893.27	5,568.83
Loss	309.26	983.53	945.36	1,861.73	2,162.86
Total	**95,869.78**	**83,559.25**	**85,964.47**	**80,981.73**	**70,387.08**

The following table sets forth our provisions for possible credit losses at the dates indicated.

(₹ crore, except the percentages)

Particulars	As of December 31, 2024	As of December 31, 2023	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Provision held (Specific)	3,051.51	3,812.57	3,797.45	4,804.47	7,468.93
Provision held as percentage of gross advances	3.18%	4.56%	4.42%	5.93%	10.61%
Provision held as percentage of gross NPAs (Provision Coverage Ratio without TWO)	68.20%	69.66%	71.05%	75.01%	79.66%

Particulars	As of December 31,		As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
	2024	2023			
Total provisions as a % of gross NPAs (Provision Coverage Ratio with TWO)	89.53%	88.16%	88.69%	89.06%	87.89%

The following table sets forth the classification of our gross loan assets as of the dates indicated.

(₹ crore)

Particulars	As of December 31,		As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
	2024	2023			
Standard (excluding restructured accounts)	90,682.02	76,856.40	79,462.18	73,028.57	58,831.85
Restructured Standard assets	1,511.95	1,943.62	1,836.95	2,304.95	2,990.41
Non-performing assets	3,675.81	4,759.23	4,665.34	5,648.21	8,564.83

(₹ crore)

Particulars	As of December 31, 2024		As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
	2024	2023			
Standard	92,193.97	78,800.02	81,299.13	75,333.52	61,822.26
Doubtful	2,509.50	2,839.07	2,849.45	2,893.27	5,568.83
Loss	309.26	983.53	945.36	1,861.73	2,162.86
Sub-standard	857.05	936.63	870.53	893.21	833.14
Non-performing assets	3,675.81	4,759.23	4,665.34	5,648.21	8,564.83

The following table provides a summary of our gross loan assets as of the periods indicated, in accordance with RBI classifications:

(₹ crore)

Particulars	As of December 31,		As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
	2024	2023			
Standard	92,193.97	78,800.02	81,299.13	75,333.52	61,822.26
Sub-standard	857.05	936.63	870.53	893.21	833.14
Doubtful	2,509.50	2,839.07	2,849.45	2,893.27	5,568.83
Loss	309.26	983.53	945.36	1,861.73	2,162.86
Total	**95,869.78**	**83,559.25**	**85,964.47**	**80,981.73**	**70,387.08**

The following table sets forth our provisions for possible credit losses at the dates indicated.

(₹ crore, except the percentages)

Particulars	As of December 31,		As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
	2024	2023			
Provision held (Specific) (excluding TWO)	3,032.22	3,791.36	3,777.98	4,784.30	7,449.89
Provision held as percentage of gross advances	3.18%	4.56%	4.42%	5.93%	10.61%
Provision held as percentage of gross NPAs (Provision Coverage Ratio without TWO)	68.20%	69.66%	71.05%	75.01%	79.66%
Total provisions as a % of gross NPAs (Provision Coverage Ratio with TWO)	89.53%	88.16%	88.69%	89.06%	87.89%

Analysis of NPAs by Business Segment

Business segment analysis of our global NPA portfolio as of nine months ended December 31, 2024 and 2023 and for years ended March 31, 2024, 2023 and 2022:

(₹ crore)

Business Segment	As of December 31,		As of March 31,	As of March 31,	As of March 31,
	2024	2023	2024	2023	2022
Mining and Quarrying	2.92	2.83	2.94	3.25	2.91
Food Processing	38.98	150.17	43.82	66.98	151.72
Beverages and Tobacco	4.66	6.11	4.65	2.30	6.64
Textiles	161.79	160.95	158.87	158.33	192.29
Leather and Leather Products	50.47	23.63	31.50	25.30	27.07
Wood and Wood Products	30.35	30.56	30.52	29.90	29.79
Petro/ Coal/ Nuclear Fuels	4.87	4.98	4.88	4.98	6.65
Chemical and Chemical Products	14.11	17.09	15.19	19.33	19.64
Rubber Plastics and its Products	14.46	15.67	11.37	15.95	23.30
Glass and Glassware	0.70	0.51	0.54	0.46	1.19
Cement and Cement Products	7.74	4.80	5.32	4.78	5.49
Basic Metal and Metal Products	47.26	68.74	68.90	77.13	127.33
All Engineering	63.88	72.33	65.10	62.03	92.15
Vehicle Part/ TPT. EQPM	5.79	5.77	6.11	3.23	32.02
Gems and Jewellery	1.55	2.05	1.40	1.20	1.43
Construction	26.94	131.03	119.36	159.09	177.71
Infrastructure	428.96	871.06	679.92	1,035.35	1,817.21
Other Industries	18.15	18.41	18.18	20.29	22.51
Residuary	2,748.98	3,168.68	3,393.20	3,951.20	5,820.57
Total	**3,675.81**	**4,759.23**	**4,665.34**	**5,648.21**	**8,564.83**

Restructuring of Debts

The Bank’s NPAs are restructured on a case-by-case basis after it is determined that restructuring is the best means of maximizing realization of the loan. These loans continue to be on a non-accrual basis and are reclassified as performing loans only after sustained performance under the loan’s renegotiated terms for a period of at least one year.

The tables below set forth details of the Bank’s standard restructured assets by segment as of the dates indicated:

(₹ crore)

Business Segment	As of December 31,		As of March 31,	As of March 31,	As of March 31,
	2024	2023	2024	2023	2022
Retail	669.39	791.85	759.47	923.70	1,107.65
Agriculture and allied	22.76	40.96	43.64	41.58	53.38
MSME	374.67	436.81	364.87	586.31	797.79
Corporate and others	445.13	674.00	668.97	753.36	1,031.59
Total	**1,511.95**	**1,943.62**	**1,836.95**	**2,304.95**	**2,990.41**

For restructured/rescheduled advances, provisions are made in accordance with guidelines issued by RBI from time to time. Provision for diminution in fair value of restructured advances is measured at net present value terms as per RBI guidelines for accounts where total dues to the bank are ₹ 1 crore and above. For other accounts, the provision for diminution in fair value is computed notionally at 5% of total exposure to the bank as per RBI guidelines.

Top Ten (10) Non-Performing Assets

The tables below sets forth, for the period indicated, information regarding our largest NPAs, identified by industry sector, as well as the value of the collateral securing the loan (the valuations are derived from the audited financial statements of the borrower or independently arrived at by outside agencies). However, the net realizable value of such collateral may be less.

(₹ crore)

Industry (no. of accounts)	As of December 31, 2024					
	Type of Banking Arrangement	Gross Principal Outstanding	Provisions	Principal Outstanding Net of Provision for credit losses	Collateral	Currently servicing all interest payments
Infrastructure	Multiple	85.98	34.39	51.59	Plant and machinery/ furniture fix	No
Infrastructure	Consortium	83.74	83.74	-	Property - Others	No
Infrastructure	Multiple	80.62	32.25	48.37	Security not available	No
Infrastructure	Sole	53.89	53.89	-	Property - vacant plot	No
Residuary	Sole	31.51	31.51	-	Others/Misc.	No
Residuary	Multiple	27.89	27.89	-	Property - Others	No
Residuary	Multiple	27.43	27.43	-	Property - Others	No
Infrastructure	Consortium	26.34	26.34	-	Book Debts/Receivable	No
Residuary	Consortium	24.60	24.60	-	Security not available	No
Residuary	Sole	21.84	6.11	15.73	Stock	No

Interest Coverage Ratio

The following table sets forth information with respect to the Bank's interest coverage ratio for the periods indicated. This ratio, however, is typically used to measure the debt-servicing ability of a corporate and is not relevant to a banking company.

(₹ crore, except percentages)

Particular	As at December 31,		As at March 31,		
	2024	2023	2024	2023	2022
(i) Net profit	703.05	456.07	595.42	1,313.03	1,039.05
(ii) Depreciation on the Bank's property	126.77	149.41	150.08	148.33	137.09
(iii) Interest expended*	5,660.72	5,060.99	6,852.94	5,019.35	4,444.49
(iv) Total (i) + (ii) + (iii)	6,490.54	5,666.47	7,598.44	6,480.71	5,620.63
Interest coverage ratio (iv) / (iii)	1.15	1.12	1.11	1.29	1.26

Notes:
**Includes interest on Deposits & Borrowings*

Capital Adequacy

The following table sets forth, for the periods indicated, our capital adequacy ratios computed as per applicable RBI guidelines:

(₹ crore, except percentages)

Particular	As at December 31,		As at March 31,		
	2024	2023	2024	2023	2022
Common Equity Tier -1 (CET-1)	9,716.03	8,455.18	9,251.94	7,990.22	6,306.61
Additional tier	-	-	-	-	1,000

Particular	As at December 31,		As at March 31,		
	2024	2023	2024	2023	2022
I capital					
Tier I capital	9,716.03	8,455.18	9,251.94	7,990.22	7,306.61
Tier II capital	1,327.73	1,463.27	1,519.35	1,553.10	1,849.14
Total capital	11,043.76	9,918.45	10,771.28	9,543.32	9,155.75
Risk weighted assets	69,221.21	61,491.67	62,776.74	55,815.43	49,380.54
CET I ratio	14.04	13.75	14.74	14.32	12.77
Tier I capital ratio	14.04	13.75	14.74	14.32	14.80
Tier II capital ratio	1.91	2.38	2.42	2.78	3.74
Total capital ratio	15.95	16.13	17.16	17.10	18.54

Notes:
Capital Adequacy ratios have been calculated in accordance with RBI Guidelines (Basel-III Capital Regulations, generally referred to as Basel-III). See "Regulation and Policies".

The following table sets forth, for the periods indicated, our risk weighted assets ("**RWA**") pertaining to credit risk, market risk and operational risk computed as per applicable the RBI guidelines:

(₹ crore)

Particular	As at December 31,	
	2024	2023
	Basel III	
Credit risk RWA	62,434.13	50,805.78
Market risk RWA	1,892.59	6,311.09
Operational risk RWA	4,894.49	4,374.80
Total risk weighted assets	69,221.21	61,491.67

(₹ crore)

Particular	As at March 31,		
	2024	2023	2022
		Basel III	
Credit risk RWA	51,915.44	47,017.46	42,033.32
Market risk RWA	5,966.81	4,423.26	3,574.06
Operational risk RWA	4,894.49	4,374.71	3,773.16
Total risk weighted assets	62,776.74	55,815.43	49,380.54

Productivity Ratios

(₹ crore, except percentages)

Particular	As at December 31,		As at March 31,		
	2024	2023	2024	2023	2022
Net Profit per Employee	10.55	6.90	6.80	14.81	12.25
Net Profit per Branch (Annualized)	0.59	0.39	0.38	0.85	0.68
Business per Employee	25.01	22.75	23.35	21.45	20.31
Gross Business per Branch	140.95	129.35	131.31	124.04	112.76

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Global Macroeconomic Outlook

Global growth is projected at 3.3 percent both in 2025 and 2026, below the historical (2000–19) average of 3.7 percent. However, notable revisions have taken place beneath the surface, primarily on account of an upward revision in the United States offsetting downward revisions in other major economies. Global headline inflation is expected to decline to 4.2 percent in 2025 and to 3.5 percent in 2026, converging back to target earlier in advanced economies than in emerging market and developing economies. Medium-term risks to the baseline are tilted to the downside, while the near-term outlook is characterized by divergent risks. Upside risks could lift already-robust growth in the United States in the short run, whereas risks in other countries are on the downside amid elevated policy uncertainty. Policy-generated disruptions to the ongoing disinflation process could interrupt the pivot to easing monetary policy, with implications for fiscal sustainability and financial stability. Managing these risks requires a keen policy focus on balancing trade-offs between inflation and real activity, rebuilding buffers, and lifting medium-term growth prospects through stepped-up structural reforms as well as stronger multilateral rules and cooperation. *(Source: IMF World Economic Outlook Update, January 2025).*

Cyclical imbalances have eased since the beginning of the year, leading to a better alignment of economic activity with potential output in major economies. This adjustment is bringing inflation rates across countries closer together and on balance has contributed to lower global inflation. Global headline inflation is expected to fall from an annual average of 6.7 percent in 2023 to 5.8 percent in 2024 and 4.3 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. As global disinflation continues to progress, broadly in line with the baseline, bumps on the road to price stability are still possible. Goods prices have stabilized, but services price inflation remains elevated in many regions, pointing to the importance of understanding sectoral dynamics and of calibrating monetary policy accordingly. *(Source: IMF World Economic Outlook, October 2024)*

Global financial conditions remain largely accommodative, again with some differentiation across jurisdictions. Equities in advanced economies have rallied on expectations of more business- friendly policies in the United States. In emerging market and developing economies, equity valuations have been more subdued, and a broad-based strengthening of the US dollar, driven primarily by expectations of new tariffs and higher interest rates in the United States, has kept financial conditions tighter. *(Source: IMF World Economic Outlook Update, January 2025).*

Global growth is expected to remain stable, albeit lackluster, at 3.3 percent in both 2025 and 2026, the forecasts for growth are below the historical (2000–19) average of 3.7 percent. The overall picture, however, hides divergent paths across economies and a precarious gas fields. Nonfuel commodity prices are expected to increase by 2.5 percent in 2025, on account of upward revisions to food and beverage prices, driven by bad weather affecting large producers. Monetary policy rates of major central banks are expected to continue to decline, though at different paces, reflecting variations in growth and inflation outlooks. The fiscal policy stance is expected to tighten during 2025–26 in advanced economies including the United States and, to a lesser extent, in emerging market and developing economies. *(Source: IMF World Economic Outlook Update, January 2025).*

Global disinflation continued as oil and gas prices fell in August and early September amid robust supply and concerns of slowing demand. Partly because of geopolitical tensions, gold prices have reached record highs in

October. *(Source: World Bank Global Monthly October 2024).* In addition, one-year ahead policy rate expectations in EMDEs edged slightly higher amid a slower-than-expected disinflation process. After headline inflation (y/y) slowed in three- quarters of EMDEs in September, incoming data suggest that this disinflation process may have slowed somewhat in October, contributing to a slight rise in one-year-ahead policy interest rate expectations. *(Source: World Bank Global Monthly November-December 2024).*

Portfolio flows to emerging markets have been positive on net in recent months. Several countries, notably Egypt and Türkiye, have experienced large inflows into local currency bonds amid renewed investor optimism about the outlook despite lingering debt challenges and elevated inflation, and flows into Indian markets have benefited from India's inclusion in global bond indices.

Indian Economy

In emerging market and developing economies, growth performance in 2025 and 2026 is expected to broadly match that in 2024. With respect to the projection in October, growth in 2025 for China is marginally revised upward by 0.1 percentage point to 4.6 percent. This revision reflects carryover from 2024 and the fiscal package announced in November largely offsetting the negative effect on investment from heightened trade policy uncertainty and property market drag. In 2026, growth is projected mostly to remain stable at 4.5 percent, as the effects of trade policy uncertainty dissipate and the retirement age increase slows down the decline in the labor supply. In India, growth is projected to be solid at 6.5 percent in 2025 and 2026, as projected in October and in line with potential. *(Source: IMF World Economic Outlook Update*, *January 2025).*

The global economy is growing below the historical average even though high frequency indicators suggest resilience amidst continued expansion in world trade. The world economic landscape remains challenging with slower pace of disinflation, lingering geopolitical tensions and policy uncertainties. The strong dollar, inter alia, continues to strain emerging market currencies and enhance volatility in financial markets. On the domestic front, as per the First Advance Estimates (FAE), real gross domestic product (GDP) is estimated to grow at 6.4 per cent (y-o-y) in 2024-25 supported by a recovery in private consumption. On the supply side, growth is supported by the services sector and a recovery in agriculture sector, while tepid industrial growth is a drag. Looking ahead, healthy rabi prospects and an expected recovery in industrial activity should support economic growth in 2025-26. Among the key drivers on the demand side, household consumption is expected to remain robust aided by the tax relief in the Union Budget 2025-26. Fixed investment is expected to recover, supported by higher capacity utilisation levels, healthy balance sheets of financial institutions and corporates, and Government's continued emphasis on capital expenditure. This is corroborated by positive business sentiments highlighted in the Reserve Bank's enterprise surveys and PMIs. Resilient services exports will continue to support growth. However, headwinds from geo-political tensions, protectionist trade policies, volatility in international commodity prices and financial market uncertainties, continue to pose downside risks to the outlook. Taking all these factors into consideration, real GDP growth for 2025-26 is projected at 6.7 per cent with Q1 at 6.7 per cent; Q2 at 7.0 per cent; and Q3 and Q4 at 6.5 per cent each. The risks are evenly balanced.*(Source: Minutes of the Monetary Policy Committee Meeting of the RBI, February 5 to 7, 2025).* The Indian economy is exhibiting steady growth, underpinned by solid macroeconomic fundamentals and strong domestic growth drivers. The domestic financial system is demonstrating resilience, supported by healthy balance sheets of banks and non-banks, and fortified by strong capital buffers, robust earnings and improving asset quality. (*Source: RBI – Financial Stability Report December 2024*).

Headline inflation softened sequentially in November-December 2024 from its recent peak of 6.2 per cent in October. The moderation in food inflation, as vegetable price inflation came off from its October high, drove the decline in headline inflation. Core inflation remained subdued across goods and services components and the fuel group continued to be in deflation. Going ahead, food inflation pressures, absent any supply side shock, should see a significant softening due to good kharif production, winter-easing in vegetable prices and favourable rabi crop prospects. Core inflation is expected to rise but remain moderate. Continued uncertainty in global financial markets coupled with volatility in energy prices and adverse weather events presents upside risks to the inflation trajectory. Taking all these factors into consideration, CPI inflation for 2024-25 is projected at 4.8 per cent with Q4 at 4.4 per cent. Assuming a normal monsoon next year, CPI inflation for 2025-26 is projected at 4.2 per cent with Q1 at 4.5 per cent; Q2 at 4.0 per cent; Q3 at 3.8 per cent; and Q4 at 4.2 per cent. The risks are evenly balanced. *(Source: Minutes of the Monetary Policy Committee Meeting, February 5 to 7, 2025)*

Inflationary pressures moderated albeit unevenly during Fiscal 2024, reflecting the combined impact of calibrated monetary tightening, easing of input cost pressures and supply management measures. Headline inflation softened to 5.4% during Fiscal 2024 from 6.7% in the previous year, driven by the fall in core inflation (CPI excluding food and fuel) to 4.3% from 6.1%. *(Source: RBI, Annual Report 2023-2024).* Inflation is gradually moving towards target from its multi-decadal highs, prompting several central banks to embark on policy pivots. Global trade remains resilient with increasing volumes confined within geopolitical blocs. Since the last MPC meeting, financial markets have remained edgy amidst rising US dollar and hardening bond yields, resulting in large capital outflows from emerging markets and volatility in equity markets. Going forward, the outlook is clouded by rising tendencies of protectionism which have the potential to undermine global growth and push inflation higher. The CPI food inflation surged to 8.4 per cent in September and firmed up further to 9.7 per cent in October 2024 from an average of 5.2 per cent in during July-August. *(Source: RBI Bulletin December 2024)*

In India, strong growth has been driven by investment and private consumption. Growth in 2024 for India has been revised up by 0.2 percentage point to 7.0 percent relative to the April forecast, as rural consumption is benefiting from an improved agricultural season, and as public infrastructure investment continues to expand. These trends are expected to continue in 2025. With this, India remains the world's fastest growing major economy. (*Source: IMF: Regional Economic Outlook for Asia and Pacific, November 2024).*

Indian Banking Authority

The RBI was established on April 1, 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934. The central office of the RBI was initially established in Kolkata but was permanently moved to Mumbai in 1937. The central office is where the Governor sits and where policies are formulated. Though originally privately owned, since nationalization in 1949, the RBI has been fully owned by the Government of India ("**GoI**"). The RBI performs a supervisory function under the guidance of the Board for Financial Supervision. The Board was constituted in November 1994 as a committee of the Central Board of Directors of the RBI. *(Source: RBI Manual on Financial and Banking Statistics, https://www.rbi.org.in/Scripts/AboutusDisplay.aspx)*

The banking system in India comprises commercial and cooperative banks, of which the former accounts for more than 90 per cent of banking system's assets. Besides a few foreign and Indian private banks, the commercial banks comprise nationalized banks (majority equity holding is with the Government). These banks, along with regional rural banks, constitute the public sector (state owned) banking system in India. A diagrammatic structure of Indian banking, including cooperatives. Banking statistics in India is predominantly compiled and disseminated by the RBI and National Bank for Agriculture and Rural Development ("**NABARD**"). *(Source: "Department of Financial Services")*

The banking system in India, which evolved over several decades, is well established and has been serving the credit and banking needs of the economy. The banking ecosystem is providing impetus to economic growth and development of the country and catering to the specific and varied financial requirements of different customers and borrowers.. *(Source: https://financialservices.gov.in/beta/en/banking-overview)*

Impact of Liberalization on the Indian Financial Sector

Until 1991, the financial sector in India was heavily controlled and commercial banks and long-term lending institutions had mutually exclusive roles and objectives, operating in a largely stable environment with little to no competition. Long-term lending institutions were focused on achieving the GoI's various socioeconomic objectives, including balanced industrial growth and employment creation, especially in areas requiring development. Long-term lending institutions were extended access to long-term funds at subsidized rates through loans and equity from the GoI, funds guaranteed by the GoI originating from commercial banks in India and foreign currency resources from multilateral and bilateral agencies. The focus of commercial banks was primarily to mobilise household savings through demand and time deposits and to use these deposits to meet the short-term financial needs of borrowers in industry, trade and agriculture. In addition, commercial banks provided a range of banking services to individuals and business entities. (Source: RBI Circular on Approach to Universal Banking dated April 28, 2001)

However, since 1991, there have been comprehensive changes in the Indian financial system. Various financial sector reforms have transformed the operating environment of banks and long-term lending institutions. In particular, the deregulation of interest rates, the emergence of a liberalised domestic capital market and the entry of new private sector banks, along with the broadening of long-term lending institutions' product portfolios, have progressively intensified the competition between banks and long-term lending institutions. The RBI has permitted the transformation of long-term lending institutions into banks subject to compliance with the prudential standards applicable to banks. (Source: RBI Circular on Approach to Universal Banking dated April 28, 2001)

Further, development of GIFT city as the international financial hub in India containing India's first International Financial Services Centre ("IFSC") and several international banks and exchanges has been a massive step towards liberalization. GIFT city is envisaged to be the hub of financial and technological services for the world. (Source: investindia.gov.in) The government and the RBI have also been striving to promote the use of Indian Rupee ("INR") for cross-border trade and other current account transactions. In 2023, the RBI put in place a mechanism for trade settlement in INR with 18 countries wherein banks from these countries have been permitted to open Special Rupee Vostro accounts for settlement in INR. RBI has also enabled external commercial borrowings in Indian Rupees (especially through Masala Bonds). (Source: investindia.gov.in)

Banks that are included in the Second Schedule of the Reserve Bank of India Act, 1934 are considered to be scheduled commercial banks. Other than public sector banks and regional rural banks, all other scheduled commercial banks are granted banking licenses by RBI under Banking Regulation Act, 1949. In addition, RBI also gives licenses to Co-operative Banks for providing banking services under Banking Regulation Act, 1949. *(Source: "Department of Financial Services", https://financialservices.gov.in/beta/en/banking-overview)*

Scheduled Commercial Banks—

Scheduled Commercial banks (SCBs) is commercial bank which has been included in the Second Schedule of the Reserve Bank of India Act, 1934 (RBI Act). Conditions for inclusion in the Second Schedule of the RBI Act are as stated in section 42(6)(a) of the RBI Act. It includes public sector, private sector, foreign banks, Regional Rural Banks (RRB), Small Finance Banks and Payment Banks. *(Source: https://financialservices.gov.in/beta/en/banking-overview)*

Public sector banks (Public SBs) are SCBs with significant government shareholding. Public SBs constitute the largest category of banks in the Indian banking system. These include the 12 nationalised banks, as of August 2024 (Source: RBI, List of Scheduled Commercial Banks (SCBs))

Foreign Banks is a bank that has its headquarters outside India but runs its offices as a private entity at any other locations in India. Such banks are under an obligation to operate under the regulations provided by the Reserve Bank of India as well as the rule prescribed by the parent organization located outside India. *(Source: ("Department of Financial Services, https://financialservices.gov.in/beta/en/banking-overview)*

Private Sector Banks are banking companies licensed to operate under Banking Regulation Act, 1949 other than Urban Co-operative Banks, Foreign Banks and banks licensed under specific Statutes *(Source: https://financialservices.gov.in/beta/en/banking-overview, RBI)..*

Regional Rural Banks (RRB) are the banks established under the Regional Rural Banks Act, 1976 with the aim of ensuring sufficient institutional credit for agriculture and other rural sectors. The area of operation of RRBs is limited to the area notified by the Central Government. RRBs are owned jointly by the Government of India, the State Government and Sponsor Banks. *(Source: ("Department of Financial Services", https://financialservices.gov.in/beta/en/banking-overview)*

Small Finance Banks (SFB) licensed under Banking Regulation Act, 1949 and created with an objective of furthering financial inclusion by primarily undertaking basic banking activities to un-served and underserved sections including small business units, small and marginal farmers, micro and small enterprises and other underserved sections. Payment Banks are public limited companies licensed under Banking Regulation Act, 1949, with specific licensing conditions restricting its activities mainly to acceptance of demand deposits and provision of payments and remittance services. *(Source: ("Department of Financial Services", https://financialservices.gov.in/beta/en/banking-overview).* The objective of small finance banks is to further financial inclusion by providing savings vehicles and supplying credit to small business units, small and marginal farmers, micro and small industries and other unorganized sector entities through high technology-low cost operations. The RBI granted in-principle approvals to ten small finance banks in September 2015 pursuant to which all ten small finance banks have started operations. *(Source: Draft Guidelines for 'on tap' Licensing of Small Finance Banks in the Private Sector and RBI – RBI grants "In-principle" Approval to 10 Applicants for Small Finance Banks)*

Payment Banks are public limited companies licensed under Banking Regulation Act, 1949, with specific licensing conditions restricting its activities mainly to acceptance of demand deposits and provision of payments and remittance services. *(Source: ("Department of Financial Services", https://financialservices.gov.in/beta/en/banking-overview)* The RBI has liberalised the licensing regime for banks in India and intends to issue licences on an ongoing basis, subject to meeting the RBI's criteria. The RBI is supportive of creating more specialised banks and granting differentiated banking licences, e.g., for payment banks and small finance banks. The RBI also plans to create wholesale and long-term finance banks in the near future. In November 2014, the RBI released guidelines for licensing payment banks and for licensing of small finance banks in the private sector. On August 19, 2015 the RBI granted in-principle approval to 11 applicants to set up payment banks. (*Source: RBI Press Release dated August 19, 2015)*. As of September 2024, there are six (6) payments banks in India *(Source: RBI. List of Payment Banks, accessed in September 2024)*

Co-operative Banks

Co-operative Banks means State Co-operative Banks, Central Co-operative Banks and Primary Co-operative Banks. Primary Co-operative Banks are also known as Urban Cooperative Banks and over the years, it has registered a significant growth in number, size and volume of business handled. State Cooperative Banks are the highest-level cooperative banks in each of the states. They raise funds and assist in their proper allocation among various sectors. Individual borrowers receive funds from state cooperative banks via central cooperative banks and primary credit societies. *(Source: https://financialservices.gov.in/beta/en/banking-overview)*

Co-operative Banks are registered under State Co-operative Societies Act of the State concerned or the Multi State Cooperative Societies Act, 2002 and its banking business is licensed and regulated by Reserve Bank of India. These banks are the financial entities that belong to its members, who are also the owners as well as the customers of their bank. Cooperative banks primarily support the agricultural activities, some small-scale industries and self-employed workers. *(Source: https://financialservices.gov.in/beta/en/banking-overview)*

In addition to Scheduled Commercial Banks and co-operative banks, All India Financial Institutions and Non-Banking Financial Companies also plays an important role in promoting inclusive growth in the country. *(Source: https://financialservices.gov.in/beta/en/banking-overview)*

All India Financial Institutions

Financial Institutions plays an important role in the Indian financial system as they provide medium to long term finance to different sectors of the economy. These institutions have been set up to meet the growing demands of particular sectors, such as export, import, rural, housing and small industries. These institutions have been playing a crucial role in channelizing credit to these sectors and addressing the challenges / issues faced by them. *(Source: ("Department of Financial Services", https://financialservices.gov.in/beta/en/banking-overview)*

Export-Import Banks of India, Small Industries Development Bank of India, National Bank for Agriculture and Rural Development, National Housing Bank and National Bank for Financing Infrastructure and Development, are operating as All India Financial Institutions in India. *(Source: ("Department of Financial Services", https://financialservices.gov.in/beta/en/banking-overview)*

Non-Banking Financial Companies (NBFCs)

NBFCs are playing an important role in sustaining consumption demand as well as capital formation in small and medium industrial segment of the country. The reach and last mile advantages of NBFCs have empowered them with agility and innovation with cutting edge technology in providing formal financial services to under banked and unserved sections of the society. *(Source: ("Department of Financial Services", https://financialservices.gov.in/beta/en/banking-overview)*

Depending upon the line of activity, NBFCs are categorised into different types such as asset finance company, loan company, infrastructure finance company, securitisation/asset reconstruction companies, investment company, (systemically important) core investment company, infrastructure debt fund – NBFC, NBFC – micro finance institution, NBFC – factors, mortgage guarantee companies, NBFC – non-operative financial holding company. *(Source: RBI, Discussion Paper on Wholesale & Long-Term Finance Banks, April 2017)*

Housing Finance Companies

Housing finance companies are specialised institutions which extend housing credit, along with SCBs. Effective August 9, 2019 Housing finance companies are being regulated as a category of NBFCs, after the transfer of regulation of HFCs to the Reserve Bank by amendment of the National Housing Bank Act, 1987.

Furthermore, with a view of harmonising the regulations between HFCs and NBFCs in a phased manner, HFCs have undergone several legislative/regulatory changes. As of September 2024, there were 94 HFCs, of which only 12 were deposit taking entities. *(Source: NHB, List of HFCs in India, available, accessed in September 2024, https://www.nhb.org.in/en/supervision/list-of-hfcs-in-india/)*

Microfinance Institutions

Microfinance institutions form a distinct sub-group of non-banking financial companies. They focus on providing access to small-scale financial services, especially to the poor, and play an important role in delivering credit to people at the bottom of the economic pyramid. Microfinance institutions differ from other financial service providers as they do not depend on grants or subsidies to provide unsecured loans to borrowers with low incomes and no access to the mainstream banking system. They encompass a host of financial institutions engaged in advancing loans to low-income groups. The essential features of microfinance loans are that they are of small amounts, have short tenures, are extended without collateral, and require a frequency of loan repayments that is greater than that for traditional commercial loans. These loans are generally taken for income-generating activities but are also provided for consumption, housing and other purposes. *(Source: RBI Bulletin, Microfinance: Reaching out to the Bottom of the Pyramid dated September 11, 2020)*

Regional Rural Banks

Regional rural banks were formed under the Regional Rural Bank Act, 1976 with a view towards developing the rural economy by providing, for the purpose of developing agriculture, trade, commerce, industry and other productive activities in the rural areas, credit and other facilities, particularly to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs, and for matters connected therewith and incidental thereto. *(Source: Banking, Regional Rural Banks, Department of Financial Services)* In Fiscal 2022, ₹10,890 crore was allocated for the recapitalisation of RRBs to help in greater adoption of technology, accompanied by operational and governance reforms *(Source: Key Statistics & Financial Statements of Regional Rural Banks, March 31, 2023, NABARD)*

As of March 2023, there were 43 RRBs sponsored by 12 SCBs, with 21,995 branches, and operations extending to 30.5 crore deposit accounts and 2.9 crore loan accounts *(Source:https://www.nabard.org/auth/writereaddata/WhatsNew/0109235107final-key-statistics-of-rrbs-2022-23.pdf, accessed in September 2024)*

Long-Term Lending Institutions

Long-term lending institutions were established to provide medium-term and long-term financial assistance to various industries for setting up new projects and expanding and modernising existing facilities. These institutions provided fund-based and non-fund-based assistance to industries in the form of loans, underwriting and direct subscription to shares, debentures and guarantees.

Long-term lending institutions were expected to play a critical role in Indian industrial growth and, accordingly, had access to concessional government funding. However, in recent years, the operating environment of long-term lending institutions has changed substantially. Although the initial role of these institutions was largely limited to providing a channel for government funding to industries, the reform process required such institutions to expand the scope of their business activities, including into fee-based activities like investment banking and advisory services and into short-term lending activities including corporate finance and working capital loans.

Pursuant to the recommendations of the Narasimham Committee II and the Khan Working Group in 1998, a working group was created in 1999 to harmonise the role and operations of long-term lending institutions and banks. The RBI, in its mid-term review of monetary and credit policy for Fiscal 2000, announced that long-term lending institutions would have the option of transforming themselves into banks subject to compliance with the prudential norms applicable to banks. In April 2001, the RBI issued guidelines on several operational and regulatory issues which were required to be addressed in evolving a path for conversion of a long-term lending institution into a universal bank. (*Source: RBI Report of the working group for harmonising the role & operations of DFIs and Banks – May 1998*)

Recent Developments in the Banking Sector

The RBI from time to time also comes out with regulations and guidelines for the above mentioned institutions to ensure overall effectiveness and supervision of the banking system:

- The RBI in November 2023 had come out with a notification wherein it increased the risk weights on consumer loans and NBFCs by 25 percentage points (from 100% to 125%). For AAA-rated loans to NBFCs, the risk weight has been increased to 45% from the existing 20% (25 percentage point increase). These guidelines are applicable to Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks) and Non-Banking Financial Companies (including HFCs). *(Source: RBI Circular Regulatory measures towards consumer credit and bank credit to NBFCs)*

- The Reserve Bank recently came out with draft guidelines on the financing of Projects under Implementation. The existing prescribed provisions for standard Project assets is 0.40% which the RBI has proposed to increase to 5%. This is expected to substantially increase the provisioning requirements for banks in India. These guidelines are applicable to all Commercial Banks (including Small Finance Banks but excluding Payments Banks), Local Area Banks and Regional Rural Banks, all Primary (Urban) Co-operative Banks, all All-India Financial Institutions, and all Non-Banking Financial Companies. *(Source: RBI Circular Draft Prudential Framework for Income Recognition, Asset Classification and Provisioning pertaining to Advances – Projects Under Implementation, Directions, 2024)*

- RBI in its notification dated June 7, 2024 revised the definition of bulk deposits for all Scheduled Commercial Banks (excluding RRBs), Small Finance Banks and Local Area Banks. The term "Bulk Deposit" would now mean:

i. Single Rupee term deposits of Rupees three crore and above (earlier Rupees two crore) for Scheduled Commercial Banks (excluding RRBs) and Small Finance Banks.
ii. Single Rupee term deposits of Rupees one crore and above for Regional Rural Banks and Local Area Banks. *(Source: RBI notification, dated June 7, 2024)*

Other Financial Institutions

Specialised Financial Institutions

In addition to the long-term lending institutions, there are various specialised financial institutions which cater to the specific needs of different sectors. These include the National Bank for Agriculture and Rural Development ("**NABARD**"), the Export-Import Bank of India ("**EXIM Bank**"), the Small Industries Development Bank of India ("**SIDBI**"), Risk Capital and Technology Finance Corporation Limited, Tourism Finance Corporation of India Limited, the NHB, Power Finance Corporation Limited, Infrastructure Development Finance Corporation Limited, the Industrial Investment Bank of India, the North Eastern Development Finance Corporation and the India Infrastructure Finance Company. *(Source: Report on Trend and Progress of Banking in India, 2003-2004). To provide financial support to the diversified growth of Industries across the sectors Industrial Finance Corporation of India as a statutory organisation was set up in 1948.* To support the long-term infrastructure financing in India, the Government set-up the National Bank for Financing Infrastructure and Development ("**NaBFID**") in 2021. *(Source: RBI Press Release dated March 9, 2022)*

State Financial Institutions

State financial corporations ("**SFCs**") operate at the state level and form an integral part of the institutional financing system. State financial corporations were set up to finance and promote small and medium-sized enterprises. State financial institutions are expected to achieve balanced regional socio-economic growth by generating employment opportunities and widening the ownership base of industries. At the state level, there are also state industrial development corporations, which primarily finance medium-sized and large enterprises. *(Source: Report on Trend and Progress of Banking in India, 2003-2004)*

Insurance Companies

The General Insurance Corporation of India, a re-insurance company, the Life Insurance Corporation of India and other public sector general insurance companies provide long-term financial assistance to the industrial sector.

The insurance sector in India is regulated by the Insurance Regulatory Development Authority of India ("**IRDAI**"). In December 1999, the Indian Parliament passed the Insurance Regulatory and Development Authority Act, 1999, which amended the Insurance Act, 1938 and opened up the Indian insurance sector for foreign and private investors. The Insurance Act, 1938 was further amended by the Insurance Law (Amendment) Act, 2015 which raised permitted foreign equity participation in new insurance companies from 26.00% to 49.00%. Insurance companies are required to be Indian-owned and controlled. In this context, "Control" includes the right to appoint a majority of the Directors or control management or policy decisions by virtue of shareholding, management rights, shareholders' agreements or voting agreements. Therefore, both ownership and control are required to remain in Indian hands. Further, the amendment permitted insurers to raise capital through instruments other than equity. (*Source: DPIIT, Consolidated FDI Policy (Effective from October 15, 2020))*

As announced in the Union Budget for Fiscal 2022, the limit of foreign investment in Indian insurance companies has been raised from the existing 49% to 74%. This brings the insurance sector at par with the private banking sector. The act will enable global insurance companies to take more strategic and long-term view on the Insurance sector in India, thereby bringing in greater inflow of long-term capital, global technology, processes, and international best practices. (*Source: Monthly Economic Review, March 2021, Economic Division, Department of Economic Affairs, Government of India*)

IRDAI has operationalized a series of regulatory changes in 2024 regarding health coverage. These changes include the removal of the upper age cap and the introduction of new features such as a customer information sheet to enhance transparency and the option to distribute claim amounts across multiple policies held with different companies. Also Health insurance companies have to do final authorisation for cashless claims within three hours of receiving a patient discharge request from the hospital and policy holders cannot be kept waiting to be discharged from hospital under any circumstances. (*Source: Press release IRDAI*)

The amendment to the Expenses of Management ("**EOM**") regulations grants significant greater flexibility and autonomy to industry players. This provision supports the industry in multiple ways as now they can determine how to manage their fixed costs and commissions according to the model that best suits their needs. As stakeholders gain better control over managing their expenses and reducing distribution costs, this will lead to improved pricing structures, ultimately benefiting the end consumer. This approach will harmonize the industry's diverse efforts towards the overarching goal of closing India's protection gap. (*Source: IRDAI Amendment dated March 27, 2023)*

Mutual Funds

The mutual funds industry was opened up to the private sector in 1993. The industry is regulated by the Securities and Exchange Board of India ("**SEBI**") (Mutual Funds) Regulations, 1996.

In June 2009, the SEBI removed the entry load, up-front charges deducted by mutual funds for all mutual fund schemes and required that the up-front commission to distributors should be paid by the investor to the distributor directly. In November 2009, to enhance the reach and marketability of mutual fund schemes, the SEBI permitted the use of stock exchange terminals to facilitate transactions in mutual fund schemes, as a result of which mutual fund units can now be traded on recognized stock exchanges. In February 2010, the SEBI introduced guidelines for the valuation of money market and debt securities with a view to ensure that the value of money market and debt securities in the portfolio of mutual fund schemes reflect the current market value. The valuation guidelines were effective from August 1, 2010.

In the month ended December 2024, the aggregate average assets under management for mutual funds (excluding fund of funds – domestic but including fund of funds – overseas) was ₹ 69,32,959.05 crore, and aggregate average assets under management for mutual funds (domestic fund of funds) was ₹ 91,082.27 crore. The total number of schemes as of December 2024 was 1700. (*Source: Association of Mutual Funds in India, Monthly Report for the Month of December 2024).*

Key Banking Industry Trends in India

The soundness and resilience of India's banking sector has been underpinned by ongoing improvement in asset quality, enhanced provisioning for bad loans, sustained capital adequacy and rise in profitability. Credit growth remains robust, mainly driven by lending to services and personal loans. Deposit growth has also gained momentum due to transmission of previous rate increases resulting in repricing of deposits and higher accretion to term deposits. Pace of growth in advances by non-banking financial companies ("**NBFCs**") moderated during the second half of Fiscal 2024, reflecting the impact of regulatory prescription of higher risk weights on NBFC lending to certain categories of consumer credit and bank lending to NBFCs. Overall, the NBFC sector maintained large capital buffers boosted by improving asset quality and robust earnings. On an incremental basis, bank lending to NBFCs declined in the second half of Fiscal 2024. (Source: RBI – Financial Stability Report Issue No. 29, June 2024)

Financial intermediation by banks and other financial institutions supports private sector funding needs as well as public finance requirements in a growing economy. Even as banking business has expanded at a strong pace, asset quality and profitability have both witnessed sustained improvement, and capital positions have been strengthened. After the post-pandemic acceleration, however, credit by both banks and non-banking financial companies (**NBFCs**) in India has recorded some moderation across major sectors during 2024 so far. Against the backdrop of the recent monetary policy tightening cycle in India, bank deposits continue to exhibit double digit growth but their profile has gradually shifted towards schemes offering higher returns. While term deposit growth moderated for both Public Sector Banks ("**Public SB**") and PVBs, they continue to outpace current and savings account (**CASA**) deposit growth. As on December 13, 2024, aggregate deposits of SCBs rose (y-o-y) by 11.4 per cent. The growth in bank credit has converged towards deposit growth - as on December 13, 2024, bank credit increased by 11.3 per cent (y-o-y). Bank group-wise break-up shows a moderation in credit growth for both Public SBs and PVBs in September 2024; foreign banks (**FBs**) recorded a rise after a period of low growth. Industrial credit has been accelerating from low levels but remains below the growth in loans to other major sectors, viz., agricultural, services and personal loans segments. Services and personal loans led the overall credit growth; within personal loans, credit card receivables continued to post robust growth. Growth in personal loans has halved from high levels on the back of both high base and lower originations, but its expansion continued to be broad-based, with housing loans as the standout contributor. (*Source: RBI – Financial Stability Report, December 2024*).

Asset quality of SCBs improved further, with their GNPA ratio declining to a 12-year low of 2.6 per cent in September 2024. The NNPA ratio remained at around 0.6 per cent. The half-yearly slippage ratio, measuring new accretions to NPAs as a share of standard advances at the beginning of the half-year, increased marginally to 0.7 per cent. The provisioning coverage ratio (PCR) of SCBs improved further to 77.0 per cent in September 2024, largely due to proactive provisioning by Public SBs. The write-off to GNPA ratio for FBs increased in September 2024 while that of Public SBs and PVBs declined marginally. Disaggregation of NPA movements reveals that write-offs remain a significant component of NPA reduction. The improvement in asset quality of SCBs was broad based across sectors and bank groups. In the personal loans segment, asset quality remained largely stable, except for a marginal uptick in respect of credit card receivables across bank groups, which recorded the highest credit growth within the personal loans segment and may require careful monitoring. Within the industrial sector, asset quality exhibited sustained improvement across the major sub-sectors. (*Source: RBI – Financial Stability Report December 2024*).

The share of large borrowers in GNPA of SCBs has steadily declined over the past two years, faster than the reduction in their share in overall credit. The asset quality of banks' large borrower portfolios has improved considerably, with the GNPA ratio falling from 4.5 per cent in March 2023 to 2.4 per cent in September 2024.

SMA-1 and SMA-2 loans have, however, risen sequentially (q-o-q) in the September 2024 quarter. Furthermore, the SMA-2 ratio for large borrowers increased significantly for Public SBs in September 2024 from a year ago, warranting close monitoring. In the large borrower segment, the share of standard assets in total funded amount has consistently improved over the past two years. Within the large borrowers' cohort, the share of top 100 borrowers has decreased to 34.6 per cent in September 2024, reflecting a growing credit appetite among medium-sized borrowers. Notably, none of the top 100 borrowers are classified as NPAs in September 2024. In terms of value, investment grade advances (rated BBB and above) constituted 91.5 per cent of the funded advances to large borrowers with long-term external ratings. (*Source: RBI – Financial Stability Report December 2024*).

Deposit growth during this period stood at 11.7%. Deposits growth (y-o-y) of public sector banks inched up to 9.0 per cent in September 2024 (8.1 per cent in June 2024), which, however, remained well below that for other bank groups at above 15 per cent. *(Source: RBI Deposits with Scheduled Commercial Banks, September, 2024, "https://rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=59186")*

Although recent regulatory measures, such as the increase in risk weights for exposure to unsecured loans and non-banking financial companies, and the impending transition to the estimated credit loss ("**ECL**")-based framework, could negatively affect reported capitalization levels, the capital positions of most constituent banks remain robust. These banks are well-equipped to absorb these impacts while continuing to grow their portfolios at a reasonable pace.

Performance – Assets and Earnings

Bank deposits growth (y-o-y) at 11.7 per cent in September 2024 remained close to that in the previous quarter. Deposits of all population groups (viz., rural/semi-urban/urban/metropolitan) recorded double-digit annual growth; during Q2:2024-25, 66.5 per cent of the total incremental deposits contributed by the metropolitan branches, which have 54.7 per cent share in total deposits. Of the total deposits, 51.4 per cent was held by individuals; female depositors owned nearly 40 percent of the deposits by individuals. A substantial amount of deposits has shifted to higher interest rate bucket during the latest monetary policy tightening cycle; term deposits bearing over 7 per cent interest rate has increased to 68.8 per cent from 54.7 per cent a year ago and 33.7 per cent in March 2023. As term deposits offered more attractive return, they also outpaced the growth in CASA (current account and savings account) deposits, and their share in total deposits rose to 61.4 per cent in September 2024 from 59.8 per cent a year ago. Deposits growth (y-o-y) of public sector banks inched up to 9.0 per cent in September 2024 (8.1 per cent in June 2024), which, however, remained well below that for other bank groups at above 15 per cent. The share of senior citizens' deposits increased to 20.1 per cent in September 2024 from 19.7 per cent a year ago. (*Source: RBI – BSR 2: Deposits with Scheduled Commercial Banks - September 2024 dated Nov 26, 2024*).

Bank credit growth (y-o-y) moderated to 12.6 per cent in September 2024 from 15.3 per cent, net of merger, in March 2024; metropolitan branches of banks, which accounted for 60.6 per cent of loans, recorded lower growth of 11.6 per cent. Agriculture, industry, housing and personal (non-housing) loans had 11.5 per cent, 23.7 per cent, 16.5 per cent and 14.9 per cent shares, respectively, in credit by non-RRB SCBs; they recorded 13.2 per cent, 10.4 per cent, 13.2 per cent and 17.5 per cent growth (y-o-y), respectively. Credit to private corporate sector exceeded the headline credit growth and stood at 16.5 per cent (y-o-y) in September 2024; working capital loans accelerated to 15.3 per cent from 14.1 per cent a year ago. The share of female borrowers' loans to individuals has been rising gradually and it stood at 23.6 per cent in September 2024. Public sector banks (Public SBs) and private sector banks (PVBs) which have 53.2 per cent and 41.8 per cent shares, respectively, in credit by non-RRB SCBs, recorded 13.0 per cent and 11.9 per cent increase (y-o-y), respectively, in September 2024. (*Source: RBI – BSR - 1: Outstanding Credit of Scheduled Commercial Banks – September 2024 dated Nov 26, 2024*).

The banks' net interest margins (NIM) and profitability also remained solid. Consequently, their returns on assets (RoA) and returns on equity (RoE) rose to 1.4 per cent and 14.1 per cent, respectively, in September 2024. (*Source: RBI – Financial Stability Report December 2024*).

A growing net interest income ("**NII**") and other operating income ("**OOI**") and coupled with a decline in the need for additional provisions due to declining NPAs, resulted in their profit after tax ("**PAT**") rising year-on-year by 32.5 % in March 2024, despite an increase in operating expenses. The NIM of PVBs stood at 4.3% as of March 2024. On the back of significant increase in NII and OOI, PVBs registered higher PAT growth vis-à-vis Public

SBs. A significant fall in OOI of FBs, however, led to moderation in their PAT despite a steep fall in provisioning. (*Source: RBI – Financial Stability Report Issue No. 29, June 2024)*

Profitability indicators remained strong: The banks' net interest margins (NIM) and profitability also remained solid.
Consequently, their returns on assets (RoA) and returns on equity (RoE) rose to 1.4 per cent and 14.1 per cent, respectively, in September 2024. Both return on equity (RoE) and return on assets (RoA) ratios have improved in September 2024. The soundness of scheduled commercial banks (SCBs) has been bolstered by strong profitability, lower non-performing assets and adequate capital and liquidity buffers. Return on assets (RoA) and return on equity (RoE) are at decadal highs, while gross non-performing assets (GNPA) ratio has fallen to a multi-year low. The yield on assets remained broadly stable. Profitability of SCBs improved during H1:2024-25, with profit after tax (PAT) surging by 22.2 per cent (y-o-y). Public SBs and PVBs recorded PAT growth of 30.2 per cent and 20.2 per cent, respectively, while FBs experienced single digit growth (8.9 per cent). The rise in other operating income (OOI) contributed significantly to the rise in profits of Public SBs and PVBs. (*Source: RBI – Financial Stability Report , December 2024)*

Asset Quality and Capital Adequacy

CRAR and CET1 ratios of SCBs displayed similar movements and stood at 16.7 per cent and 14.0 per cent, respectively, in September 2024, which were much higher than the regulatory minimum. The overall Tier 1 leverage ratio 10 remained stable. The asset quality of SCBs recorded sustained improvement and their GNPA ratio improved in March 2024 to a 12-year low level (2.8% as on March 2024). Their NNPA ratio too has improved to a record low (0.6% as on March 2024). Among bank groups, Public SBs' GNPA ratio recorded substantial reduction (76 basis points) in the second half of Fiscal 2024. With the stock of GNPA coming down, requirement of provisions also reduced; however, active and deep provisioning by SCBs was reflected in their improved PCR in March 2024 (76.4% as on March 2024). The GNPA ratio for PVBs stood at 1.8% in March 2024. The NNPA ratio for PVBs stood at 0.5% in March 2024. The half-yearly slippage ratio (viz., new NPA accretions as a share of standard advances), decreased across bank groups. It stood at 0.5% for Public SBs and 0.8% for PVBs as on March 2024, compared to 0.7% and 1.2% in September 2023 respectively. Though the amount of write-offs declined during the year, the write-off ratio remained almost at the same level as a year ago (28.9% as on March 2024), due to reduction in GNPA stock. Overall, the sustained reduction in the GNPA ratio since March 2020 has been primarily due to a persistent fall in new NPA accretions and increased write-offs. (*Source: RBI – Financial Stability Report, December 2024, RBI – Financial Stability Report Issue No. 29, June 2024, RBI – Financial Stability Report Issue No. 28, December 2023)*

For PVBs CRAR stood at 17.8% in March 2024. The Tier I leverage ratio remained close to its September 2023 level, with additional Tier I capital accretion matching incremental total exposure during the second half of Fiscal 2024 (7.8%). The Tier I leverage ratio for PVBs stood at 9.7% in March 2024. During the second half of the year CRARs of Public SBs increased but they declined for PVBs and FBs that had higher shares of certain categories of loans for which risk weights were increased under regulatory measures. (*Source: RBI – Financial Stability Report Issue No. 29, June 2024*)

The RBI increased the risk weights for banks i.e. the capital that banks need to set aside for every loan by 25 percentage points to 125% on retail loans. Moreover, risk weights on credit card exposures have been increased by 25 percentage points to 150% for banks. *(Source: RBI Circular – Regulatory measures towards consumer credit and bank credit to NBFCs dated November 16, 2023*) A higher risk weight implies a higher capital requirement for a given exposure, potentially leading to a lower Capital Adequacy Ratio ("**CAR**") which could lead banks to raise additional capital to meet regulatory requirements. Higher RWAs will keep a check on unsecured lending by the banks instilling suitable safeguards in banks' own interest.

Sectoral Asset Quality

The asset quality of SCBs recorded sustained improvement and their GNPA ratio moderated to a 12-year low in March 2024. Among major sectors, the impairment ratio in agriculture remained the highest with 6.2%, but it has recorded persistent improvement during the second half of Fiscal 2024 down from 7.0% from the first half of Fiscal 2024. At an overall level, asset quality in the personal loans segment has improved across bank groups. Even, the credit card receivables category, which has the highest GNPA ratio in the personal loans segment has shown improvement from 13.3% in September 2023 to 11.3% as of March 2024. Within the industrial sector, asset quality improved across all major sub-sectors barring the vehicles and transport equipment sector that accounts for 3.0 % share in bank credit to industry. (*Source: RBI – Financial Stability Report Issue No. 29, June 2024*)

Credit Quality of Large Borrowers

The improvement in asset quality of SCBs was broad based across sectors and bank groups. In the personal loans segment, asset quality remained largely stable, except for a marginal uptick in respect of credit card receivables across bank groups, which recorded the highest credit growth within the personal loans segment and may require careful monitoring. Within the industrial sector, asset quality exhibited sustained improvement across the major sub-sectors. The share of large borrowers in GNPA of SCBs has steadily declined over the past two years, faster than the reduction in their share in overall credit. The asset quality of banks' large borrower portfolios has improved considerably, with the GNPA ratio falling from 4.5 per cent in March 2023 to 2.4 per cent in September 2024. SMA-1 and SMA-2 loans have, however, risen sequentially (q-o-q) in the September 2024 quarter. Furthermore, the SMA-2 ratio for large borrowers increased significantly for Public SBs in September 2024 from a year ago, warranting close monitoring. In the large borrower segment, the share of standard assets in total funded amount has consistently improved over the past two years. Within the large borrowers' cohort, the share of top 100 borrowers has decreased to 34.6 per cent in September 2024, reflecting a growing credit appetite among medium- sized borrowers. Notably, none of the top 100 borrowers are classified as NPAs in September 2024. In terms of value, investment grade advances (rated BBB and above) constituted 91.5 per cent of the funded advances to large borrowers with long-term external ratings. (*Source: RBI - Financial Stability Report, December 2024*)

Resilience – Macro Stress Tests

Macro stress tests are performed to assess the resilience of SCBs' balance sheets to unforeseen shocks emanating from the macroeconomic environment. The framework for macro stress testing has been revised from this issue of the FSR. The macro stress tests attempt to project capital ratios of banks under a baseline and two adverse macro scenarios over a one-and-half year horizon, i.e., till end-March 2026 incorporating credit risk, interest rate risk in the banking book and market risk. The baseline scenario is derived from the forecasted path of macroeconomic variables. The two adverse scenarios are stringent conservative hypothetical stress scenarios. (Adverse Scenario 1: This scenario assumes persisting geopolitical risks and escalation of global financial market volatility. Due to supply chain disruptions percolating to commodity prices, domestic inflation soars. Consequently, domestic monetary policy tightens and the spread between policy rate and lending rate widens. Adverse Scenario 2: This scenario assumes that global and idiosyncratic risk factors blend to trigger a synchronized sharp growth slowdown in key economies. Spillovers through trade and financial channels as well as market fragmentation impact domestic GDP growth. The scenario further assumes that although the central bank eases monetary policy, incomplete monetary policy transmission due to high uncertainty widens the spread between policy rate and lending rate.) The paths of the macro variables under the adverse scenarios are derived by performing simulations that are based on a vector autoregression model with exogenous variables (VARX). The stress test results reveal that the aggregate CRAR of 46 major SCBs may fall from 16.6 per cent in September 2024 to 16.5 per cent by March 2026 under the baseline scenario and to 15.7 per cent under adverse scenario 2. No bank would fall short of the minimum capital requirement of 9 per cent under both the scenarios. However, under adverse scenario 1, SCBs' aggregate CRAR may deplete to 14.3 per cent and four banks may breach the minimum capital requirement of 9 per cent. The CET1 capital ratio of the select 46 banks may marginally rise from 13.9 per cent in September 2024 to 14.1 per cent by March 2026 under the baseline scenario, but it may worsen to 13.2 per cent under adverse scenario 2. Under adverse scenario 1, the ratio may fall to 11.9 per cent and one bank may breach the minimum capital requirement of 5.5 per cent, although none of the banks would fail under the baseline scenario and adverse scenario 2. The aggregate GNPA ratio of the 46 banks may rise from 2.6 per cent in September 2024 to 3.0 per cent in March 2026 under the baseline scenario and further to 5.0 per cent and 5.3 per cent, respectively, under adverse scenario 1 and adverse scenario 2. Credit risk is comparatively severe under adverse scenario 2; the GNPA ratios of Public SBs may rise from 3.3 per cent in September 2024 to 7.3 per cent in March 2026, whereas it may go up from 1.9 per cent to 2.9 per cent for PVBs and from 0.9 per cent to 1.4 per cent for FBs. (*Source: RBI - Financial Stability Report, December 2024*)

Shift towards a Digital and Cashless Economy

The GoI is taking steps to promote a cashless economy such as its flagship 'Digital India' program, which envisions transforming India into a digitally empowered society and knowledge economy. As part of promoting cashless transactions, various modes of digital payment are available, including debit cards, credit cards, mobile banking, point of sale, unified payment interface and forex cards. *(Source: RBI Annual Report – 2019-20)*

For instance, the volume (in terms of number of transfers) of Real Time Gross Settlement ("**RTGS**"), immediate payment service ("**IMPS**"), National Electronic Funds Transfer ("**NEFT**") and United Payment Interface ("**UPI**") transfers were 7.00 crore, 600.53 crore, 726.40 crore, and 13,112.95 crore, respectively, in Fiscal 2024, up from 24.26 crore, 565.33 crore, 528.47 crore and 8,371.44 crore, respectively in Fiscal 2023. The value of RTGS, IMPS, NEFT and UPI transfers were ₹ 7,08.9 lakh crore, ₹ 65.0 lakh crore, ₹ 391.4 lakh crore and ₹ 200.0 lakh crore, respectively, in Fiscal 2024, compared to ₹ 1,499.46 lakh crore, ₹ 55.85 lakh crore, ₹337.20 lakh crore and ₹ 139.15 lakh crore, respectively, in Fiscal 2023. *(Source: RBI Annual Report – 2023-2024).*

The RBI is also engaged in introduction of Digital Rupee ("**e₹**"), the central bank digital currency ("**CBDC**") in India. It is similar to the physical currency in terms of being a legal tender, accepted as a medium of payment and a safe store of value. The e₹ will provide an additional form of money to be used by the public. *(Source: RBI – Financial Stability Report Issue No. 26, December 2022*). Additionally, the RBI plans to expand access to Central Bank Digital Currency ("**CBDC**") wallets to a broader customer base by allowing non-bank payment system operators to offer them.

Recently, the RBI has also proposed to set up a Digital Payments Intelligence Platform which will harness advanced technologies to mitigate payment fraud risks, and to bring recurring payments such as Fastag, NCMC, UPI Lite, etc. within the ambit of the e-mandate framework by introducing an auto-replenishment facility for such payments. *(Source: RBI Statement on Developmental and Regulatory Policies, June 19, 2024).*

To mitigate the attendant risks like algorithmic bias, explainability of decisions, data privacy, etc., it proposed to constitute a committee to develop a Framework for Responsible and Ethical Enablement of AI (FREE-AI) in the Financial Sector. The Committee will comprise of experts from diverse fields and shall recommend a robust, comprehensive, and adaptable AI framework for the financial sector. The details of the committee will be notified separately. Furthermore, the Reserve Bank has been taking various measures in coordination with banks and other stakeholders to prevent and mitigate digital frauds in the financial sector. These include RBI guidelines to regulated entities for strengthening cybersecurity, cyber fraud prevention and transaction monitoring. Use of money mule accounts is a common method adopted by fraudsters to channel proceeds of frauds. The Reserve Bank is currently running a hackathon on the theme "Zero Financial Frauds" which includes a specific problem statement on mule accounts, to encourage development of innovative solutions to contain the use of mule accounts. Another initiative in this direction is the AI / ML based model called MuleHunter.AI™, being piloted by Reserve Bank Innovation Hub (RBIH), a subsidiary of Reserve Bank. This model enables detection of mule bank accounts in an efficient manner. A pilot with two large public sector banks has yielded encouraging results. Banks are encouraged to collaborate with RBIH to further develop the MuleHunter.AI™ initiative to deal with the issue of mule bank accounts being used for committing financial frauds. *(Source: RBI Statement on Developmental and Regulatory Policies, December 06, 2024)*

While the adoption of new and emerging technology for supervisory processes (known as SupTech) continues to trend upward, the adoption rates between advanced economies and emerging market and developing economies are uneven (Cambridge SupTech Lab 2023). Periodic upskilling and upgrading should help financial sector authorities identify AI use–specific issues like models designed to "game the regulation" and detect algorithmic coordination. Finally, existing cross-sectoral thematic reviews could reveal potential herding or material interconnectedness among market participants and also help identify best practices in the use of AI (Securities and Exchange Board of India 2019). (*Source: IMF- Global Financial Stability Report, October 2024*)

Certain Key Banking Business Sectors

MSME Sector

Both public and private sector banks increased their lending to the MSME sector in Fiscal 2024. The strong growth, despite the expiry of the Emergency Credit Line Guarantee Scheme ("**ECLGS**"), introduced during the COVID-19 pandemic, points to the underlying growth momentum of the sector.

In the Union Budget for Fiscal 2024, the government announced the revamping of credit guarantee scheme for micro and small enterprises with effect from April 1, 2023, with an infusion of ₹9,000 crore to the corpus to enable additional collateral-free guaranteed credit of ₹ 2 lakh crore and the reduction in the cost of the credit by about 1 %. Besides, the limit on ceiling for guarantees has been enhanced from ₹2 crore to ₹ 5 crore *(Source: RBI Annual Report - 2023-2024)*

Priority Sector - I

The priority sector lending ("**PSL**") for SCBs stood at 45.1% as on March 31, 2024. All bank groups achieved the prescribed PSL target of 40% during Fiscal 2024. In case any bank falls short in achieving priority sector targets/sub-targets, they are advised to contribute towards the Rural Infrastructure Development Fund ("**RIDF**") and other funds administered by the National Bank for Agriculture and Rural Development ("**NABARD**"), Small Industries Development Bank of India, Micro Units Development & Refinance Agency Ltd. and National Housing Bank. (*Source: RBI Annual Report 2023-2024*)

Performance in Achievement of Priority Sector Lending Targets			
Financial Year	**Public Sector Banks**	**Private Sector Banks**	**Foreign Banks**
2023	28.4	19.5	2.3
	(43.7)	(45.3)	(42.8)
2024*	32.2	24.7	2.3
	(43.4)	(48.1)	(41.5)

: Provisional

Note: Figures in parentheses are percentages to ANBC or CEOBE, whichever is higher.

(₹ in lakh crore, except parentheses)

(Source: RBI Annual Report 2023-2024)

Developments and Reforms in the Banking Sector

Implementation of the Basel III Capital Regulations

The RBI has issued guidelines based on the Basel III reforms on Capital Regulation to the extent applicable to banks operating in India. These guidelines require, among other things, higher levels of Tier I capital and common equity, a capital conservation buffer ("**CCB**"), maintenance of a minimum prescribed leverage ratio on a quarterly basis, higher deductions from common equity and Tier I capital for investments in subsidiaries and changes in the structure of non-equity instruments eligible for inclusion in Tier I and Tier II capital.

In December 2010, the Basel Committee on Banking Supervision issued a comprehensive reform package for capital regulations (Basel III). The objective of the reform package is to improve the banking sector's ability to absorb shocks arising from financial and economic stress, thus reducing the risk of spill over from the financial sector to the real economy. *(Source: RBI – Guidelines on Implementation of Basel III Capital Regulations in India)*

The RBI's Basel III Capital Regulations, which are more stringent than the requirements prescribed by earlier RBI guidelines, have been implemented in India in phases since April 1, 2013. The Basel III Capital Regulations were expected to be fully implemented by March 31, 2019. Banks shall maintain a minimum Pillar 1 capital to risk-weighted assets ratio of 9% on an on-going basis (other than capital conservation buffer and countercyclical capital buffer amongst others). Common Equity Tier 1 capital must be at least 5.5% of risk-weighted assets ("**RWAs**"). Tier 1 capital must be at least 7% of RWAs on an ongoing basis. Thus, within the minimum Tier 1 capital, Additional Tier 1 capital can be admitted maximum at 1.5% of RWAs. Banks are also required to maintain a capital conservation buffer ("**CCB**") of 2.5% of RWAs in the form of Common Equity Tier 1 capital. *(Source: RBI Master Circular - Basel III Capital Regulations, April 1, 2024)*

The RBI has advised ECAIs to disclose the name of the banks and the corresponding credit facilities rated by them in the Press Releases issued on rating actions. A bank loan rating without this disclosure by the ECAI shall not be eligible for being reckoned for capital computation by banks. *(Source: RBI Master Circular - Basel III Capital Regulations, April 1, 2024)*

In addition, the Basel III liquidity framework introduced the net stable funding ratio ("**NSFR**"), which measures the ratio between the available stable funding with maturities greater than one year and the required stable funding with maturities greater than one year to support long-term lending and other long-term assets. For banks in India, the RBI had released the final guidelines and prescribed an NSFR of at least 100% from April 1, 2020. However, in view of exceptional conditions due to COVID-19, the RBI, by way of its notifications dated March 27, 2020 and September 29, 2020, deferred its NSFR implementation to April 1, 2021. In view of the economic stress on account of COVID-19, it was decided to defer the implementation of NSFR guidelines by a further period of six months. Accordingly, the NSFR Guidelines came into effect from October 1, 2021. *(Source: RBI – Basel III Framework on Liquidity Standards – Net Stable Funding Ratio, February 5, 2021)*

Leverage Ratio Framework

In June 2019, as a part of the 'Leverage Ratio Framework', the RBI announced that the minimum Leverage Ratio would be 4% for Domestic Systemically Important Banks and 3.5% for other banks. Both the capital measure and exposure measure along with Leverage Ratio are to be disclosed on a quarter-end basis. However, banks must meet the minimum Leverage Ratio requirement at all times. These guidelines were effective from the quarter commencing October 1, 2019. *(Source: RBI Master Circular – Basel III Capital Regulations, April 1, 2024)*

Domestic Systemically Important Banks

In August 2015, the RBI designated the State Bank of India ("**SBI**"), ICICI Bank and later in September 2017, the HDFC Bank as Domestic Systemically Important Banks ("**D-SIBs**"). Based on the methodology provided in the D-SIB framework and data collected from banks as of March 31, 2018, the RBI, in its release dated March 14, 2019, required SBI, ICICI Bank and HDFC Bank to provide Additional CET1 requirements as a percentage of RWAs of 0.6%, 0.2% and 0.2%, respectively. In accordance with the RBI's press release dated March 14, 2019, these CET1 requirements were applicable to D-SIBs from April 1, 2016 in a phased manner and became fully effective from April 1, 2019 onwards. The additional CET1 requirements were in addition to the CCB. As per the RBI press release dated December 28, 2023, SBI and HDFC Bank are required to maintain additional CET1 requirements as a percentage of RWAs of 0.8% and 0.4% respectively, which will be effective from April 1, 2025. The additional Common Equity Tier 1 ("**CET1**") requirement will be in addition to the capital conservation buffer. *(Source: RBI releases 2018 List of Domestic Systemically Important Banks dated March 14, 2019 and RBI releases 2020 List of Domestic Systemically Important Banks dated January 19, 2021 and RBI releases 2022 List of Domestic Systemically Important Banks dated January 2, 2023 and RBI releases 2023 List of Domestic Systemically Important Banks dated December 28, 2023*)

The Insolvency and Bankruptcy Code (Amendment) Act, 2017

The Insolvency and Bankruptcy Code ("**IBC**") (Amendment) Act, 2017 bars willful defaulters, defaulters whose dues have been classified as NPAs for more than one year, and all connected persons ('connected persons' refers only to persons who are connected to the resolution applicant's business activity) from submitting resolution plans and purchasing the assets of corporate debtors in liquidation. An enabling provision is in place to provide a cure for ineligibility conditions and help in meeting the corporate insolvency resolution process timeline. It also empowers the insolvency professional to lay down qualifying criteria for resolution applicants familiar with the complexity and scale of the corporate debtor's operations. *(Source: The Gazette of India – The Insolvency and Bankruptcy Code (Amendment) Act, 2017)*

The Insolvency and Bankruptcy Code (Second Amendment) Act, 2020

The Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 (effective June 5, 2020) provides a time-bound process for resolving insolvency in companies and among individuals. The Act seeks to temporarily suspend initiation of the corporate insolvency resolution process ("**CIRP**") under the IBC. The Act provides that, for defaults arising during the six months from March 25, 2020, CIRP can never be initiated by either the company or its creditors. The central government may extend this period to one year by way of a notification. The Act clarifies that, during this period, CIRP can be initiated for any defaults arising before March 25, 2020. Under the IBC, a Director or Partner of the corporate debtor may be liable to make personal contributions to the assets of the company in certain situations. This liability can occur if, despite knowing that the insolvency proceedings could not be avoided, the person did not exercise due diligence in minimizing potential loss to the creditors. The resolution professional may apply to the National Company Law Tribunal to hold such persons liable. The resolution professional is appointed to manage the resolution process upon the acceptance of an application for initiation of the CIRP. The Bill prohibits the resolution professional from filing such an application in relation to the defaults for which initiation of the CIRP has been prohibited. *(Source: The Gazette of India – The Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 dated September 23, 2020)*

The Insolvency and Bankruptcy Code (Amendment) Act, 2021

The Insolvency and Bankruptcy Code (Amendment) Act, 2021 (effective April 4, 2021) introduced an alternate insolvency resolution process called the Pre-packaged Insolvency Resolution Process ("**PPIRP**") for MSMEs with minimum amount of default is Rs. 1 lakh and maximum no ceiling. It also allows Distressed Corporate Debtors ("**CDs**") to initiate a PPIRP with the approval of two-thirds of their creditors to resolve their outstanding debt under the new mechanism. The management of the affairs of the corporate debtor shall continue to vest in the board of directors or the partners who shall make every endeavour to protect and preserve the value of the property of the corporate debtor, and manage its operations as a going concern. (*Source: The Gazette of India – The Insolvency and Bankruptcy Code (Amendment) Act, 2021 dated August 11, 2021*)

Amendments to the Banking Regulation Act

The Banking Regulation (Amendment) Act, 2017 was enacted with a view to give the RBI extensive powers to issue directions to banks for the resolution of stressed assets. The amendment introduced two new sections to the Banking Regulation Act: Section 35AA, which enables the RBI, with the authorisation of the Central Government, to direct banks to commence the insolvency resolution process against the defaulting company under the IBC and Section 35AB, which enables the RBI to issue directions to any banking company or group of banking companies for the resolution of stressed assets. *(Source: The Gazette of India – The Banking Regulation (Amendment) Act, 2017)*

The Banking Regulation (Amendment) Act, 2020 was enacted with a view to expand the RBI's regulatory control over co-operative banks in terms of management, capital, audit and liquidation. The Bill makes two changes: (i) extending previously omitted provisions of the Banking Regulation (Amendment) Act, 2017 to co-operative banks, and (ii) amending certain provisions of the Banking Resolution Act, 1949 applying to all banks. *(Source: The Gazette of India – The Banking Regulation (Amendment) Act, 2020)*

Recent Policy Measures Undertaken by the RBI

SLR Holdings in Held-to-Maturity Category

On September 1, 2020, the RBI increased the limits under the HTM category from 19.5% to 22% of NDTL in respect of SLR-eligible securities acquired on or after September 1, 2020 and on or before March 31, 2021. This dispensation was made available up to March 31, 2022. In order to provide certainty to the market participants in the context of the borrowing programme of the centre and states for 2021-22, it has been decided to extend the dispensation of enhanced HTM of 22 per cent up to March 31, 2023 to include securities acquired between April 1, 2021 and March 31, 2022. (*Source: RBI - Statement on Developmental and Regulatory Policies dated February 5, 2021)* . With a view to enable banks to better manage their investment portfolios, it has now been decided to extend the dispensation of the enhanced HTM limit of 23% from 22% up to March 31, 2024 to include securities acquired between September 1, 2020 and March 31, 2024. The HTM limit will be restored from 23% to 19.5% in a phased manner starting from the quarter ending June 30, 2024. *(Source: RBI Annual Report – 2023-2024)*

Individual Housing Loans – Rationalisation of Risk Weights

On October 12, 2020, the RBI had rationalized the risk weights for individual housing loans by linking them only with loan to value ratios for all new housing loans sanctioned up to March 31, 2022. Taking importance of the housing sector into consideration along with its multiplier effects and its role in supporting the overall credit growth, it was decided that the risk weights as prescribed in October 2020 circular shall continue for all new housing loans sanctioned up to March 31, 2023. *(Source: RBI – Statement on Developmental and Regulatory Policies dated April 8, 2022)*

Introduction of the Standing Deposit Facility

In 2018, RBI introduced Standing Deposit Facility ("**SDF**") – an additional tool for absorbing liquidity without any collateral. On April 8, 2022, it was decided to institute SDF with an interest rate of 3.75% with immediate effect. The SDF will replace the fixed rate reverse repo ("**FRRR**") as the floor of the liquidity adjustment facility ("**LAF**") corridor. Both the standing facilities viz., the marginal standing facility ("**MSF**") and the SDF will be available on all days of the week, throughout the year. The FRRR rate was retained at 3.35%. The FRRR along with the SDF will impart flexibility to the RBI's liquidity management framework. *(Source: RBI – Statement on Developmental and Regulatory Policies dated April 8, 2022)*

Restoration of the Symmetric LAF Corridor

With effect from April 8, 2022, the RBI restored width of LAF corridor to pre-pandemic level. With the introduction of the SDF at 3.75%, the policy repo rate being at 4.00% and the MSF rate at 4.25%, the width of the LAF corridor is restored to its pre-pandemic configuration of 50 basis points. *(Source: RBI – Statement on Developmental and Regulatory Policies dated April 8, 2022)*

Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies

On January 16, 2023, the RBI issued Master Directions and guidelines for major shareholders (Acquisition and Holding of Shares or Voting Rights in Banking Companies) consolidating the earlier directions. The major changes made in the guidelines include updates in the limits on permissible shareholding by different categories of shareholders, introduction of reporting requirements for encumbrance of shares by promoter and strengthening of arrangements for continuous monitoring of the 'fit and proper' status of major shareholders of a banking company. *(Source: RBI Notifications on 'Master Directions and Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies' dated January 16, 2023. Available at https://www.rbi.org.in)*

Securities Lending and Borrowing in Government Securities

The RBI proposed to permit lending and borrowing of Government securities which will augment the existing market for 'special repos'. The system is expected to facilitate wider participation in the securities lending market by providing investors an avenue to deploy idle securities and enhance portfolio returns. (*Source: RBI – Statement on Developmental and Regulatory Policies dated February 8, 2023*). The eligible securities for Government Securities Lending ("**GSL**") are – (a) Government securities issued by the Central Government excluding Treasury Bills shall be eligible for lending/borrowing under a GSL transaction. Securities obtained under a repo transaction, including through Reserve Bank's Liquidity Adjustment Facility, or borrowed under another GSL transaction shall also be eligible to be lent under a GSL transaction; (b) Government securities issued by the Central Government (including Treasury Bills) and the State Governments shall be eligible for placing as collateral under a GSL transaction. Securities obtained under a repo transaction, including through Reserve Bank's Liquidity Adjustment Facility, or borrowed under another GSL transaction shall also be eligible to be placed as collateral under a GSL transaction.

The use of security borrowed and substitution of collateral is (a) Securities borrowed under a GSL transaction may be – (1) Sold either through an outright or a repo transaction or used for meeting a delivery obligation in a short sale; or (2) Used for availing Reserve Bank's Liquidity Adjustment Facility; or; (3) Lent under another GSL transaction; or; (d) Placed as collateral under another GSL transaction; (b) Securities placed as collateral may be substituted by the borrower with other eligible securities in terms of the rules of the central counterparty.

The computation of Statutory Liquidity Ratio ("**SLR**") – (1) SLR eligible securities borrowed under a GSL transaction shall be eligible to be reckoned for SLR by the borrower. Accordingly, such securities lent under a GSL transaction shall not be eligible to be reckoned for SLR by the lender; (2) SLR eligible securities received as collateral under a GSL transaction shall be eligible to be reckoned for SLR by the lender. Accordingly, such securities placed as collateral under a GSL transaction shall not be eligible to be reckoned for SLR by the borrower (*Reserve Bank of India (Government Securities Lending) Directions, 2023 dated December 27, 2023*)

Recovery of Penal Charges on Loans

The extant regulatory guidelines on levy of penal interest have been reviewed by the RBI. It has been decided that any penalty for delay/default in servicing of the loan or any other non-compliance of material terms and conditions of loan contract by the borrower shall be in the form of 'penal charges' in a reasonable and transparent manner and shall not be levied in the form of 'penal interest' that is added to the rate of interest being charged on the advances. Further, there shall be no capitalization of penal charges (i.e., the same shall be recovered separately and shall not be added to the principal outstanding). However, in case of any deterioration in credit risk profile of the borrower, Regulated Entities ("**REs**") shall be free to alter the credit risk premium under extant guidelines on interest rate. *(Source: RBI – Statement on Developmental and Regulatory Policies dated February 8, 2023)*

Governance, measurement, and management of Interest Rate Risk in Banking Book

On February 17, 2023, the RBI issued final guidelines on Interest Rate Risk in Banking Book ("**IRRBB**"), in line with revised framework issued by the Basel Committee on Banking Supervision ("**BCBS**"). The IRRBB arises from banking activities and is encountered by all banks. It arises because interest rates can vary significantly over time, while the business of banking typically involves intermediation activity that produces exposure to both maturity mismatch and rate mismatch. The date of implementation will be communicated in due course. *(Source: RBI Notifications on 'Governance, measurement and management of Interest Rate Risk in Banking Book' dated February 17, 2023)*

Operation of Pre-Sanctioned Credit Lines at Banks through the Unified Payments Interface

Unified Payments Interface ("**UPI**") is a robust payments platform supporting an array of features. Presently it handles 75% of the retail digital payments volume in India. The UPI system has been leveraged to develop products and features aligned to India's payments digitization goals. Recently, RuPay credit cards were permitted to be linked to UPI. It is now proposed to expand the scope of UPI by enabling transfer to / from pre-sanctioned credit lines at banks, in addition to deposit accounts. Currently, savings account, overdraft account, prepaid wallets and credit cards can be linked to UPI. (*Source: RBI – Statement on Developmental and Regulatory Policies dated April 6, 2023 and RBI – Statement on Developmental and Regulatory Policies dated September 4, 2023*)

Framework for acceptance of Green Deposits

On April 11, 2023, the RBI notified framework for acceptance of green deposits to enable financial sector mobilising resources and their allocation thereof in green activities/projects. The framework to come in effect from June 1, 2023. *(Source: RBI Notifications on 'Framework for acceptance of Green Deposits' dated April 11, 2023)*

₹ 2,000 Denomination Banknotes – Withdrawal from Circulation

On May 19, the RBI decided to withdraw ₹ 2,000 denomination banknotes from circulation in pursuance of the "Clean Note Policy". The ₹ 2000 denomination banknotes will remain legal tender. The facility for deposit and/or exchange of ₹ 2,000 banknotes shall be available for members of the public up to September 30, 2023. *(Source: RBI Circular)* As the period specified for the withdrawal has come to an end, based on a review, it has been decided to extend the current arrangement for deposit / exchange of ₹ 2,000 banknotes until October 7, 2023. With effect from October 8, 2023, banks shall stop accepting ₹2000 banknotes for credit to accounts or exchange to other denomination banknotes. ₹2,000 banknotes shall continue to be allowed to be presented at the 19 Regional Offices of RBI having Issue Departments (RBI Issue offices) for credit to the bank accounts in India or exchange *(Source: RBI Circular)*

Guidelines on Default Loss Guarantee in Digital Lending

The RBI decided to permit arrangements between **REs** and Lending Service Providers ("**LSPs**") or between two REs involving default loss guarantee ("**DLG**"), commonly known as FLDG, subject to the guidelines laid down in the Annex to the referred circular. DLG arrangements conforming to these guidelines shall not be treated as 'synthetic securitisation' and/or shall also not attract the provisions of 'loan participation'. *(Source: RBI Notifications dated June 8, 2023)*

Requirement for maintaining additional Cash Reserve Ratio ("**CRR**")

On August 10, 2023, while reviewing the monetary policy for Fiscal 2024, the RBI announced incremental CRR ("**I-CRR**") of 10 % on the increase in net demand and time liabilities ("**NDTL**") between May 19, 2023, and July 28, 2023. (*Source: RBI Notifications dated August 10, 2023*)

As announced in the RBI Press Release dated September 08, 2023, on a review, it has been decided to discontinue the I-CRR in a phased manner. Based on an assessment of current and evolving liquidity conditions, it has been decided that the amounts impounded under the I-CRR would be released in stages so that system liquidity is not subjected to sudden shocks and money markets function in an orderly manner. As on September 9, September 23 and October 7, 2023 amount to be released are 25%, 25% and 50% of the ICRR maintained. (*Source: RBI Notifications dated September 8, 2023*)

Regulatory measures towards consumer credit and bank credit to NBFCs

On November 16, 2023, RBI has announced the following regulatory measures towards consumer credit and bank credit to NBFCs:

A. *Consumer credit exposure*

(a) The risk weight for commercial banks towards consumer credit (outstanding as well as new) including personal loan, but excluding housing loans, education loans, vehicle loans and loans secured by gold and gold jewellery has been increased by 25% points from 100% to 125%; and

(b) The risk weight for credit card receivables of SCBs has been increased by 25% points from 125% to 150%.

B. *Bank credit to NBFCs*

Increase the risk weight on exposure of SCBs to NBFCs (excluding core investment companies) by 25% points in all cases where the extant of risk weight as per external rating of NBFCs is below 100%. For this purpose, loans to HFCs, and loans to NBFCs which are eligible for classification as priority sector shall be excluded.

C. Strengthening credit standards

The REs shall review their extant sectoral exposure limits for consumer credit and put in place, if not already there, Board approved limits in respect of various sub-segments under consumer credit as may be considered necessary by the Boards as part of prudent risk management. In particular, limits shall be prescribed for all unsecured consumer credit exposures. The limits so fixed shall be strictly adhered to and monitored on an ongoing basis by the Risk Management Committee.

All top-up loans extended by REs against movable assets which are inherently depreciating in nature, such as vehicles, shall be treated as unsecured loans for credit appraisal, prudential limits and exposure purposes. *(Source: RBI notifications dated November 16, 2023)*

Revised definition of "Bulk Deposits":

Revised definition of bulk deposits for all Scheduled Commercial Banks (excluding RRBs), Small Finance Banks and Local Area Banks. The term "Bulk Deposit" would now mean:

1. Single Rupee term deposits of Rupees three crore and above for Scheduled Commercial Banks (excluding RRBs) and Small Finance Banks
2. Single Rupee term deposits of Rupees one crore and above for Local Area Banks as applicable in case of Regional Rural Banks
(*Source: Amendment to Master Direction – Reserve Bank of India (Interest Rate on Deposits) Directions, 2016 dated June 7, 2024*)

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward Looking Statements" on page 17 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "Industry Overview", "Financial Statements", "Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting our Results of Operations", "Risk Factors" and "Summary Financial Statements" on pages 147 , 83, 42 and 35 respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year. Unless otherwise specified or unless the context otherwise requires, financial information herein for Fiscals 2022, 2023 and 2024 is derived from our Audited Financial Statements, and the financial information included herein for the nine months ended December 31, 2024 and December 31, 2023 is based on or derived from the Unaudited Limited Reviewed Financial Results, included in this Preliminary Placement Document.

The degree to which the financial information prepared in accordance with Indian GAAP will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, and includes extracts from publicly available documents from various sources, including officially prepared materials from the Government of India (the "GoI") and its various ministries, the Reserve Bank of India and Ministry of Statistics and Programme Implementation, and has not been prepared or independently verified by our Bank, the Book Running Lead Managers or any of their affiliates or advisers.

References to "the Bank", "our Bank", "we", "us" or "our" are to Punjab & Sind Bank on a standalone basis.

Overview

We are a nationalized and scheduled public sector commercial bank in India, serving the banking needs of various customer segments with significant presence in the northern states of India. Incorporated in 1908 in Amritsar and nationalised along with five other banks in the year 1980, we have an operating history of over 116 years with the Government of India holding 98.25% of our equity share capital, as of December 31, 2024. As of December 31, 2024, our total business was ₹ 223,266.99 crore with a customer base of 1.64 crore.

Our Bank's principal banking and financial products and services include fund-based and non-fund-based facilities for corporate/ wholesale, retail, agriculture and MSMEs customers. We offer deposit products, foreign exchange products, fee and commission-based products and services, digital banking, government schemes and international banking products and services, and other banking products and services, such as the distribution of insurance products.

Our principal banking operations include:

- *Corporate banking*: Our corporate banking operations cater to the business needs of various companies, institutions and other enterprises in the public and private sector. Our corporate banking loans include fund based and non-fund based products, of which the fund based products consist of term loans as well as working capital facilities. We also offer trade loans, bridge financing and foreign currency loans. We also provide finance to corporates through syndication of loans.

- *Retail banking*: Our retail banking products include loans and deposit products targeted primarily at individuals (salaried, self-employed professionals and other self-employed individuals) to meet their personal financial requirements, such as housing, vehicle, education and other personal requirements.

- *MSME banking*: Our micro, small and medium enterprises ("**MSME**") banking products include term loans to entrepreneurs engaged in manufacturing and service activities as well as working capital loan.

In line with our strategy to focus on underbanked sectors, we have focused our business on the Retail, Agriculture and MSME ("**RAM**") sectors, which constituted 54.20% of our Bank's domestic advances as at December 31, 2024, and 51.73% of our Bank's domestic advances as at March 31, 2024. Our gross advances to Retail, Agriculture and MSME sectors as a percentage of our domestic gross advances are detailed below for the periods indicated.

(₹ crore, except percentages)

Particulars	**As at and for the nine month period ended December 31, 2024**		**As at and for the nine month period ended December 31, 2023**		**As at and for the years ended March 31**					
					2024		**2023**		**2022**	
	Amount (in crore)	**Percentage* (%)**	**Amount (in crore)**	**Percentage* (%)**	**Amount (in crore)**	**Percentage* (%)**	**Amount (in crore)**	**Percentage* (%)**	**Amount (in crore)**	**Percentage* (%)**
Retail	20,680.16	21.57%	15,305.16	18.32%	16,034.57	18.65%	13,946.59	17.21%	11,737.28	16.68%
Agriculture	12,897.05	13.45%	11,978.78	14.34%	12,523.73	14.57%	11,787.44	14.56%	10,933.87	15.53%
MSME	18,388.78	19.18%	15,716.99	18.81%	15,908.8	18.51%	14,856.83	18.35%	13,021.07	18.50%

**as % of gross advances.*

(₹ crore, except percentages)

Particulars	**As at / For the nine month period ended December 31, 2024**	**As at / For the nine month period ended December 31, 2023**	**As at / For the years ended March 31,**		
			2024	**2023**	**2022**
Total RAM	51,965.99	43,000.93	44,467.1	40,590.86	35,692.22
Gross Advances	95,869.78	83,559.25	85,964.47	80,981.73	70,387.08
RAM as % of Gross Advances	54.20%	51.46%	51.73%	50.12%	50.71%

- *Deposits:* Our Bank's deposit services comprise demand deposits and term deposits. Current account deposits are designed to cater to the banking requirements of our corporate customers and individuals involved in commercial or business activities. Savings deposits are designed primarily for individuals and trusts. Term deposits include short deposits, fixed deposits, monthly income scheme and interest-bearing deposits and are designed primarily for individuals. As at December 31, 2024, our Bank had total deposits and a total asset base of ₹ 127,397.21 crore and ₹ 154,707.68 crore, respectively.

- *Digital Banking:* Our digital strategy is based on offering an omnichannel experience. Our banking solutions are complemented by its online and mobile banking solutions that enable us to provide our customers with access to on-demand banking services. Our Bank has been upgrading IT systems and technology to ensure integration between our existing infrastructure and our new digital banking products and set up robust information technology which enables anywhere anytime banking through alternate delivery channels. In January 2022, we launched our mobile banking application PSB UnIC. This omni channel digital banking solution is an open banking platform, which integrates with our multi-channel systems to provide a consistent and unified brand experience across various customer touchpoints, including both retail and business customers. For further details on the digital initiatives undertaken by us, see "***— Competitive Strengths – Launch of New Initiatives for Business Expansion, Tie-ups and Collaborations along with Growing Digital Footprints***" on page 177.

- *International Banking Products and Services*: We provide a wide range of trade and investment related international banking products and services that cater to the needs of our non-resident Indian ("NRI") customer base and to industrial enterprises engaged in import and export. We offer services such as foreign exchange services and NRI services, comprising remittance facilities for resident Indians, foreign currency loans and lending and deposit services to NRIs. We also provide trade finance and other services to exporters and importers, including the collection of bills, provision of foreign currency loans, such as arranging short-term foreign currency loans through our correspondent banks and provision of credit substitutes, such as letters of credit and guarantees.

- *Government Schemes*: We offer services on behalf of the Government of India and various State governments, including tax collection, pension disbursements, and the mobilization of government deposits under various schemes, including Pradhan Mantri Jeevan Jyoti Bima Yojana ("**PMJJBY**"), Pradhan Mantri Jan Dhan Yojana ("**PMJDY**") and Pradhan Mantri Suraksha Bima Yojana ("**PMSBY**"), Atal Pension Yojana ("**APY**") Active Enrolment.

- *Other Banking Products and Services*: We provide bancassurance services for life insurance, health insurance and general insurance products. Additionally, our Bank provides treasury operations such as management of funds and liquidity, investment in debt and equity products and compliance with the RBI's statutory liquidity ratio and cash reserve ratio norms. Our other banking products and services include the fee-based products and services, such as collections and payment services, clearing bank services and handling of the GoI's business, including tax collections and opening and servicing public provident fund accounts.

We offer current (also known as demand) deposits, savings deposits and term deposits. Our Bank's deposits have grown 16.91% from ₹ 102,137.01 crore in Fiscal 2022 to ₹ 119,409.55 crore in Fiscal 2024 and grown 6.69% from ₹ 119,409.55 crore in Fiscal 2024 to ₹ 127,397.21 crore in nine month ended December 31, 2024. Our Bank's CASA ratio was 31.16% as of December 31, 2024, 32.42% as of March 31, 2024, 33.59% as of March 31, 2023 and 33.81% as of March 31, 2022.

(₹ crore, except percentages)

Particulars	As at / For the nine month period ended December 31, 2024	As at / For the nine month period ended December 31, 2023	As at / For the years ended March 31,		
			2024	2023	2022
Deposits	127,397.21	118,355.34	119,409.55	109,665.49	102,137.01
CASA Ratio	31.16%	32.77%	32.42%	33.59%	33.81%

Our pan India branch network allows us to provide banking services to a large range of customers, including large and mid-sized corporates, institutions, state-owned enterprises as well as commercial, agricultural, industrial and retail customers. As on December 31, 2024, our Bank had a Pan-India network comprising 1,584 branches and 1,041 ATMs (including 1,014 on-site, and 27 off-site). In nine months ended December 31, 2024, we opened 25 new branches and 51 new ATMs.

We have won various awards and accreditations in recognition of our achievements and services including the SKOCH Silver Award for PSB UnIC (OMNI Channel) in the 92nd SKOCH Summit in 2023, first position in top Improver Award in Ease 5.0 and Ease 6.0 reforms and First Runner up Award in Theme 4 'Collaborative and Development focused Banking, for Fiscal 2023, respectively. We received the first position amongst 14 Small and Micro Banks (Digital Transactions <=50 crore), MSME Banking Excellence Awards 2022 for the 'Best Emerging Bank' Award by Chamber of Indian Micro Small & Medium Enterprises (CIMSME).

The table below sets forth details of certain key performance parameters of our Bank, as of and for the periods indicated below:

(₹ crore, except percentages)

Particulars	As at / For the nine month period ended December 31, 2024	As at / For the nine month period ended December 31, 2023	As at / For the years ended March 31,		
			2024	2023	2022
Total Business	223,266.99	201,914.59	205,374.02	190,647.22	172,524.09
Total Advances	95,869.78	83,559.25	85,964.47	80,981.73	70,387.08
Total Deposits	127,397.21	118,355.34	119,409.55	109,665.49	102,137.01
Average interest-earning assets(1)	130,096.84	114,754.79	115,753.55	102,271.33	94,845.69
Average total assets(2)	150,249.16	143,414.17	144,385.55	131,957.39	122,297.67
Average cost of funds(3)	5.80	5.58	5.63	4.61	4.41
Return on average equity(4)	10.98	8.54	8.14	22.18	20.42
Return on average assets(5)	0.63	0.42	0.41	0.98	0.85
Average yield(6)	8.53	8.38	8.37	7.82	7.48
Spread(7)	2.73	2.80	2.74	3.21	3.08
Net Interest Margin(8)	2.73	2.50	2.45	2.91	2.80
Net Interest Income(9)	2,661.64	2,151.72	2,841.04	2,973.38	2,651.32
Earning per share	1.38	0.90	0.88	1.94	2.56
Book value per share(10)	17.39	22.48	22.92	22.29	20.67
Book value per share – tangible(11)	13.62	11.00	11.56	10.01	7.45
Tier I capital adequacy ratio	14.04	13.75	14.74	14.32	14.80
Tier II capital adequacy ratio	1.92	2.38	2.42	2.78	3.74
Total capital adequacy ratio	15.95	16.13	17.16	17.10	18.54
Net NPAs(12)	1,168.86	1,443.77	1,350.46	1,411.50	1,742.27
Net NPAs ratio(13)	1.25%	1.80%	1.63%	1.84%	2.74%
Credit to deposit ratio(14)	75.25	70.60	71.99	73.84	68.91
Cost to income ratio(15)	64.57	73.16	72.16	62.95	63.16
Interest coverage ratio(16)	1.15	1.12	1.11	1.29	1.26
Provisioning coverage ratio (including technical write-off) (17)	89.53%	88.16%	88.69%	89.06%	87.89%
CASA ratio(18)	31.16	32.77	32.42	33.59	33.81
Slippage ratio(19)	0.76%	1.00%	1.28%	1.46%	3.52%

Notes:

(30) Average balances are daily averages for advances, investments and all others interest earning assets

(31) Average Total Assets is the daily & yearly average of balances of total assets outstanding

(32) Average Cost of Funds is the ratio of interest expense to average interest-bearing liabilities (Deposits & Borrowings).

(33) Return on average equity is the ratio of the net profit after tax to the average tangible net worth (capital plus reserves excluding revaluation reserves, DTA and other deduction).
(34) Return on average assets is the ratio of the net profit after tax to the average working fund .
(35) Average Yield is interest income divided by average interest earning assets..
(36) Spread is the difference between the yield on funds and Cost of funds.
(37) Net Interest Margin is the difference of interest earned and interest expended divided by the total average interest-earning assets
(38) Net Interest Income is total interest earned less total interest expended.
(39) Book value per share is share capital plus reserves to number of equity shares
(40) Book Value per share (tangible) is share capital plus reserves excluding revaluation reserves, DTA and other deduction to number of equity shares
(41) Net NPAs reflect the Bank's gross NPAs less provisions for NPAs.
(42) Net NPAs ratio is the ratio of net NPAs divided by net advances.
(43) Credit to deposit ratio is calculated as a ratio of total gross advances to total deposits.
(44) Cost to income ratio is calculated as a ratio of operating expenses divided by total operating income (total of net interest income and non-interest income).
(45) Interest coverage ratio is calculated as net profit and depreciation on the Bank's property, divided by interest expended.
(46) Provisioning coverage ratio (including technical write-off) comprises provisions plus technical write off as percentage to Gross NPA plus technical write off.
(47) Ratio of current account deposits and savings account deposits to total deposits.
(48) Slippages are fresh accretion to NPAs during a period. Slippage Ratio is fresh NPAs divided by Standard Advances at the beginning of the period.
(49) Ratios of nine months period have been annualised

Competitive Strengths

Sustainable and Growing Business Profile since Fiscal 2022

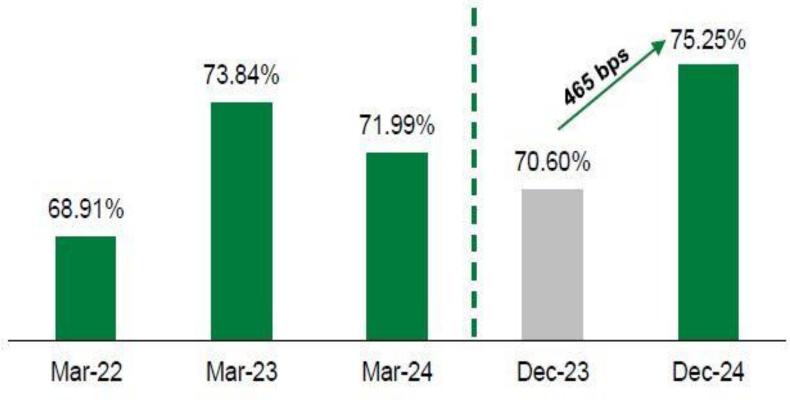
Since Fiscal 2022, our Bank has demonstrated a sustainable and growing business profile. Our total business was ₹ 223,266.99 crore, ₹ 201,914.59 crore, ₹ 205,374.02 crore, ₹ 190,647.22 crore and ₹ 172,524.09 crore in nine months ended December 31, 2024 and December 31, 2023 and in the years ended March 31, 2024, 2023 and 2022, respectively, reflecting a period-on-period growth of 10.57% for nine months ended December 31, 2024 and 2023. The increase in our total business was consequent to growth in our total advances and total deposits as indicated below:

(₹ crore, except percentages)

Particulars	As at / For the nine month period ended December 31, 2024	As at / For the nine month period ended December 31, 2023	As at / For the years ended March 31,		
			2024	2023	2022
Total deposits	127,397.21	118,355.34	119,409.55	109,665.49	102,137.01
Total advances	95,869.78	83,559.25	85,964.47	80,981.73	70,387.08

Our total advances and total deposits grew at 14.73% and 7.64% between December 31, 2024 and December 31, 2023, respectively, contributing to a favourable credit-to-deposit ratio ensuring effective resource management and customer-centric approach in our banking practices.

The growth in credit-to-deposit ratio is indicated below:



Our Bank's strategic focus on retail lending resulted in ₹ 20,680.16 crore of retail loan book with year-on-year increase of 35.12% as on December 31, 2024. Our total RAM book was ₹ 51,965.99 crore growing year-on-year at 20.85% as on December 31, 2024, indicating a healthy expansion across retail, agriculture, and MSME sectors.

In addition, our Bank's profitability indicators exhibited significant improvements as of December 31, 2024, with the return on equity increasing by 244 basis points year-on-year to 10.98%, indicating enhanced profitability and efficient utilization of shareholders' equity. Similarly, our return on assets grew by 21 basis points year-on-year to 0.63% as of December 31, 2024, indicating better asset utilization and overall profitability. The yield on advances also improved by 21 basis points to 8.87% as on December 31, 2024, demonstrating effective interest income generation from loans.

In terms of asset quality, we achieved increase by reducing our gross NPAs by 187 basis points year-on-year to 3.83%, and net NPAs declining by 55 basis points year-on-year to 1.25%, as of December 31, 2024. This reduction underscores our effective management of non-performing assets and risk management practices. Additionally, the provision coverage ratio (PCR) increased by 137 basis points year-on-year to 89.53% as of December 31, 2024, emphasizing healthy provisioning against potential loan losses.

Our capital structure also strengthened, with Tier 1 capital increasing by 29 basis points year-on-year to 14.04% as of December 31, 2024, thereby bolstering our core capital base. Our net worth grew by 23.89% year-on-year to ₹ 9,234.41 crore as of December 31, 2024, demonstrating overall financial health and stability. Furthermore, as of December 31, 2024, we maintained a strong Capital to Risk (Weighted) Assets Ratio ("**CRAR**") of 15.95%, ensuring adequate capital to cover risk-weighted assets.

These improvements collectively feature our strategic focus on growth, operational efficiency, and risk management. The enhancements in profitability, asset quality, and capital structure not only enhance our financial stability but also position us for growth and competitiveness in the banking sector.

Diversified Credit Portfolio with Increasing RAM Share

Our array of loan products and other related banking services have helped us in maintaining our customer base. Our Bank has demonstrated substantial growth in the RAM sector. We have strategically increased our RAM exposure for the respective periods:

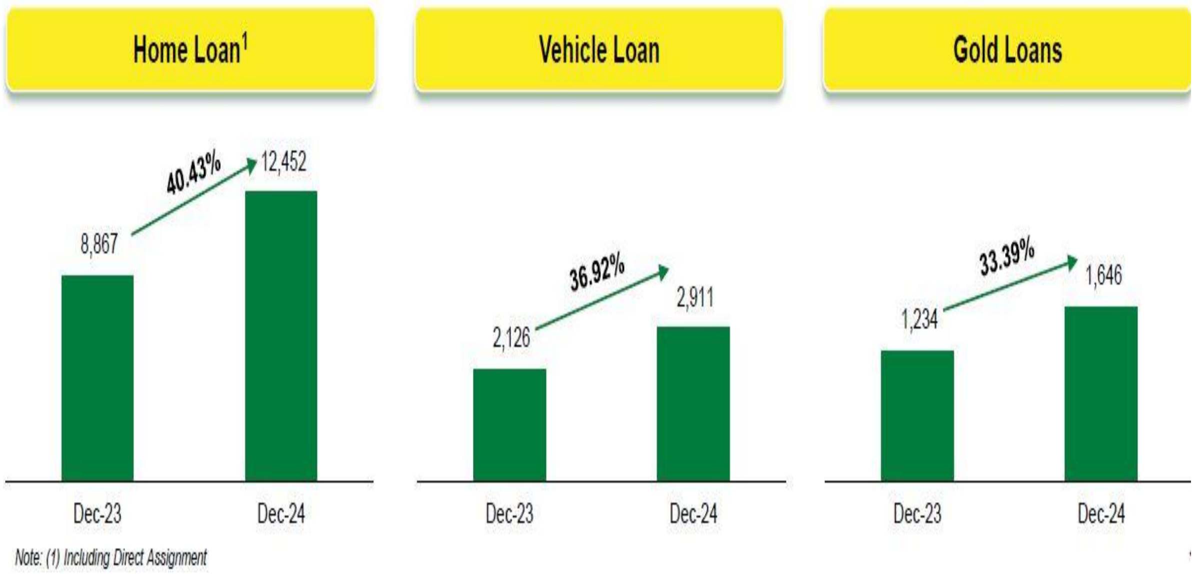
Particulars	As at and for the nine month period ended December 31, 2024		As at and for the nine month period ended December 31, 2023		As at and for the years ended March 31					
					2024		2023		2022	
	Amount (in crore)	Percentage (%)	Amount (in crore)	Percentage (%)	Amount (in crore)	Percentage (%)	Amount (in crore)	Percentage (%)	Amount (in crore)	Percentage (%)
Retail	20,680.16	39.80	15,305.16	35.59	16,034.57	36.06	13,946.59	34.36	11,737.28	32.89

Particulars	As at and for the nine month period ended December 31, 2024		As at and for the nine month period ended December 31, 2023		As at and for the years ended March 31					
					2024		2023		2022	
	Amount (in crore)	Percentage (%)	Amount (in crore)	Percentage (%)	Amount (in crore)	Percentage (%)	Amount (in crore)	Percentage (%)	Amount (in crore)	Percentage (%)
Agriculture	12,897.05	24.82	11,978.78	27.86	12,523.73	28.16	11,787.44	29.04	10,933.87	30.63
MSME	18,388.78	35.38	15,716.99	36.55	15,908.80	35.78	14,856.83	36.60	13,021.07	36.48
Total RAM exposure	51,965.99	100.00	43,000.93	100.00	44,467.10	100.00	40,590.86	100.00	35,692.22	100.00

The table below represents our sector wise retail advances for the respective periods:

(₹ crore, except percentage)

Sector	As at and for the nine month period ended December 31, 2024	As at and for the nine month period ended December 31, 2023	As at and for the years ended March 31		
			2024	2023	2022
Housing	12,452.03	8,867.28	8,945.69	8,187.57	7,158.23
Vehicle	2,910.55	2,126.37	2,249.87	1,868.13	1,613.82
Education	465.42	414.79	433.09	355.39	307.00
Personal	685.65	567.17	593.91	518.75	291.41
Mortgage	1,678.93	1,516.87	1,554.66	1,283.34	1,020.19
Gold	1,084.23	952.83	983.01	774.03	517.26
Others	1,403.35	859.85	1,274.34	958.77	829.37
Total Retail	**20,680.16**	**15,305.16**	**16,034.57**	**13,945.98**	**11,737.28**



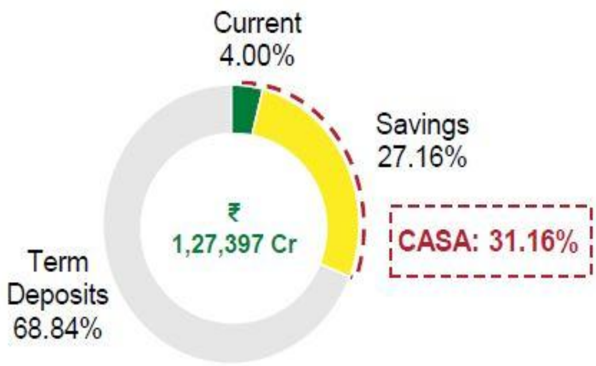
To optimize our RAM sanctioning process, our Bank has implemented the centralized loan processing hubs and centralized loan sanctioning centre. Our Bank is also registered as a financier on the TReDS platform, set up to provide finance to MSMEs.

We have implemented a centralized processing center ("**CENMARG**") for augmenting RAM share and improved asset quality. Through CENMARG, our Bank processes all approvals of retail, agriculture and MSME credit helping branches focus better on lead generation under RAM segment.

Through this centralised-hub we can streamline operations, reduce processing times, and improve customer service, it helps standardize credit assessment and approval processes, ensuring consistent and thorough evaluations. This reduces the likelihood of bad loans and improves the overall quality of the bank's assets. For instance, after implementing CENMARG, we analyzed a significant reduction in gross non-performing assets (GNPA) in our RAM segment.

Pan-India Branch Network for Servicing Broad Customer Base and Stable CASA and Retail Term Deposit Mix

Our Bank has established a pan-India branch network, enabling services to a large range of customers across the country. During the nine months ended December 31, 2024, we opened 25 new branches, expanding our footprint to cover 351 districts. This extensive network includes 1,041 ATMs and 2,000 Business Correspondents (BCs), enhancing accessibility and convenience for customers. Our balanced liability franchise is reflected in our stable CASA mix, with CASA deposits constituting 31.16% of total deposits, as of December 31, 2024. Our deposit base is diversified, with term deposits accounting for 68.84%, savings deposits for 27.16%, and current deposits for 4.00% as indicated below*:



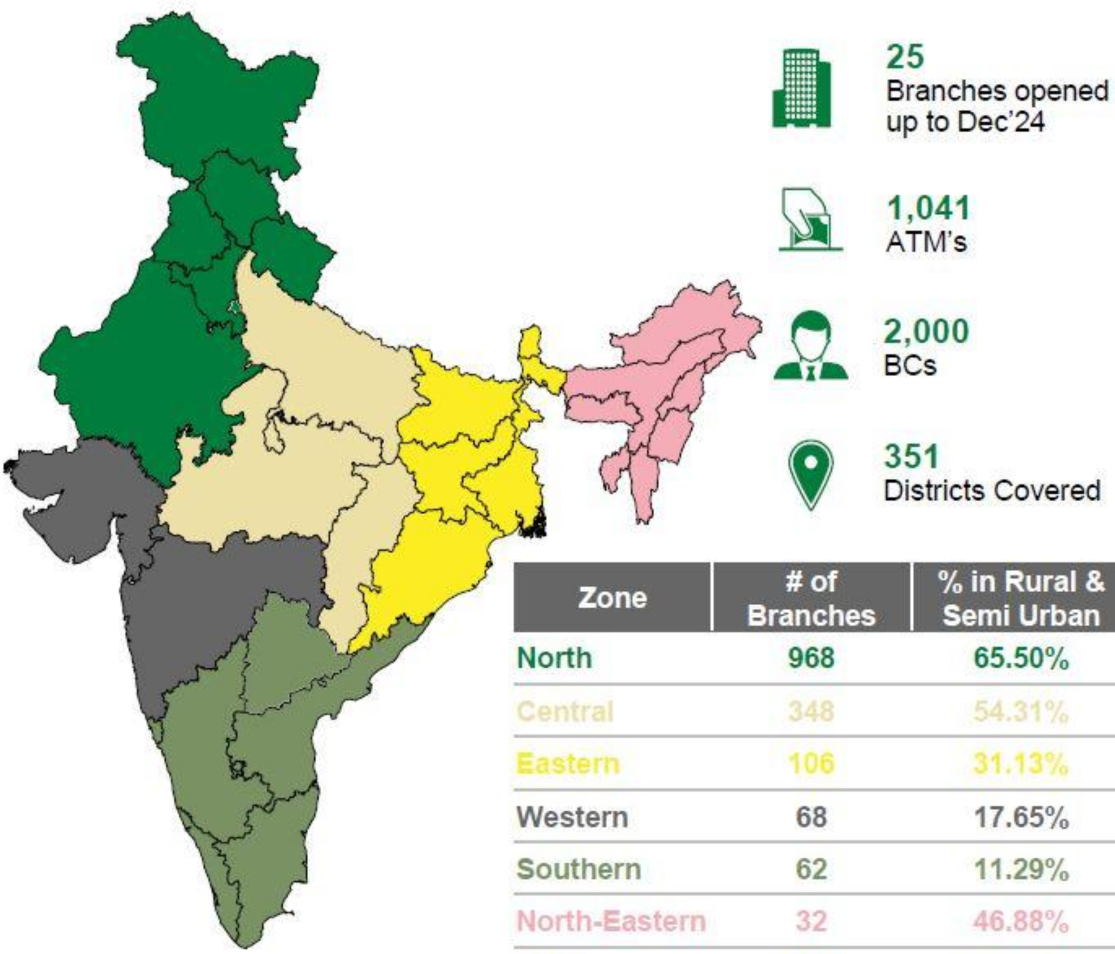
*As on December 31, 2024.

Pan-India Presence

Our Bank has shown consistent growth in retail term deposits, amounting to ₹ 53,398.63 crore as of December 31, 2024, from ₹ 48,255.13 crore as of December 31, 2023 and ₹ 49,535.62 crore, ₹ 45,850.77 crore and ₹ 45,364.32 crore in March 31, 2024, 2023 and 2022, respectively. This growth indicates our stable deposit base, which is crucial for our Bank's financial health and lending capacity.

Our branch network is strategically distributed across various zones, with a significant presence in rural and semiurban areas. Specifically, as on December 31, 2024, 65.50% of branches in the north zone, 54.31% in the central zone, 31.13% in the eastern zone, 17.65% in the western zone, 11.29% in the southern zone, and 46.88% in the north-eastern zone, cumulating to 56.19% of the branches being located in rural and semi-urban areas. We believe the penetration of our distribution network has enabled us to develop the expertise to understand and differentiate customers on the basis of their specific requirements.

Further, our established distribution network and relationships with our customers allows us to offer them with differentiated and customized products that include micro loans, agriculture and allied loans, MSME loans, financial institutions loans, housing finance and vehicle finance. We also distribute third party insurance products from various insurance companies to our customers.



Zone	# of Branches	% in Rural & Semi Urban
North	968	65.50%
Central	348	54.31%
Eastern	106	31.13%
Western	68	17.65%
Southern	62	11.29%
North-Eastern	32	46.88%
Total	**1,584**	**56.19%**

BCs: Business Correspondents

Strong Capital Adequacy with Stable Credit Rating and Improving Net Worth

Our Bank is well-capitalized with a capital adequacy ratio of 17.16% as of December 31, 2024 which is higher than the regulatory benchmark of 11.50% as per Basel III guidelines. Our Bank's capital position, as measured by its overall and Tier I capital adequacy ratios, allows our Bank to take advantage of growth opportunities in the market. The following table set forth certain key financial indicators as at and for the dates and periods indicated for our Bank.

(₹ crore, except percentages)

Particulars	As of / For Nine months ended December 31, 2024	As of / For Nine months ended December 31, 2023	As of / For March 31, 2024	As of / For March 31, 2023	As of / For March 31, 2022
Cost to average assets#	2.04	2.01	2.03	1.87	1.86
CET I Capital	9,716.03	8,455.18	9,251.94	7,990.22	6,306.61
Risk Weighted Assets	69,221.21	61,491.67	62,776.74	55,815.43	49,380.54
Tier I capital adequacy ratio (Basel III)	14.04%	13.75%	14.74%	14.32%	14.80%
Tier II capital adequacy ratio (Basel III)	1.92%	2.38%	2.42%	2.78%	3.74%
Total capital adequacy ratio (Basel III)	15.95%	16.13%	17.16%	17.10%	18.54%
Net non-performing assets ratio	1.25%	1.80%	1.63%	1.84%	2.74%
Allowance as percentage of gross non-performing assets	68.20%	69.66%	71.05%	75.01%	79.66%
Credit to deposit ratio(1)	75.25	70.60	71.99	73.84	68.91
Cost to income ratio(2)	64.57	73.16	72.16	62.95	63.16
Other income to operating income ratio(3)	25.08	27.31	30.07	24.02	26.57
Return on average equity(4) #	10.98	8.54	8.14	22.18	20.42
Return on average assets(5) #	0.63	0.42	0.41	0.98	0.85

 # Annualised figures for nine months ended December 31, 2023 and December 31, 2024.

Notes:

1. *Credit to deposit ratio is calculated as a ratio of total gross advances to total deposits.*
2. *Cost to income ratio is calculated as a ratio of operating expenses excluding exceptional items divided by total operating income (total of net interest income and non-interest income).*
3. *Other income to operating income ratio is calculated as a ratio of other income divided by total operating income (total of net interest income and non-interest income).*
4. *Return on average equity is the ratio of the net profit after tax to the yearly / nine month average net worth (capital plus reserves excluding revaluation reserves, DTA and other deduction).*
5. *Return on average assets is the ratio of the net profit after tax to the Average Working Funds.*

We have effectively managed our risk-bearing asset portfolio and our asset quality has been improving. Our risk management and credit evaluation processes, coupled with ability to evaluate and appropriately price risk and automated system for NPA calculation, have helped us to reduce exposure to NPAs, restructured standard assets and Special Mention Accounts ("**SMA**"). Our Bank's gross NPAs as a percentage of gross advances were 3.83%, 5.70%, 5.43%, 6.97% and 12.17% as of December 31, 2024 and December 31, 2023 and as of March 31, 2024, 2023, 2022, respectively. Our Bank's net NPAs as a percentage of gross advances were 1.25%, 1.80%, 1.63%, 1.84% and 2.74% as of December 31, 2024 and December 31, 2023 and as of March 31, 2024, 2023, 2022, respectively.

The Bank's provision coverage ratio was 89.53%, 88.16%, 88.69%, 89.06% and 87.89% as of December 31, 2024 and December 31, 2023 and as of March 31, 2024, 2023, 2022, respectively. The Bank's credit cost was (0.23)%, (0.48)%, (0.22)%, (0.66)% and 1.49% for nine months ended December 31, 2024 and December 31, 2023 and for Fiscals 2024, 2023, 2022, respectively. Our Bank's slippage ratio has been declining with 0.76%, 1.00%, 1.28%, 1.46% and 3.52% as of December 31, 2024 and December 31, 2023 and as of March 31, 2024, 2023, 2022, respectively, reflecting our improving asset quality. With our fresh slippages amounting to ₹ 619.16 crore, ₹ 751.38 crore, ₹ 966.91 crore, ₹ 903.41 crore and ₹ 2,064.63 crore as of December 31, 2024 and December 31, 2023 and as of March 31, 2024, 2023, 2022, respectively. Our Bank has made adequate provisions for our NCLT account and has provided for 99.90% as of December 31, 2024. Our Bank's collection efficiency was 94.77%, 92.68%, 94.02%, 93.80% and 77.57% as of December 31, 2024 and December 31, 2023 and as of March 31, 2024, 2023, 2022, respectively. We have been able to contain NPA levels and maintain relatively healthy asset quality by implementing our independent risk management function, covering enterprise risk management, credit risk, market risk, and operational risks that are updated on a continuous basis towards preserving our asset quality, among other risk objectives.

Our financial position is also reaffirmed by various rating agencies such as CRISIL, CARE, ICRA, India Ratings and Infomerics Ratings. For our Bank's Long Term Infra Bonds, our Bank has been assigned a rating of AA/ Stable by CRISIL and India Ratings. For our Bank's Tier II bonds (Basel III), a rating of AA/Stable has been assigned by CRISIL, Infomerics Ratings and AA-Positive by CARE. Our credit rating of certificate of deposit was rated A1+ by ICRA Ratings in Fiscal 2023 and 2024.

The below table provides our credit (rated exposure) external rating wise above ₹ 5.00 crore for the periods indicated:

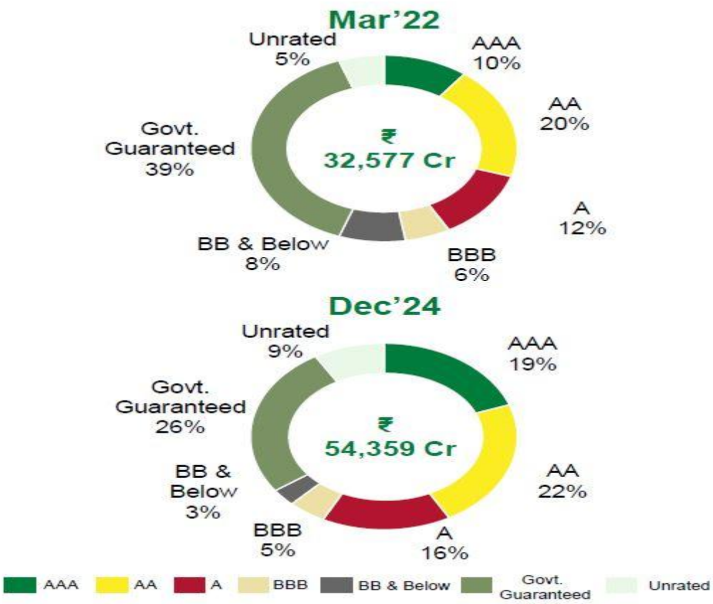
(₹ crore, except percentages)

Particulars	**As at and for the nine month period ended December 31, 2024**		**As at and for the nine month period ended December 31, 2023**		**As at and for the years ended March 31**					
					2024		**2023**		**2022**	
	Amount (in crore)	**Percentage (%)**	**Amount (in crore)**	**Percentage (%)**	**Amount (in crore)**	**Percentage (%)**	**Amount (in crore)**	**Percentage (%)**	**Amount (in crore)**	**Percentage (%)**
AAA rated	10,592.70	19.49	10,038.97	21.28	10,984.71	22.02	11,468.98	26.27	3,354.00	10.30
AA rated	12,163.96	22.38	9,856.26	20.89	10,810.12	21.67	7,575.18	17.35	6,369.00	19.55
A rated	8,526.93	15.69	3,806.05	8.07	4,400.88	8.82	4,144.58	9.50	3,926.00	12.05
BBB rated	2,502.16	4.60	2,035.78	4.32	2,036.51	4.08	1,570.49	3.60	1,797.00	5.52
Total of BBB & above	**33,785.75**	**62.16**	**25,737.06**	**54.56**	**28,232.22**	**56.60**	**24,759.23**	**56.72**	**15,446.00**	**47.42**
BB & below*	1,636.63	3.01	1,787.74	3.79	2,378.48	4.77	2,248.99	5.15	2,619.00	8.04
Total rated	**35,422.38**	**65.17**	**27,524.81**	**58.35**	**30,610.70**	**61.37**	**27,008.22**	**61.87**	**18,065.00**	**55.46**
Government guaranteed	14,273.81	26.26	14,899.59	31.58	14,684.97	29.44	12,359.76	28.32	12,722.00	39.05
Other unrated	4,663.12	8.57	4,751.21	10.07	4,586.36	9.19	4,283.92	9.81	1,790.00	5.49

Particulars	As at and for the nine month period ended December 31, 2024		As at and for the nine month period ended December 31, 2023		As at and for the years ended March 31					
					2024		2023		2022	
	Amount (in crore)	Percentage (%)	Amount (in crore)	Percentage (%)	Amount (in crore)	Percentage (%)	Amount (in crore)	Percentage (%)	Amount (in crore)	Percentage (%)
Total	**54,359.33**	**100.00**	**47,175.61**	**100.00**	**49,882.03**	**100.00**	**43,651.90**	**100.00**	**32,577.00**	**100.00**

Note: AA includes AA+/AA- and A incudes A+/A-.

A and above rated loans and Government guaranteed loans constitute 83.82% of our rated exposure as on December 31, 2024.



Note: BB and below includes BB, B, C, D and A4.

Significant proportion of well-rated credit exposure is a result of our stringent credit assessment criteria and focus on lending to financially sound borrowers. This approach has helped us maintain a high-quality credit portfolio, minimizing the risk of defaults and ensuring stable returns

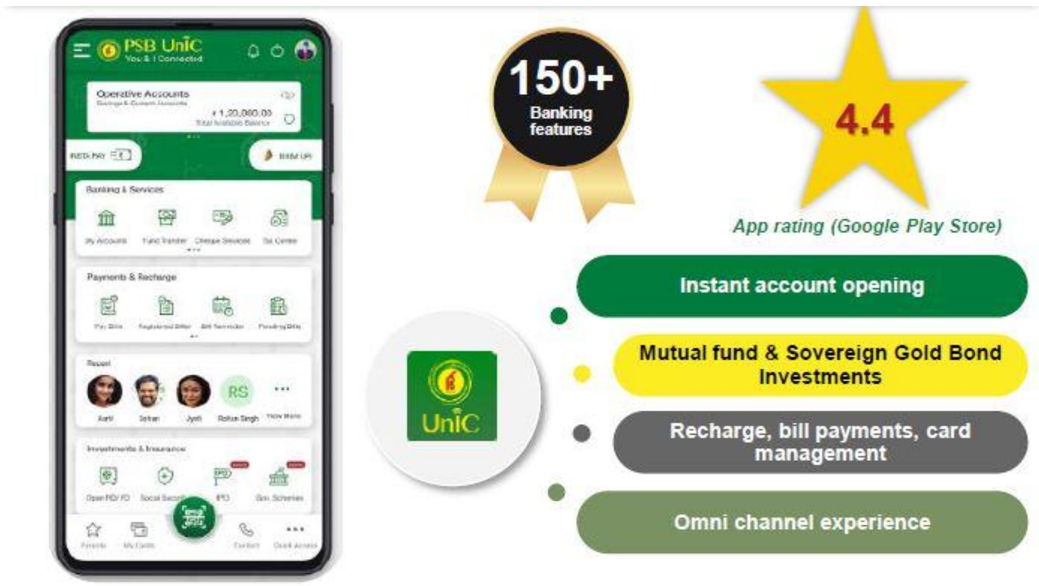
Launch of New Initiatives for Business Expansion, Tie-ups and Collaborations along with Growing Digital Footprints

Our Bank is committed to digital banking and has been upgrading our IT systems and technology to ensure integration between our existing infrastructure and our new digital banking products. We manage the entire life cycle of our customers' banking transactions, from onboarding to customer management, through our various technology platforms. Over the years, our use of technology has improved work place engagement and governance, increased the accessibility of our products to the customers and enabled us to rapidly scale up our operations in a secure and efficient manner. Our mobile/ internet banking users increased by 31% for nine months ended December 31, 2024 as compared for nine months ended December 31, 2023. The number of banking transactions through our digital channels of our overall transactions for nine months ended December 31, 2024, December 31, 2023, for financial year ended March 31, 2024, March 31, 2023 and March 31, 2022, respectively is as indicated below.

Particulars	As of / For Nine months ended December 31, 2024	As of / For Nine months ended December 31, 2023	As of / For March 31, 2024	As of / For March 31, 2023	As of / For March 31, 2022
% of no. of banking transactions through digital channels of overall transactions	91.22	86.24	87.10	81.57	74.44

Our dedication to innovation and customer-focused services is reflected in the launch of several new initiatives and digital products.

- *PSB UnIC - Mobile Banking Application:* The PSB UnIC application provides a comprehensive suite of over 150 banking features, including instant account opening, mutual fund investments, sovereign gold bond investments, recharge and bill payments, and card management. This wide range of features ensures that customers can manage their finances conveniently from a single platform. The application is designed to offer a flexible and user-friendly interface, catering to diverse customer needs. The application has received a user rating of 4.4 on Google PlayStore, indicating strong customer satisfaction. We issued over 0.35 crore debit cards through our PSB UnIC application and registered 31% year on year increase in PSB UnIC registrations with 62.90% increase in number of merchants onboarded as on December 31, 2024.



- *Digital Car Loans (PSB E Apna Vahan Loans):* The digital car loan service, launched in November 2024, facilitates a seamless and efficient loan application process through a paperless, end-to-end digital lending journey. This approach eliminates the need for physical paperwork, streamlining the process and making it quicker and more convenient for customers. The service is available across multiple touchpoints, including online and mobile platforms, enhancing accessibility for customers. This ensures that customers can apply for loans through their preferred channels. The digital car loan service is designed for speed, with offers provided within 15 minutes, meeting the urgent financial needs of customers.

- *Digital Home Loans (PSB E Apna Ghar Loans):* The digital home loan service, also launched in November 2024, provides seamless loan services across geographies, including rural areas. This expansion helps in reaching a wider customer base and supports financial inclusion. The service offers quick processing times, with offers provided within 30 minutes. This efficiency helps in reducing the waiting time for customers and speeds up the home buying process. The digital home loan service includes faster approval and sanction with video KYC (Know Your Customer), enhancing the customer experience by making the verification process more convenient and secure.

- *PSB UnIC Biz App:* The PSB UnIC Biz App includes a range of omni-channel features such as bulk transfer, instant payments, e-mandates, IMPS-UDIR (Immediate Payment Service - Unique Destination Identification Code), home branch change, primary account management, and daily forex rates view. These features provide comprehensive financial management tools for corporate customers. The app ensures consistent and accessible services across various platforms, allowing corporate customers to manage their finances efficiently from any location.

In addition, our Bank enters into strategic partnerships and collaborations to enhance its service offerings and fee income. We have successfully tied up with various third parties including SBI-Credit Cards, LIC, SBI-LIFE, Bajaj Life Insurance, Bajaj General, The Oriental Insurance Company, NIAL, Aditya Birla Health Insurance and to offer co-branded credit cards, bancassurance, health insurance, and mutual funds. Additionally, we have entered into a Memorandum of Understanding ("**MOU**") with the Warehousing Development & Regulatory Authority to provide financing against E-warehouse receipts and MOU with Chamber of Indian Micro Small and Medium Enterprises and SIDBI for financing MSME Units. We have also established relationships with defence establishments, including the Indian Army, Air Force, Navy, Assam Rifles, Coast Guard and other armed forces, to manage salary accounts. These collaborations diversify our portfolio and strengthen our market presence and customer base.

Our UPI transactions increased from ₹ 31.17 crore to ₹ 51.87 crore, for nine months ended December 31, 2023 and December 31, 2024, respectively and was ₹ 44.50 crore, ₹ 28.61 crore for Fiscal 2024 and 2023. Cumulative number of merchants onboarded for digital payment acceptance as on December 31, 2024 is 165,699 as compared to 101,695 merchants as on December 31, 2023, indicating an increase of 62.94%. Our mobile and internet banking users have increased by 31%, and UPI transactions have increased by 66.40% year-on-year, with a total of ₹ 51.87 crore transactions as of December 31, 2024. Additionally, there have been 0.29 crore POS transactions as of December 31, 2024. We create and manage our data security infrastructure in-house and have systems in place to prevent security breaches and cyber-attacks. For further details on our IT infrastructure, see "***Our Business—Information Technology***" on page

Track Record of Robust Financial Performance

We have maintained strong growth credentials through high rates of customer retention, geographical expansion, operationalization of Banking Outlets, improved productivity, lower credit cost and growth in customer base. Our Bank has maintained consistent profitability with a net profit of ₹ 703.05 crore, ₹ 456.07 crore, ₹ 595.42 crore, ₹ 1,313.03 crore and ₹ 1,039.05 crore for nine months ended December 31, 2024 and December 31, 2023 and Fiscal 2024, 2023 and 2022. Our financial performance parameters for the periods indicated are as follows:

(₹ crore, except percentages)

Operational and Financial performance parameters	As at and during the nine month period ended December 31, 2024	As at and during the nine month period ended December 31, 2023	As at and for the years ended March 31		
			2024	2023	2022
Yield on advances[(1)] (%)	8.87	8.66	8.66	7.67	7.20
Yield on investments (%)[(2)]	7.03	6.78	6.79	6.63	6.69
Cost of funds[(3)] (%)	5.80	5.58	5.63	4.61	4.41
Cost of Deposits[(4)] (%)	5.74	5.49	5.55	4.53	4.28
Net Interest Margin[(5)] (%)	2.73	2.50	2.45	2.91	2.80
Operating profit[(6)]	1,258.53	794.59	1,130.94	1,449.94	1,330.09
Net worth[(7)]	9,234.41	7,453.51	7,835.78	6,785.94	5,051.90
Return on Assets[(8)] (%)	0.63	0.42	0.41	0.98	0.85
Return on Equity[(9)] (%)	10.98	8.54	8.14	22.18	20.42
Business per branch	140.21	128.52	130.76	123.69	112.64
Business per employee	25.01	22.75	23.35	21.45	20.31
Dividend % to face value	N.A.	N.A.	3.1	4.8	2.0
Liquidity coverage ratio[(10)] (%)	133.99%	123.58%	125.36%	206.19%	254.45%

Notes:

(1) *Yield on advances (in %) (Interest on advances divided by average advances) x 100*
(2) *Yield on investment (in %) (Income on Investment divided by average investment) x 100*
(3) *Cost of Fund is the ratio of interest expense to average interest-bearing liabilities (Deposits and Borrowings).*
(4) *Cost of Deposit is calculated based on Interest on Deposits by Average Deposits.*
(5) *Net Interest Margin is Net Interest Income divided by Average Interest-Earning Assets (“**Net Interest Margin**”).*
(6) *Operating Profit is the total of Net Interest Income and other income minus operating expenses.*
(7) *Net Worth means capital plus reserves excluding revaluation reserves, DTA and other deduction..*
(8) *Return on assets is the ratio of the net profit after tax to the Average Working Funds.*
(9) *Return on equity is the ratio of the net profit after tax to the yearly/ nine month average net worth (capital plus reserves excluding revaluation reserves, DTA and other deduction).*
(10) *Liquidity Coverage Ratio is the value of the stock of High-Quality Liquid Assets (HQLA) divided by total net cash outflows.*

Seasoned Board with In-Depth Sector Expertise

We have an experienced management team with a significant concentration of career banking professionals. As on the date of this Preliminary Placement Document, there are six Directors on our Board. Our Board has three whole-time Directors, out of which, one is designated as the Managing Director and Chief Executive Officer (“**MD and CEO**”), while two Directors are designated as the Executive Directors, Further, we have one Ministry of Finance Nominee Director, one RBI Nominee Director and one Shareholder Director, who is also Independent Director on the Board. Our Directors have significant experience in banking and financial services. Our MD and CEO, Swarup Kumar Saha was executive director of Punjab National Bank since March 10, 2021 till June 2, 2022 and has also been associated with Oriental Bank of Commerce where he was head of treasury and international banking, human resource development and board division. He has been on our Board since June 3, 2022 and has a past experience of 34 years

Our Executive Directors, Ravi Mehra and Rajeeva having experience of more than 30 years in the banking sector. The Senior Management team has extensive experience in key areas, including retail, corporate and international banking. In addition, we have been able to build a team of professionals that possess in-depth knowledge of banking operations and management with relevant experience in credit management, risk management, treasury, information technology and marketing, restructuring balance sheets and business mix, and improving operating efficiency. We believe that our management team’s extensive and diverse expertise provides us with a broad perspective from which we can make strategic management and operational decisions and allows us to develop a strong understanding of industry-specific aspects of our business and operations.

For details on our Bank's Board and Senior Management, see "*Board of Directors and Senior Managerial Personnel*" on page 205.

Continued Focus on ESG Initiatives

Our approach to environmental, social and governance ("ESG") issues is becoming increasingly integrated in the work we do across our business and the support we provide our customers. Our comprehensive approach to ESG is reflected in our various initiatives and policies aimed at fostering a sustainable and inclusive future

Environmental Initiatives

Our Bank implemented a robust Climate Risk & Green Deposit Policy to support sustainability and mitigate climate risks. Our Bank mobilized funds under Green Earth Deposit Scheme and has financed ₹ 213.96 crore in the renewable energy sector, supporting projects that contribute to a greener future. To further our environmental efforts, we introduced the PSB GO-GREEN Financing Scheme, which focuses on providing financial support for eco-friendly projects. Under this scheme, ₹ 72.28 crore has been sanctioned for electric vehicles through the PSB e-Vahan initiative, promoting the adoption of clean energy transportation.

Social Initiatives

We have organized 71 training programmes and trained 2,313 participants in various Rural Self Employment Training Institutes (RSETIs) during the nine months ended December 31, 2024. These training programs aim to equip individuals with the skills needed for self-employment and entrepreneurship. In total, 2,313 trainees were trained during the nine months ended December 31, 2024. Additionally, our Financial Literacy Centers (FLCs) have organized 136 camps, imparting training to 3,124 untrained individuals during the nine months ended December 31, 2024.

Through the PMSVANidhi scheme, we have financed ₹ 4.88 crore to 2,295 street vendors during the nine months ended December 31, 2024, supporting their livelihoods and promoting economic stability. The total disbursement under this scheme during the first nine months of Fiscal 2025 amounts to ₹ 14.90 crore.

Under the PMJDY scheme, we have provided banking access to 73,834 unbanked individuals during the nine months ended December 31, 2024, ensuring that more people have access to essential financial services. During the nine months ended December 31, 2024, we opened 260,837 PMJDY accounts, furthering our mission of financial inclusion.

We have also financed 253 new Self Help Groups (SHGs) with ₹ 10.25 crore during the nine months ended December 31, 2024, supporting community-based financial initiatives and sanctioned ₹ 22.08 crore to SHGs. To inspire young people and women, we introduced the PSB Business Loan for Young India and the PSB Samraddh Mahila scheme. These initiatives aim to provide financial support and opportunities for young entrepreneurs and women, fostering a culture of innovation and inclusivity.

Governance Initiatives

We have established a well-defined Board-level committees and policies to ensure better control and governance within our Bank. Our strong vigilance mechanism and whistleblower policy enhance transparency and accountability, fostering a culture of integrity and ethical conduct.

A Board-level committee has been instituted to monitor recovery processes, ensuring that our financial operations remain efficient. We have also implemented cybersecurity and fraud risk management measures to safeguard digital transactions, protecting our customers and their data from potential threats. Additionally, we have a well-defined business continuity policy in place to ensure smooth business operations during unexpected circumstances. Our approved code of ethics further underscores our commitment to governance, providing a framework for ethical decision-making and conduct within the Bank. This code serves as a guiding principle for our employees, ensuring that we uphold the highest standards of integrity and professionalism.

Through these initiatives, our Bank continues to demonstrate its dedication to ESG principles, fostering a sustainable and responsible banking environment. Our ongoing efforts in environmental sustainability, social development, and governance reflect our commitment to creating a positive impact on society and the environment.

STRATEGIES

Continue to Grow our Advances with Tailor-Made RAM products, Creation of MSME Clusters and Specialised Branches for Mid-Corporate Credit

As part of our growth strategy, maintaining our diverse advance base is a source key area of growth. We will continue to invest resources to strengthen our retail portfolio and agricultural portfolio with focus on MSME business segments by increasing our RAM lending profile by leveraging our existing customer base. We have launched GST-based financing and introduced green financing to our MSME customers to increase our existing MSME exposure. We have been increasing cross-selling through third-party collaborations to augment fee-based income and increasing revenue through co-branded credit cards, insurance and mutual funds.

Advances to our focus sectors as a percentage of our total domestic outstanding loans for the respective periods was as follows:

(₹ crore, except percentages)

Sector	As at and for the nine month period ended December 31, 2024	As at and for the nine month period ended December 31, 2023	As at and for the years ended March 31		
			2024	2023	2022
Retail	20,680.16	15,305.16	16,034.57	13,946.59	117,373.28
Agriculture	12,897.05	11,978.78	12,523.73	11,787.44	10,933.87
MSME	18,388.78	15,716.99	15,908.80	14,856.83	13,021.07

In addition to above, Bank is under process of implementing various projects including Digital Commercial Vehicle Loans, Digital STP GST Sahay, UPI based Pre-Sanctioned Credit Line and Digital MSME Loans up to 1.00 crore.Our Bank is also continuing to focus on growing its loan book to MSMEs along with expansion of services provided to MSMEs by utilizing its existing relationships with key corporate customers. Our Bank is also looking to reach customers better through "doorstep banking" initiatives through various universal touchpoints, such as our website, mobile app, and call centre. We plan to continue our strategy of establishing new specialized branches to focus on business segments and strategic product lines as well as stressed asset management and asset recovery. As at December 31, 2024, we also have two large corporate branches to cater to the needs of corporate clientele. Our large corporate branches focus on loan products and services to our Bank's corporate customers.

Continue to Invest in Digital Lending and Augmenting Non-Fund and Forex Business

We believe that the increased availability of internet access and broadband connectivity across India requires a comprehensive strategy to increase digital banking services and develop new methods of reaching our customers while improving operational efficiencies. As a result, we are continuously investing in technology as means of improving our customers' digital banking experience, offering them a range of products tailored to their financial needs and facilitating easier operation of accounts. We have launched internet and mobile based applications across most of our product and service portfolios, and intend to continue to invest in creating a technology infrastructure to support our digital strategy. The number of banking transactions through our digital channels were 91.22%, 86.24%, 87.10%, 81.57% and 74.44% of our overall transactions for nine months ended December 31, 2024, December 31, 2023, March 31, 2023, March 31, 2023 and March 31, 2022, respectively. Our mobile/ internet banking users increased by 31% for nine months ended December 31, 2024 on a year-on-year basis. We have launched various applications including, PSB UnIC - Mobile Banking Application, Digital Car Loans (PSB E Apna Vahan Loans) Digital Home Loans (PSB E Apna Ghar Loans) and PSB UnIC Biz App.

While we currently provide a range of options for customers to remotely access their accounts, including net banking and banking applications on mobile devices, we believe additional investments in our technology infrastructure to further develop our digital strategy will allow us to cross-sell a wider range of products on our digital platform in response to our customers' digital banking needs and thereby expand our relationship with our customers across a range of segments.We are in process of centralised trade finance system for enhanced customer experience and augmenting our foreign exchange business. We intend to leverage on our banking network, digital channels and our increasingly diversified product and service portfolio for MSE customers, by aiming to market fee and non-fund based products such as letters of credit, bank guarantees and third-party insurance. For nine months ended December 31, 2024 and December 31, 2023 and Fiscals 2024, 2023 and 2022, our total exposure to top 10 largest borrowers (non-fund based, including guarantees) was ₹ 1,295.04 crore, ₹ 1,118.85 crore, ₹ 1,240.29 crore, ₹ 1,196.36 crore and ₹ 1,227.43 crore, respectively, representing 13.33%, 13.23%, 13.41%, 14.97% and 16.80%, respectively, of our Bank's Tier I capital.

Increasing Proportion of Fee-Based Revenue, cross-selling through Collaborations and revenue through co-branded credit cards, insurance and mutual funds

Besides our focus on increasing interest income, we also intend to focus on increasing our non-interest income from various conventional and non-conventional sources. We focus on strengthening the treasury with adequate trained manpower for increasing our trading volume and to improve trading profit. Our treasury profit from trading for Fiscal 2024 is ₹ 101.00 crore. The same was ₹ 211.00 crore in the nine months period ended December 31, 2024. We intend to continue focusing on higher fee based income from the sale of various third party products that at present include a wide range of both life and non-life insurance, mutual funds, co-branded credit cards and commission based products. We have taken several steps including introduction of fee based services, chargeable value added services, upfront fees, consortium fees etc. by rationalising the charges and system driven application.

In addition to loans and other interest generating products, our Bank's integrated branch and electronic banking network and its increasingly diversified product and service portfolio has enabled it to generate fee and commission-based income from services such as transaction fees, loan processing charges, commission on letter of credit/bank guarantee, credit cards, annual maintenance charges on ATM/debit cards, locker rent, point-of-sale payments, treasury and trade services, government business and cash management services among others. For nine months ended December 31, 2024 and December 31, 2023 and Fiscals 2024, 2023 and 2022 and, our Bank has generated fees based income amounting to ₹ 445.00 crore, ₹ 353.00 crore, ₹ 491.00 crore, ₹ 404.00 crore and ₹ 371.00 crore, respectively, representing 4.83%, 4.40%, 4.50%, 4.52% and 4.61% of our Bank's total income. We intend to focus on increasing our fee-based income by expanding our third-party product offerings, by increasing our fee-based services and collaborations, commission income from POS machines and Bharat QR and by cross-selling our offerings to our existing customers. We intend to increase our fee-based services and collaborations and engage in further cross-selling of our offerings to our existing customers. For example, we have entered into agreements with leading mutual fund companies for the distribution of their mutual fund products. We also offer our customers SBI Co-Branded Credit Card since June 2023. We market, sell and distribute, as may be applicable, insurance products of our third party channel partners. We intend to focus on and develop this revenue stream further by scaling up our digital channel promotion of the insurance and mutual fund products in our digital platforms of mobile and internet banking apart from dedicated business campaigns.

Focus on Improving Deposits with Increasing CASA Deposits and Expanding our Retail Term Deposits

We are committed to increasing the volume of our CASA and retail term deposits. In order to attract retail customers, we intend to introduce new products including savings bundled products, current account product and retail term deposit product. We promote our products through special campaign for current account, saving account, through campaign like Mission 500k for opening of 500,000 new CASA Account, defence salary and pension account (*Gaurav Bachat Pension A/c*) to bring more retail term deposit. Our Bank is envisaging opening of recurring deposit account (*Har Ghar Kuber Campaign*) and deposit under special days schemes for 333, 444, 555 days (*Grow & Glow Campaign*). We believe that by leveraging our core banking system, internet and mobile banking systems will enable us to increase our customer base, thereby increasing deposits. With the objective to reduce our cost of deposits, we have adopted the strategy of low dependence on bulk deposits except in exceptional cases to meet liquidity mismatches.

We believe that by leveraging our core banking solution platform, internet and mobile banking systems, we will be able to increase our customer base, thereby increasing CASA deposits. Frequent branch visits, along with regular reviews of zonal heads, branch incharge to improve the CASA and deposit build-up of our Bank.

We also plan to densify our presence in existing areas and expand into key economic centres and cover states in India with high per capita income. We expect to grow our CASA ratio (determined as the sum of demand deposits and saving deposits divided by total deposits) by expanding our client relationships, growing our multi-channel distribution network including by adding more branches, improving our business mix, introducing new products and improving the service quality and efficiency of our non-branch delivery channels.

Increasing Tie-Ups and Memorandum of Understandings ("MoUs") for Customer Acquisitions

To acquire customers through strategic tie-ups, we have launched new liability bundled products, such as PSB Gaurav Bachat Salary Products, PSB Udyam Current Account, PSB RERA Plus Current Account, and PSB Shubh Arambh CA Product, which will cater to various customer segments. For instance, PSB Gaurav Bachat Salary Products specifically curated for the salary and pension accounts of defence and paramilitary forces, providing exclusive benefits like group insurance coverage, exclusive benefits in retail loans and various waivers/concessions in service charges. PSB Udyam Current Account can target SMEs with features like free PoS machine, sound box and higher cash deposit limits , while PSB RERA Plus Current Account can serve real estate developers. PSB Shubh Arambh CA Product can attract startups with various waivers/concessions in service charges.

Additionally, special retail term deposit products, such as PSB Dhan Kuber, PSB Green Earth Deposits, and term deposits with special tenors, will be promoted through partnerships with financial advisors, environmental organizations, and educational institutions. PSB Dhan Kuber, a non-callable retail term deposit, can be highlighted for its attractive interest rates. PSB Green Earth Deposits can appeal to eco-conscious customers by supporting sustainable projects, while term deposits with special tenors can align with key life events like education funding and retirement savings.

For mobilizing salary accounts with government, defence and corporate establishments we have entered into MoUs. To increase customer convenience through digital modes, we are focusing on developing partnerships with fintech companies, e-commerce platforms, and mutual fund distributors. Online account opening can be facilitated through e-commerce platforms, providing instant access to banking services. Additionally, online mutual funds can be offered through investment platforms, giving customers a comprehensive suite of investment options. Further, promotional campaign like "*Shubh Nivesh*" is encouraging our customers to use our mutual funds and stock broking platform through mobile app PSB-UnIC. Our Bank is promoting the mutual funds and stock broking platform through SMS, email etc. We believe these strategies will help us to effectively acquire new customers, enhance product offerings, and improve customer convenience.

Branch Expansion and Increasing Network of Branch Correspondents ("BCs") in Uncovered Districts

Our distribution network and geographic presence has allowed us to attract interest free current account and low cost savings account deposits leading to a stable CASA deposit base. Accordingly, our Bank is looking to expand its branch network. We believe that by leveraging our core banking solution platform, internet and mobile banking systems, we will be able to increase our customer base, thereby increasing CASA deposits. Currently, our branch and ATM network is spread across metropolitan cities as well as rural, semi urban and urban areas and caters to a diverse customer base.

As part of our efforts to enhance our non-branch delivery channels to encourage cashless transactions, we intend to improve our existing internet banking system and mobile banking platform, including UPI integration. We have tied-up with fintech partners and payment banks to provide additional touch-points for our customers. We provide instant fund transfer facilities through IMPS, utility bill payment and quick response or QR code-based transactions and have installed POS machines for our current account customers. We intend to appoint and empower BCs to provide entire gamut of services and products to the unserved and underserved segments. Our focus will be to target new-to-bank customers through our digital acquisition channels such as mobile banking platforms and offer them digital banking products. We have transformed our branch offices at Bidar, Vijaywada zone, Jalalabad, Faridkot zone and Sunet, Ludhiana zone to smart branches. Our plan is to use the right combination of physical and digital channels and partnerships to expand our reach and deliver value to our customers.

Dedicated Credit Monitoring

To enhance credit monitoring and improve financial stability, our Bank aims to implement a comprehensive strategy focusing on three key areas: restricting fresh slippages, increasing recovery and upgradation of NPAs, and enhancing collection efficiency.
Our focus is to maintain regular communication with borrowers to understand their financial situation and offer support, including financial counselling and restructuring options for distressed borrowers. Providing flexible payment options and incentives for timely payments, such as discounts for early payments and installment plans for large dues. By implementing this detailed strategy, we aim to create an efficient credit monitoring framework that minimizes risks, boosts recovery rates, and ensures efficient collections.

BANKING OPERATIONS

Our business is primarily divided into four segments namely (i) corporate banking, (ii) retail banking, (iii) treasury operations; and (iv) other banking operations.

The table below set forth the revenue composition segment wise as of nine months ended December 31, 2024, December 31, 2023 and Fiscals 2024, 2023 and 2022:

(₹ crore, except percentages)

Particulars	As of December 31, 2024		As of December 31, 2023		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Corporate Banking	3,539.60	38.42	2,934.91	36.59	3,967.8	36.35	3,071.45	34.38	3,179.63	39.47
Retail Banking	2,990.46	32.46	3,113.56	38.82	4,251.75	38.95	3,491.41	39.09	2,493.31	30.95
Treasury	2,663.31	28.91	1,953.49	24.35	2,667.42	24.44	2,345.16	26.25	2,365.32	29.37
Other Banking Operations	19.88	0.21	19.27	0.24	28.48	0.26	24.67	0.28	16.93	0.21
Total	**9,213.25**	**100.00**	**8,021.23**	**100.00**	**10,915.45**	**100.00**	**8,932.69**	**100.00**	**8,055.19**	**100.00**

As of December 31, 2024, we had total (gross) outstanding advances of ₹ 95,869.78 crore. In Fiscals 2024, 2023 and 2022, we had outstanding total (gross) advances amounting to ₹ 85,964.47 crore, ₹ 80,981.73 crore and ₹ 70,387.08 crore, respectively. The table below sets forth the composition of our loan assets by business divisions for nine months ended December 31, 2024, December 31, 2023 and Fiscals 2024, 2023 and 2022.

(₹ crore, except percentages)

Particulars	As of December 31, 2024		As of December 31, 2023		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Retail	20,680.16	21.57%	15,305.16	18.32%	16,034.57	18.65%	13,946.59	17.22%	11,737.28	16.68%
MSME	18,388.78	19.18%	15,716.99	18.81%	15,908.80	18.51%	14,856.83	18.35%	13,021.07	18.50%
Agriculture	12,897.05	13.45%	11,978.78	14.34%	12,523.73	14.57%	11,787.44	14.56%	10,933.87	15.53%
Corporate / Others	43,903.79	45.80%	40,558.32	48.53%	41,497.37	48.27%	40,390.87	49.87%	34,694.86	49.29%
Gross Advances	95,869.78	100.00%	83,559.25	100.00%	85,964.47	100.00%	80,981.73	100.00%	70,387.08	100.00%

The table below sets forth our loans and advances by product type and as a percentage of total advances nine months ended December 31, 2024, December 31, 2023 and Fiscals 2024, 2023 and 2022:

(₹ crore, except percentages)

Particulars	As of December 31, 2024		As of December 31, 2023		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Term Loans	64,183.64	66.95%	53,309.08	63.80%	55,559.88	64.63%	52,967.96	65.41%	43,657.38	62.02%

Particulars	As of December 31, 2024		As of December 31, 2023		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Cash Credit/Overdraft and others	30,033.19	31.33%	29,490.84	35.29%	29,329.65	34.12%	26,999.44	33.34%	26,077.59	37.05%
Bills Purchases/Bills discounted	1,652.95	1.72%	759.32	0.91%	1,074.83	1.25%	1,014.33	1.25%	652.11	0.93%

The following table sets forth the composition of our outstanding deposits and the percentage composition by each category of deposits in nine months ended December 31, 2024, December 31, 2023 and Fiscals 2024, 2023 and 2022:

(₹ crore, except percentages)

Particulars	As of December 31, 2024		As of December 31, 2023		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Current Deposits (A)	**5,102.37**	**4.01**	**4,607.44**	**3.89**	**5,176.06**	**4.33**	**4,974.93**	**4.54**	**4,153.58**	**4.07**
From banks	319.49	0.25	40.43	0.03	98.01	0.08	166.89	0.15	58.94	0.06
From others	4,782.88	3.75	4,567.01	3.86	5,078.05	4.25	4,808.04	4.38	4,094.63	4.01
Saving Deposits (B)	**34,599.01**	**27.16**	**34,178.04**	**28.88**	**33,532.19**	**28.08**	**31,858.18**	**29.05**	**30,374.84**	**29.74**
Term Deposits (C)	**80,530.34**	**63.21**	**72,556.35**	**61.30**	**71,558.86**	**59.93**	**71,359.77**	**65.07**	**67,608.59**	**66.19**
From banks	847.85	0.67	1,260.82	1.07	768.20	0.64	362.35	0.33	133.07	0.13
From others	79,682.49	62.55	71,295.53	60.24	70,790.67	59.28	70,997.42	64.74	67,475.52	66.06
Certificate of Deposits	7,165.49	5.62	7,013.51	5.93	9,142.44	7.66	1,472.62	1.34	-	-
Total deposits A+B+C	**127,397.21**		**118,355.34**		**119,409.55**		**109,665.49**		**102,137.01**	

Our Operations

Our principal banking operations include namely (i) corporate banking, (ii) retail banking, (iii) MSME banking; and (iv) agricultural lending.

Corporate Banking

Our corporate banking segment includes our corporate and commercial banking and caters to the business needs of various companies, institutions and other enterprises in the public and private sector.

Corporate and Commercial Lending

We provide our corporate and institutional clients in the public and private sector with commercial banking products and transactional services, including deposit products. Our principal commercial banking products include a range of financing products, documentary credits (primarily letters of credit) and bank guarantees, foreign exchange and derivative products, investment banking services and corporate deposit products. Our financing products include loans, overdrafts, bill discounting and credit substitutes, and other funded products. Our customers for our commercial banking products include companies that are part of private sector business groups, public sector enterprises and multinational corporations, as well as small and mid-sized businesses. Our customers also include suppliers and distributors of corporations to whom we provide credit facilities and with whom we thereby establish relationships as part of a supply chain initiative for both our commercial banking products and transactional services.

Our principal financing products are working capital facilities and term loans. Working capital facilities primarily consist of cash credit facilities and bill discounting. Cash credit facilities are revolving credits provided to our customers that are secured by current assets such as inventory and accounts receivable. We offer overdraft and cash credit limits against stocks, inventories and receivables. We offer term loans for investment in fixed and other assets, such as plant and machinery, sheds, buildings, furniture payable in instalments and long-term projects. In addition, we provide loan facilities in foreign currencies to our customers as well as domestic letters of credit. We also issue guarantees on behalf of our customers to guarantee their financials, performance and bid bond obligations, which are generally secured by account indemnities, counter guarantees and/or a fixed or floating charge on the assets of the borrower, including cash deposits. Further, we offer pre and post-shipment financing, forward covers, buyer’s credit and finance in foreign currency.

As of nine months ended December 31, 2024 and December 31, 2023, and years ended March 31, 2024, 2023 and 2022, our Bank’s advances in the corporate and commercial sector amounted to ₹ 43,903.78 crore, ₹ 40,295.49 crore, ₹ 41,497.36 crore, ₹ 37,745.78 crore and ₹ 34,442.44 crore respectively, which represented 45.80%, 48.22%, 48.27%, 46.61% and 48.93% respectively, of our Bank’s total advances in such periods. We offer the following range of loan and advance products to assist our corporate customers in meeting their financial needs:

Term loans

Our term loan facilities primarily finance the creation and improvement of assets, including project finance in which we conduct an appraisal based on the project reports submitted by the borrower along with an analysis of the technical and commercial viability of the project. These loans are typically secured by the project assets and personal property, as well as by other assets of the borrower wherever required. Repayment is made in instalments over the loan period with a moratorium on a case to case basis depending on the nature of the respective term loan.

Cash credit and other working capital facilities

Cash credit facilities are the most common form of working capital financing in India. We offer revolving credit facilities secured by working capital assets, such as inventory and receivables. We may take additional security in the form of lien on fixed assets on an exclusive or pari passu basis, including mortgages of immovable property, pledges or hypothecation of marketable securities and personal guarantees. We also provide overdrafts, working capital demand loans, working capital term loans and bill discounting facilities to our corporate borrowers.

Foreign currency denominated loans

We provide loan facilities in foreign currencies to our customers. Foreign currency-denominated loans in India are granted out of the Bank‘s Foreign Currency Non-Resident FCNR(B) funds pursuant to the guidelines issued by the RBI.

Export credit

We offer both pre and post-shipment credit to Indian exporters through Rupee denominated loans as well as foreign currency loans in India. Foreign currency loans are extended out of our FCNR Account (B) funds or funds borrowed from the inter-bank markets.

Import finance

We provide various types of credit facilities and other services to importers in their import business. The various facilities provided include collecting import bills, establishing import letters of credit, arranging short-term foreign currency loans through our correspondent banks and issuing guarantees on behalf of importers.

Letters of credit

We provide letter of credit facilities, with our fee varying with the term of the facility and the amount of commitment. Letter of credit facilities are often partially or fully secured by assets, including cash deposits, documents of title to goods, stocks and receivables. These facilities are generally provided as part of a package of working capital financing products or term loans.

Guarantees

We issue guarantees on behalf of our customers to guarantee their financials, performance and bid bond obligations.These are generally secured by account indemnities, counter guarantees and/or a fixed or floating charge on the assets of the borrower, including cash deposits.

Retail Banking

Retail banking plays a pre-dominant role in increasing the total business of our bank. We offer a broad range of services and products through our multi-channel distribution network to meet the needs of individuals across urban, semi-urban and rural India. Our retail banking operations are targeted primarily at individuals (salaried, self-employed professionals and other self-employed individuals) for meeting their personal financial requirements. Retail banking services include branch banking, retail loans, housing loans, education loans, car loans, personal loans, loan against term deposit, debit card services and other consumer banking services and constitute a significant portion of our operating income.

It is one of our core business activities where we serve the individual customers, including Indian residents, NRIs and small businesses. Retail banking segments include exposure to entity/concern where (i) total average annual turnover less than ₹ 500.00 million and (ii) maximum aggregated retail exposure to one counterpart is up to the threshold limit of ₹ 75.00 million. We have a variety of retail loan and deposit products to meet our customers' needs. Retail loan products include housing loans, vehicle loans, education loans, gold loans, personal loans, mortgage loan and other retail loans and specialized loan schemes for defence and government service personnel. Our retail deposit products include savings accounts, time deposits and specific products for customers in various sectors, such as salary accounts for various corporate, defence and govt. departments, non-resident Rupee accounts and tax-saving deposit products. We offer a broad range of services to retail customers through our branch outlets as well as our omni-channel digital banking solution. The following table sets forth a breakdown of our Bank's retail loan portfolio by product type as of the dates indicated.

(₹ crore, except percentages)

Particulars	**As of December 31, 2024**		**As of December 31, 2023**		**As of March 31, 2024**		**As of March 31, 2023**		**As of March 31, 2022**	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**
Housing Loans	124,52.03	60.21%	8,867.28	57.94%	8,945.69	55.79%	8,187.57	58.71%	7,158.23	60.99%
Vehicle Loans	2,910.55	14.07%	2,126.37	13.89%	2,249.87	14.03%	1,868.13	13.40%	1,613.82	13.75%
Education	465.42	2.25%	414.79	2.71%	433.09	2.70%	355.39	2.55%	307.00	2.62%
Personal	685.65	3.32%	567.17	3.71%	593.91	3.70%	518.75	3.72%	291.41	2.48%
Other Retail loans	4,166.51	20.15%	3,329.55	21.75%	3,812.01	23.78%	3,016.14	21.62%	2,366.82	20.16%
Total	**20,680.16**	**100.00%**	**15,305.16**	**100.00%**	**16,034.57**	**100.00%**	**13,945.98**	**100.00%**	**11,737.28**	**100.00%**

Housing Loans: We offer housing loans for the purchase, construction and furnishing of residential houses and flats including the purchase of land and construction thereon. We provide housing loans with a maximum tenor of 40 years. Our Bank's housing finance portfolio increased from ₹ 7,158.23 crore as on March 31, 2022 to ₹ 12,452.03 crore as on December 31, 2024.

Vehicle Loans: We offer a variety of loans including new two-wheeler loans and new and used four wheelers for personal and commercial purposes. In addition to our general marketing efforts for retail loans, we market this product through our relationships with car dealers, direct selling agents. Our Bank's vehicle finance portfolio increased from ₹ 1,613.82 crore as on March 31, 2022 to ₹ 2,910.55 crore as on December 31, 2024.

Education Loans: We also offer education loans to individuals for higher education and vocational courses in India and abroad. Our Bank's education finance portfolio increased from ₹ 307.00 crore as on March 31, 2022 to ₹ 465.42 crore as on December 31, 2024.

Personal Loans: Bank offers rate of interest in Personal loan starting at 11.10% at present. Our Bank's Personal finance portfolio increased from ₹ 291.41 crore as on March 2022 to ₹ 685.65 crore as on December 31, 2024.

Other retail loans: We also offer gold loans, Mortgage Loan, loans against Bank Deposit, loans against LIC Policy/NSC/KVP as collateral etc.

Our retail banking business also include retail deposits. Over the years, we have developed a strong customer base, which has provided us with low cost of funding opportunities and has been a source of strength for our liability portfolio. A large portion of our deposit base is retail which provides us with a deposit base with a lower concentration risk. We believe that retail credit has significant advantages including a better risk spread, higher yield and cross-selling opportunities. Our Bank's ratio of retail deposits (CASA+ Retail term Deposits) to total deposits in nine months ended December 31, 2024, December 31, 2023 and Fiscal 2024, Fiscal 2023 and Fiscal 2022 was 73.08%, 73.54%, 73.90%, 75.40% and 78.22% respectively. Our Bank's CASA ratio was 31.16%, 32.77%, 32.42%, 33.59% and 33.81% as of nine months ended December 31, 2024, December 31, 2023 and March 31, 2024, March 31, 2023 and March 31, 2022, respectively. For further information, see "***Deposits***" below.

Micro, Small and Medium Enterprise ("MSME") Sector Banking

Our Bank offers various schemes targeting micro-enterprises, term loan facilities for manufacturing and service sector enterprises, financial support to professionals and technically qualified entrepreneurs, equipment loans for construction companies, financing for fleet operators, asset backed loans to provide loans against property. Recently, in order to increase the ambit and benefits of the PSL under the RBI guidelines, the Government of India has decided to include retail and wholesale trade under the ambit of MSME. As at December 31, 2024, we had 49 specialised MSME branches. With the introduction of Pradhan Mantri MUDRA Yojana which mainly consists of non-farm enterprises in manufacturing, trading and services whose credit needs are below ₹ 0.20 crore, our Bank is giving special attention to this segment. Loans given to this segment for income generation are known as MUDRA loans under Pradhan Mantri MUDRA Yojana and branded accordingly.

We have introduced various loan schemes to the MSME sector including PSB Digital MSME Loans, PSB Business Loan Scheme for Young India, PSB Scheme for Financing to food and agriculture based industries under MSME clusters, PSB Scheme for Equipment Financing, PSB MSME Green Investment and Financing for Transformation Scheme (MSME- Gift Scheme) and PSB MSE Scheme for Promotion and Investment in Circular Economy (MSE-SPICE Scheme). Our Bank is financing progressively under PSB GST EASE scheme to eligible MSME borrowers. Our Bank has entered into co-lending arrangement with leading NBFCs to reach out to MSME entrepreneurs. As of nine months ended December 31, 2024 and December 31, 2023, March 31, 2024, 2023 and 2022, our Bank's advances to the MSME sector amounted to ₹ 18,388.78 crore, ₹ 15,716.99 crore, ₹ 15,908.81 crore, ₹ 14,856.84 crore and ₹ 13,021.07 crore, respectively, which represented 19.18%, 18.81%, 18.51%, 18.35%, and 18.50% respectively, of our Bank's total advances in such periods. The following table sets forth a breakdown of our Bank's MSME loan portfolio by product type as of the dates indicated.

(₹ crore, except percentages)

Securities	As of December 31, 2024		As of December 31, 2023		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Micro	10,036.26	54.58	9,237.10	58.77	9,393.90	59.05	8,534.08	57.44	7,723.45	59.31
Small	6,417.45	34.90	5,096.39	32.43	5,324.19	33.47	4,716.03	31.74	3,544.29	27.22
Medium	1,935.08	10.52	1,383.50	8.80	1,190.72	7.48	1,606.73	10.82	1,753.34	13.47

Securities	As of December 31, 2024		As of December 31, 2023		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**
Total	**18,388.78**	**100.00**	**15,716.99**	**100.00**	**15,908.81**	**100.00**	**14,856.84**	**100.00**	**13021.07**	**100.00**

Agriculture Lending

We offer a wide variety of products and schemes under agricultural financial services, including advances to agriculture allied activities, agriculture infrastructure and ancillary activities. Our loans to the agricultural sector consist of loans to individual farmers, groups of farmers and corporates. We extend crop loans to farmers to meet their working capital requirements for agriculture operations and allied activities. We provide credit facilities to farmers for the purchase of tractors, agriculture implements and vehicle. We also lend money to small and marginal farmers for the purchase of agricultural land. Our agriculture finance portfolio helps us to meet our priority sector lending obligations, where our Bank is required to lend 18% of our Adjusted Net Bank Credit (ANBC) or Credit Equivalent of Off-Balance Sheet Exposures (CEOBE), whichever is higher, towards agriculture 10% of which is prescribed for Small and Marginal Farmers ("**SMFs**"). As of nine months ended December 31, 2024, December 31, 2023 and March 31, 2024, 2023 and 2022, our Bank's advances to the agricultural sector amounted to ₹ 12,897.05 crore, ₹ 11,979.79 crore, ₹ 12,523.73 crore, ₹ 11,787.44 crore and ₹ 10,933.87 crore, respectively, which represented 13.45%, 14.34%, 14.57%, 14.56%, and 15.53% respectively, of our Bank's total advances in such periods.

The following table sets forth a breakdown of our Bank's Agriculture loan portfolio by product type as of the dates indicated.

(₹ crore, except percentages)

Securities	As of December 31, 2024		As of December 31, 2023		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**
KCC Crop Loans	7,701.03	59.71%	8,270.30	69.04%	8,259.12	65.95%	8,333.84	70.70%	8,251.27	75.47%
KCC AH & KCC FH	592.18	4.59%	591.04	4.93%	597.59	4.77%	548.21	4.65%	316.29	2.89%
Others	4,603.86	35.70%	3,117.45	26.03%	3,667.02	29.28%	2,905.31	24.65%	2,366.31	21.64%
Total	12,897.06	100%	11,979.79	100%	12,523.73	100%	11,787.36	100%	10,933.87	100%

Treasury Segment

Our treasury operations consist of managing our funds and liquidity, investing in debt and equity products and maintaining required regulatory reserves. We also have a proprietary trading book in debt/equity and foreign exchange within the framework of our treasury policy. Our treasury operations also include a range of products and services for corporate and commercial customers such as forward contracts, interest rate and currency swaps and foreign exchange products and services. Treasury maintains the statutory reserves of cash reserve ratio ("**CRR**") and statutory liquidity ratio ("**SLR**") prescribed by RBI, meets our short term liquidity requirements in domestic and foreign currencies effectively, manages our SLR and Non–SLR investment book, trades in interest rate, equity and forex instruments, utilizes arbitrage opportunities available across markets and also provides crucial market related inputs in our asset liability management.

Under RBI's SLR requirement, as of March 31, 2024, we are required to maintain an amount equal to at least 18% of our demand and time liabilities in approved securities such as central and state government securities and other approved securities. As of March 31, 2024, SLR securities consisted of 27.15% of our Bank's demand and time liabilities. Under the RBI's CRR requirements, as of March 31, 2024, our Bank is required to maintain a minimum of 4.50% of our Bank's eligible demand and time liabilities in a current account with RBI. As of March 31, 2024, 4.69% of requirement of our Bank's net demand and time liabilities were maintained in current accounts with

RBI. RBI pays no interest on these cash reserves. For further information on our CRR and SLR requirements, see "***Selected Statistical Information***" on page 114.

Our treasury operations are the focal point for the management of our market risk. We undertake liquidity management by seeking to maintain an optimum level of liquidity while complying with SLRS and CRR. Treasury conducts its operations in accordance with the Board approved investment policy which sets limits, controls, accounting policies and general guidelines for the treasury operations, including the parameters of investments in securities. Our investment portfolio is managed with a view to capitalize on the market movements in interest rates and credit spread, to maintain a balanced portfolio, to minimise risk, to ensure deployment of surplus cash in securities at attractive yields while maintaining adequate liquidity. The overall objective of our treasury activities is to earn optimal return on deployed investments and to minimize credit risks assumed in our investment and trading activities. The following table gives details of our Bank's domestic investment portfolio as of the dates indicated.

(₹ crore, except percentages)

Particulars	As at and during the nine month period ended December 31, 2024	As at and during the nine month period ended December 31, 2023	As at and for the years ended March 31		
			2024	2023	2022
Held for maturity	30,682.10	36,155.83	36,309.25	33,934.06	33,445.21
Available for sale	11,474.17	14,830.83	14,358.36	11,530.27	9,321.04
Held for trading*	4,724.74	-	-	-	-
Total	**46,881.01**	**50,986.66**	**50,667.61**	**45,464.33**	**42,766.25**

**For the period ending December 31, 2024, the portfolio includes FVTPL (including HFT).*

The following table sets forth the allocation of our Bank's net investment portfolio for the periods indicated therein.

(₹ crore, except percentages)

Securities	As of December 31, 2024*		As of December 31, 2023		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
SLR										
Government Securities	32,910.48	70.20	32,132.49	63.02	32,216.04	63.58	28,976.68	63.73	27,072.72	63.30
Other approved Securities	-	-	-	-	-	-	-	-	-	-
Sub-Total	**32,910.48**	**70.20**	**32,132.49**	**63.02**	**32,216.04**	**63.58**	**28,976.68**	**63.73**	**27,072.72**	**63.30**
Non-SLR										
Debentures and Bonds	13,024.81	27.78	17,294.96	33.92	17,013.74	33.58	15,711.33	34.56	14,984.2	35.04
Other^	945.72	2.02	1,559.21	3.06	1437.83	2.84	776.32	1.71	709.35	1.66
Sub-Total	**13,970.53**	**29.80**	**18,854.17**	**36.98**	**18,451.57**	**36.42**	**16,487.65**	**36.27**	**15,693.55**	**36.70**
Total	**46,881.01**	**100.00**	**50,986.66**	**100.00**	**50,667.61**	**100.00**	**45,464.33**	**100.00**	**42,766.27**	**100.00**

**For the period ending December 2024, fair value of Investments considered*
^ Other includes Equity Shares, Preference Shares, Venture Capital, Security Receipts, Certificate of Deposit and Commercial Paper.

Other Banking Segments

We have agency function for collection of Central Government Revenue viz. direct taxes (TIN 2.0) and indirect taxes (GST & ICEGATE) through physical mode by all branches and through e-mode by all PSB UnIC and Net Banking customers of our Bank. We also act for various state governments and the Government of India on numerous matters including the collection of state revenue and taxes, mobilization of Government deposits.

We also offer other banking services to our retail customers such as utilities and lockers. Our lockers are available in different sizes, are protected by advanced security systems and may be nominated to others. Further, our customers can pay their electricity and other utility bills such as mobile phone bills and credit card bills through our Bank. Our lockers services meet the standards of security and customer satisfaction. Our Bank strives to reinforce customer trust as whenever the customer operates the locker, a message is sent to his/her registered mobile number.

Third party products

We intend to focus on increasing our fee based income by expanding our third party products offerings. We have collaborations with various third parties including SBI-Credit Card, LIC, SBILIFE, BAJAJLIFE Insurance, Bajaj General Insurance, OICL, NIACL, Aditya Birla Health Insurance & Fisdom to offer Co-Branded Credit Card, Bancassurance & Mutual Funds.

Bancassurance

We have tie-up with seven insurance channel partners like SBILIFE, LIC, Bajaj Life, Bajaj General Insurance, OICL, NIACL and ABHI to provides insurance services to our customers as per their needs. Our Bank has earned non interest income/commission of ₹ 17.96 crore as on December 31, 2024.

Mutual Funds

We have tie-up with Fisdom to provide mutual funds, demat and stock broking services to our customers as per their needs.

Government Business

Government business includes small saving schemes products like Public Provident Fund ("**PPF**"), Sukanya Samriddhi Account ("**SSA**"), Senior Citizen Saving Scheme ("**SCSS**"), Mahila Samman Saving Certificate ("**MSSC**"), government bonds (FRSB), and other government sponsored products like National Pension Scheme ("**NPS**") are also treated as government business. Further, it consists of direct and indirect tax collection (CBDT, GST & ICEGATE) and other services like public financial management system.

Tax Collection

We have agency function for collection of Central Government Revenue viz. Direct Tax (TIN2.0) and Indirect Taxes (GST & ICEGATE) through physical mode (Over the Counter – OTC & RTGS/NEFT) by all branches and through e-mode by PSB UniC/Net Banking customers of our Bank. Our Bank is authorised by RBI and Controller General of Accounts, Ministry of Finance, and Government of India for collection of Direct Taxes on behalf of Central Board of Direct Taxes (CBDT) & Indirect Taxes on behalf of Central Board of Excise & Customs (CBEC). Our Bank is now integrated with the newly launched e-Filing portal (TIN 2.0) from April 1, 2023. All the aforesaid Government Business is handled as per the instructions / guidelines issued by RBI/ Concerned Regulator/ Government of India from time to time.

Cash Management Services

Bank has 12 currency chests across various zones through which cash is managed with the help of cash vans. Wherever Bank's currency chest is not present, cash is managed through linkage with other banks' currency chests. Further, a department monitors the cash holding of the Bank on daily basis by sharing the cash position of the zones and top 10 excess cash holding branches with the zones and branches. Cash holding position of the bank is also placed before the top management on monthly basis in asset liability committee meeting.

Card Services

At our own ATMs, customers can perform cash withdrawals, fast cash withdrawals, balance enquiries, generate mini-statements, and PIN changes or generation known as green PIN. When using other banks' ATMs, our customers can still withdraw cash, check balances, change PINs, and obtain mini-statements. Offline transactions on NCMC-enabled debit cards are also supported up to the limits set by RBI. Furthermore, our customers have access to select banking services through internet and mobile banking, ensuring a seamless banking experience.

Doorstep Banking Services

Door Step Banking (DSB) Services through Universal Touch Points (UTP) was officially launched on September 9, 2020 under the common logo of PSB ALLIANCE for all public sector banks in India.

Through this service customers can avail many of the banking transaction services through the DSB Agents from their door steps at nominal charges. Customer can lodge and track DSB service requests/grievances through our web portal, mobile application and IVR.

Deposits

We offer a full range of current, savings and term deposits to our retail customers. Our total deposit base was ₹ 127,397.21 crore as on December 31, 2024, comprising a mix of current, savings and term deposits.

Our deposits are broadly classified into current (also known as demand) deposits, savings deposits and term deposits, which are briefly discussed as under:

Term deposits: We accept term deposits giving a fixed return, for periods ranging from seven days to ten years. Term Deposits are also known as fixed deposits or time deposits. Such deposits can be withdrawn before maturity in accordance with applicable rates by paying penalties. Term deposits include recurring deposits, which enable the customer to make deposits over a fixed term at regular intervals. We also offer overdraft facility against the term deposits to our customers. Term deposits provide us with a cost efficient and stable funding source, and remain a key focus area for us.

Savings accounts: We offer savings accounts, which are interest bearing -demand deposit accounts designed primarily for individuals.

Current Accounts: We also offer current accounts which are non-interest-bearing accounts, designed primarily for businesses. Customers have a choice of regular and premium product offerings with different minimum average quarterly account balance requirements.

The following table sets forth our outstanding deposits and the percentage composition by each category of deposits for the periods indicated therein.

(₹ crore, except percentages)

Particulars	As of December 31, 2024		As of December 31, 2023		As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Current Deposits (A)	**5,102.37**	**4.01**	**4,607.44**	**3.89**	**5,176.06**	**4.33**	**4,974.93**	**4.54**	**4,153.58**	**4.07**
From banks	319.49	0.25	40.43	0.03	98.01	0.08	166.89	0.15	58.94	0.06
From others	4,782.88	3.75	4,567.01	3.86	5,078.05	4.25	4,808.04	4.38	4,094.63	4.01
Saving Deposits (B)	**34,599.01**	**27.16**	**34,178.04**	**28.88**	**33,532.19**	**28.08**	**31,858.18**	**29.05**	**30,374.84**	**29.74**
Term Deposits (C)	**80,530.34**	**63.21**	**72,556.35**	**61.30**	**71,558.86**	**59.93**	**71,359.77**	**65.07**	**67,608.59**	**66.19**
From banks	847.85	0.67	1,260.82	1.07	768.20	0.64	362.35	0.33	133.07	0.13
From others	79,682.49	62.55	71,295.53	60.24	70,790.67	59.28	70,997.42	64.74	67,475.52	66.06
Certificate of Deposits	7,165.49	5.62	7,013.51	5.93	9,142.44	7.66	1,472.62	1.34	-	-
Total deposits A+B+C	**127,397.21**	**100.00**	**118,355.34**	**100.00**	**119,409.55**	**100.00**	**109,665.49**	**100.00**	**102,137.01**	**100.00**

Delivery Channels

We cater to our customer base of over 1.64 crore customers across metropolitan, semi-urban and rural areas through a range of delivery channels in order to enable them to access our products and services, including physical branches and extension counters. In addition, our customers have access to select banking services offered through ATMs, internet banking and mobile banking.

Branch Network

As of December 31, 2024, we had 1,584 branches and 1,041 ATMs across 28 states and five union territories.

The following table sets forth the number of our branches in metro, urban, semi-urban and rural locations:

Number of Branches	December 31, 2024	December 31, 2023	March 31, 2024	March 31, 2023	March 31, 2022
Metropolitan	316	323	320	322	326
Urban	378	369	370	362	356
Semi-Urban	306	294	294	281	278
Rural	584	575	580	572	570
Total	**1,584**	**1,561**	**1,564**	**1,537**	**1,530**

Population group – wise composition of total branch network:

Number of Branches	December 31, 2024	December 31, 2023	March 31, 2024	March 31, 2023
North-Eastern	32	29	31	27
Eastern	106	100	101	92
Central	348	341	344	59
Western Region	68	63	63	113
Southern Region	62	55	55	55
Northern Region	968	973	970	1,191
Total	**1,584**	**1,561**	**1,564**	**1,537**

The following table represents the number of our branches and offices in each state and union territory as of December 31, 2024:

State / UTs	December 31, 2024	December 31, 2023	March 31, 2024	March 31, 2023
Northern Region				
Haryana	105	104	104	103
Himachal Pradesh	29	29	29	29
Jammu & Kashmir	16	16	16	16
Ladakh	1	Nil	Nil	Nil
Punjab	628	633	630	635
Rajasthan	57	57	57	54
Chandigarh	22	23	23	23
Delhi	110	111	111	111
North-Eastern Region				
Arunachal Pradesh	1	1	1	1
Assam	18	16	17	14
Manipur	6	6	6	5
Meghalaya	1	1	1	1
Mizoram	1	1	1	1
Nagaland	3	2	3	2
Tripura	2	2	2	2
Eastern Region				
Bihar	21	19	19	17
Jharkhand	20	18	18	17
Orissa	22	21	22	19

State / UTs	December 31, 2024	December 31, 2023	March 31, 2024	March 31, 2023
Sikkim	2	1	1	1
West Bengal	41	41	41	40
Central Region				
Chhattisgarh	16	16	16	16
Madhya Pradesh	45	43	43	43
Uttar Pradesh	239	235	238	229
Uttarakhand	48	47	47	45
Western Region				
Goa	2	2	2	1
Gujarat	30	25	25	23
Maharashtra	36	36	36	35
Dadra & Nagar Haveli	Nil	Nil	Nil	Nil
Daman	Nil	Nil	Nil	Nil
Southern Region				
Andhra Pradesh	11	9	9	9
Telangana	10	9	9	9
Karnataka	15	15	15	14
Kerala	6	5	5	5
Tamil Nadu	19	16	16	16
Puducherry	1	1	1	1
Total	**1,584**	**1,561**	**1,564**	**1,537**

ATM Network

As on December 31, 2024, we have 1,041 ATMs across India. The table below represents the number of onsite and offsite branches:

States / Union Territory	Onsite	Offsite	Total
Andhra Pradesh	8	Nil	8
Arunachal Pradesh	1	Nil	1
Assam	13	2	15
Bihar	16	2	18
Chandigarh	19	Nil	19
Chhattisgarh	8	1	9
Delhi	86	2	87
Goa	2	Nil	2
Gujarat	26	Nil	26
Haryana	60	Nil	60
Himachal Pradesh	21	2	23
Jammu & Kashmir	7	Nil	7
Jharkhand	12	1	13
Karnataka	11	Nil	11
Kerala	5	Nil	5
Ladakh	1	Nil	1
Madhya Pradesh	32	1	33
Maharashtra	29	1	30
Manipur	5	1	6
Meghalaya	1	Nil	1
Mizoram	1	Nil	1
Nagaland	3	Nil	3
Orissa	14	Nil	14
Pondicherry	1	Nil	1

States / Union Territory	Onsite	Offsite	Total
Punjab	353	6	359
Rajasthan	31	1	32
Sikkim	2	Nil	2
Tamil Nadu	17	Nil	17
Telangana	6	Nil	6
Tripura	2	Nil	2
Uttar Pradesh	155	3	159
Uttrakhand	31	3	34
West Bengal	35	1	36
Grand Total	**1,014**	**27**	**1,041**

Digital Channels

Internet Banking

We offer internet banking through our website, which can be accessed on any computer, mobile or hand-held device that allows our customers to conduct a comprehensive range of banking transactions online without visiting our branches or ATMs. These transactions include account management, money transfer and settlement and fee payment. We seek to provide a competitive, functional and usable internet banking platform that meets our customer expectations of banking without paperwork.

We offer services 24 hours a day, seven days a week through internet banking and mobile phone account services. Our Bank also provides facility of instant fund transfer through IMPS, utility bill payment and QR Code Based transaction. We also provide services such as balance enquiry, account statement, intra-bank and inter-bank fund transfers through RTGS/NEFT/IMPS, transaction related SMS alerts, payment of indirect / direct taxes, state commercial taxes, utility bill payments and online donations.

Mobile Banking

Our mobile banking application, PSB UnIC and UnIC Biz app enable customers to undertake banking activities such as interbank mobile payments services, funds transfer through NEFT/IMPS, balance enquiry, mini statement, cheque book request and utility payments. The number of registered mobile banking users as of December 31, 2024 was 873 and 790.

Risk Management

Risk is inherent in our business and sound risk management is critical to our success. The major types of risk we face are credit risk, market risk, liquidity risk, interest rate risk and operational risk. We have developed and implemented comprehensive policies and procedures to identify, assess, monitor and manage our risk. Our Bank has put in place various risk management policies and strategies, which enables us to identify, measure, monitor and manage risk efficiently and establish control systems in line with our Bank's aggregate risk appetite.

Bank has constituted Risk Management Committee at Board level to monitor the risk at Bank level in accordance with RBI Guidelines. Bank has also constituted sub-committees headed by top management of our Bank. Our Bank is compliant with the RBI guidelines on disclosure requirements under Basel III Capital Regulations.

Asset Liability Management

The ALM risk management deals with the management of liquidity risk and Interest Rate Risk in the Banking Book ("**IRRBB**"). Liquidity risk is the risk that the Bank may not have sufficient liquidity to meet obligations on time. IRRBB refers to the potential adverse financial impact on the Banking book from changes in interest rates. Banking book comprises of assets and liabilities held till maturity to generate a steady flow of income or to fulfil statutory obligations. The Bank holds various assets, liabilities and off-balance sheet items across markets, maturities and benchmarks, exposing it to risks from changing interest rates. The objective of ALM is to maintain liquidity risk and IRRBB within tolerable limits. The Bank has incorporated an Asset Liability Committee ("**ALCO**"), headed by the Managing Director and the Chief Executive Officer and comprising of Executive

Directors and vertical heads of relevant departments as members, is entrusted with the overall responsibility for management of liquidity and interest rate risk in line with the strategy and policies approved by the Board.

The role of the ALCO includes the pricing of deposits and advances products, deciding the desired maturity profile, ensuring adherence of limits, putting in place the structure and controls for managing liquidity and interest rate risk. Liquidity risk is measured using the flow approach and the stock approach. The flow approach involves comprehensive tracking of cash flow mismatches whereas the stock approach involves the measurement of critical ratios in respect of liquidity risk.

IRRBB is measured and controlled using both Earnings Perspective (Traditional Gap Analysis) and Economic Value Perspective (Duration Gap Analysis). Earnings Perspective measures the sensitivity of net interest income to changes in the interest rate over the next 12 months. It involves the bucketing of rate-sensitive assets, liabilities and off-balance sheet items as per the residual maturity/re-pricing date in various time bands, and computing the change in income consequent to a 100 basis point upward and downward rate shock over a one-year period. Economic Value Perspective calculates the change in the present value of the Bank's expected cash flows for a 200 basis point upward and downward rate shock.

Market Risk Management

Market risk refers to the potential loss on investments due to adverse changes in market variables affecting the valuations. Market variables which affect the valuations of financial instruments held by the Bank include interest rates, equity prices and exchange rates.

A change in the relevant market risk variable has either an adverse or a favorable impact on the valuation based on the position held and the direction of change. Investment positions are made with a view to earning profit from the movement of underlying drivers of valuation, however, there is always a possibility of unfavorable movement resulting in loss. Thus, the Bank has to invariably review the positions to ensure that the risk of losses on account of such positions is within the risk appetite.

The Bank has a Board approved Market Risk Management policy articulating the framework of limits meant for keeping the risk of losses in check. The limits comprise of Value at Risk measure for whole of the Trading Book, M-duration limit for Interest bearing securities in HTM as well as Trading Book, Position limit i.e. Net Overnight Open Position, Gap Limits encompassing Aggregate and Individual Gap limit for Forex exposures. The Bank also administers stringent stop loss limits for its trading positions.

The Bank ensures properly demarcated functioning of Front office and Back office in Treasury. Mid Office, which ensures that the policies and limits established by the Board are being observed, works independent of Treasury Department and reports directly to the Head of Risk Management.

Market risk Management Committee headed by the Managing Director and the Chief Executive Officer and comprising of Executive Directors and vertical heads of Treasury, Risk Management and other relevant Departments as members, is entrusted with the overall responsibility for management of treasury operations in line with the strategy and policies approved by the Board.

Credit Risk Management

Credit risk is the risk of financial loss resulting from a borrower failing to meet the contractual obligation to repay or fulfill other credit related commitments. The Bank identifies and manage the risk through (a) stringent underwriting standards (b) centralized appraisal process (c) post-disbursement monitoring, (d) Counterparty and Industry exposure limits and (e) remedial management procedures. The Bank holds a well-diversified portfolio through an array of retail products, such as auto loans, housing loans, personal loans, gold loans & more and wholesale commercial banking.

The Credit Risk Management Cell (CRM Cell) under the Risk Management Department conducts detailed and periodic analysis on portfolio performance in each customer segment. The CRM Cell is primarily responsible for implementing the credit risk strategy approved by the Board, developing procedures and systems for managing credit risk, carrying out an independent assessment of credit risk and ensuring portfolio composition and quality in accordance with the mandate of the Board instituted through policies and limit/trigger framework. In addition, the review of credit rating is kept independent of business vertical conducting credit appraisal process through a dedicated rating cell under risk management department ensuring independent framework for the review and approval of credit ratings.

Credit Proposals are evaluated by the business units against the underwriting standards enunciated in the Bank's Policies. The Bank has employed internal rating models which grades the borrower in rating scale of PSB1 to PSB9 according to its financial and performance parameters (PSB1 indicates the highest and PSB9 the lowest rating, with further classification of PSB1 to PSB6 as investment grade ratings and PSB7 as caution and lower as non-investment grade).

Bank has specific models for each significant segment encompassing Manufacturing, NBFCs and Trade & Services. Each model assesses the overall risk over major categories—industry risk, business risk, management risk, financial risk and Project risk & Transactional risk where applicable. The aggregate weighted score based on the assessment under these categories translates into a specific alphanumeric rating.

To ensure adequate diversification of risk, concentration limits have been set up in terms of: (a) Rating wise Counterparty limits (b) Industry wise limits (c) product wise limits. In addition to above, the Bank has also put in place an automated framework of Early Warning Signals based on alerts believed to sensitize about some wrongdoings in the loan accounts which may turn out to be fraudulent. The Bank also administers Real Time Transaction Monitoring System (RTTMS) which enables real time monitoring of transactions and generates alerts. The generated alerts are followed up by a dedicated cell for their suitable closure or escalation.

Operational Risk Management

Operational risk is the risk of loss as a result of ineffective or failed internal processes, people and systems or from external events. The Bank has put in place a Board-approved Operational Risk Management policy which clearly articulates and establishes functions and hierarchy for management of Operational Risk.

The Operational Risk Management Committee, which is headed by the Executive Director and consists of senior management functionaries including the Chief Risk Officer, Head of Inspection and Audit, Head of General Operations and vertical heads of the relevant business lines, oversees the implementation of the operational risk management framework approved by the Board. An independent Operational Risk Management Cell under risk management department is responsible for implementation of the approved framework across the bank.

While the day-to-day operational risk management lies with business lines at front, the operational risk management department, as part of second line of defense, deals with designing tools and techniques for identification and monitoring of operational risk across the Bank consistent with the framework approved by the Board. The Cell also ensures operational risk exposures are assessed, monitored and reported to the relevant levels of the management for initiating suitable risk mitigations.

The Bank uses an array of risk assessment techniques to manage operational risks. These techniques include:

- Framework of key risk indicators to alert the Bank of impending problems in a timely manner. Key risk indicators are predictors of unfavorable events that can negatively affect the desired outcome. The key risk indicators allow monitoring of the control environment as well as operational risk exposures and also trigger risk mitigation actions.
- Risk control self-assessment, to identify gaps in risk controls so that the timely remedial measures can be initiated.
- Maintaining loss data base and subjecting material operational risk losses to a detailed risk analysis in order to identify gaps in controls
- Periodic reporting of risk assessment and monitoring to senior management to ensure timely actions are initiated at all levels.

Apart from above, Operational Risk Management Cell conducts half yearly assessment of reputation risk based on quantitative and qualitative parameters enunciated in the Bank's Reputation Risk Policy.

Internal Control System

The Bank performs stress testing for credit, market, operation and liquidity risk as per the Board approved Stress Testing framework comprising of regulatory and discretionary stress shocks across various drivers of risk. This serves as a measure to the Bank to assess the financial standing from viewpoint of stressed but plausible scenarios.

Also, the Bank has framed a Board approved risk appetite statement consolidating varied risk parameters pertaining to solvency, earnings, asset quality, business concentration, operations and market risk into a consolidated RAS score which serves as a risk dashboard for the management to constantly and quickly gauge the health and movement of underlying risk factors. This creates the opportunity for the Bank's Management to take informed and swift decision in a timely manner.

Capital Adequacy and Liquidity Coverage

We are subject to regulations relating to capital adequacy of banks, which determines the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio, or capital-to-risk asset ratio ("**CRAR**"). The RBI requires banks in India to maintain a minimum CRAR of 11.50% (including capital conservation buffer) of risk weighted average ("**RWA**") from October 1, 2021.

In addition, RBI issued the RBI Basel III Capital Regulations on May 2, 2012 applicable to our Bank for International Settlement's Basel III international regulatory framework and was implemented on April 1, 2013. The RBI Basel III Capital Regulations require, among other things, higher levels of Tier I capital and common equity, capital conservation buffers, maintenance of a minimum prescribed leverage ratio on a quarterly basis, higher deductions from common equity and Tier I capital for investments in subsidiaries and changes in the structure of non-equity instruments eligible or inclusion in Tier I capital.

The RBI Basel III Capital Regulations also set out elements of regulatory capital and the scope of the capital adequacy framework, including disclosure requirements of components of capital and risk coverage. The transitional arrangements for the implementation of Basel III capital regulations in India began on April 1, 2013 and the guidelines are required to be fully implemented by April 1, 2021. The RBI Basel III Capital Regulations were expected to be fully implemented by March 31, 2019.

However, the RBI had deferred the implementation of the last tranche of 0.625% of capital conservation buffer from April 1, 2021 to October 1, 2021. Our Bank is required by the RBI to maintain a minimum capital adequacy ratio of 11.50% (including capital conservation buffer of 2.50%) in relation to our total risk weighted assets as of March 31, 2024. The following table sets forth, for the periods indicated, our Bank's capital adequacy ratios computed as per applicable RBI guidelines:

(₹ crore, except percentages)

Ratio	As at December 31, 2024	As at December 31, 2023	As at March 31		
			2024	2023	2022
Common equity tier I (CET I)	9,716.03	8,455.18	9,251.94	7,990.22	6,306.61
Additional tier I capital	-	-	-	-	1,000.00
Tier I capital	**9,716.03**	**8,455.18**	**9,251.94**	**7,990.22**	**7,306.61**
Tier II capital	1,327.73	1,463.27	1,519.35	1,553.10	1,849.14
Total capital	**11,043.76**	**9,918.45**	**10,771.29**	**9,543.32**	**9,155.75**
Risk weighted assets	**69,221.21**	**61,491.67**	**62,776.74**	**55,815.43**	**49,380.54**
CET I ratio (%)	14.04%	13.75%	14.74%	14.32%	12.77%
Tier I capital ratio	14.04%	13.75%	14.74%	14.32%	14.80%
Tier II capital ratio	1.92%	2.38%	2.42%	2.78%	3.74%
Total capital ratio	**15.95%**	**16.13%**	**17.16%**	**17.10%**	**18.54%**

Our liquidity coverage ratio ("**LCR**") was 133.99% as of December 31, 2024, compared to the minimum requisite LCR of 100%. In addition, our leverage ratio was 6.03% as of December 31, 2024 and 5.84% as of December 31, 2023 compared to the requisite RBI indicative ratio of 3.50%.

Loan concentration

We have an internal credit policy on portfolio diversification. Our total financing exposure in a particular business is evaluated in accordance with business wise growth. Our Risk Management Department monitors sector wise exposure. Major changes in the industrial segments are closely monitored and corrective actions are initiated.

Priority sector lending

Commercial banks in India are required by the RBI to lend, through advances or investments, 40.00% of their Adjusted Net Bank Credit ("**ANBC**") or credit equivalent amount of off-balance sheet exposures, whichever is higher, to specified sectors known as "priority sectors", subject to certain exemptions permitted by RBI from time to time. Priority sector advances include advances to the agriculture sector, micro and small enterprises, and vulnerable groups in society, housing and education finance. Any shortfall in the amount required to be lent to the priority sectors may be required to be deposited with the Rural Infrastructure Development Fund established by NABARD or funds with other financial institutions as specified by the RBI.

We sold 1,200 units and 3,400 units under Priority Sector Lending Certificates ("**PSLCs**") amounting to ₹ 300.00 crore and ₹ 850.00 crore under Small and Marginal farmers and earned commission income of ₹ 6.75 crore and ₹ 9.74 crore during Fiscal 2024 and 2023. During nine months ended December 31, 2024, Bank has purchased PSLC Agriculture of ₹ 1,095.00 crore and PSLC Small and Marginal Farmer of ₹ 800.00 crore.

Advances to weaker sections, consisting of beneficiaries belonging to scheduled castes/scheduled tribes, small and marginal farmers, landless labourers, rural artisans, beneficiaries under Government Sponsored schemes was ₹ 9,813.90 crore as on December 31, 2024.

Under the Priority Sector Guidelines, 40.00% of the ANBC should be provided to the priority sector, with 18% and 12% of such priority sector credit provided to the agriculture sector and weaker sections (as identified in the Priority Sector Guidelines), respectively. We have achieved the goals set for overall priority sector lending for the nine months ended December 31, 2024 and 2023 and each of Fiscal 2024, 2023, 2022.

As on December 31, 2024 the percentage of advances to priority sector and agriculture advances was 45.77% and 18.66% of ANBC, respectively, against stipulated norm of 40% and 18%, respectively. The percentage of advances to small and marginal farmers was 10.53% of ANBC, against stipulated norm of 10%.

The percentage of advances to micro enterprises was 11.85% of ANBC, against stipulated norm of 7.50%. As of December 31, 2024, our gross lending to priority sectors was ₹ 38,773 crore, which constituted 45.77% of our ANBC of ₹ 84,709 crore.

The following table sets out a breakdown of our priority sector lending in the form of advances for the periods indicated:

(₹ crore, except percentages)

Particulars	**As of December 31, 2024**		**As of December 31, 2023**		**As of March 31, 2024**		**As of March 31, 2023**		**As of March 31, 2022**	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**
Adjusted Net Bank Credit (ANBC)	84,708.78	-	76,130.61	-	82,020.79	-	59,641.31	-	62,110.4	-
Total Priority Sector Advances (40%)	38,772.49	45.77%	33,508.17	44.01%	39,119.64	47.69%	32,795.06	54.99%	31,178.01	50.20%
Total Agriculture Advances (18%)	15,804.05	18.66%	12,841.33	16.87%	18,443.65	22.49%	12,328.19	20.67%	12,550.82	20.21%
Small & Marginal farmer (10%)	8,919.58	10.53%	7,058.18	9.27%	9,715.03	11.84%	6,595.17	11.06%	7,334.28	11.81%
Micro Enterprises (7.50%)	10,036.25	11.85%	9,237.10	12.13%	9,393.90	11.45%	8,534.08	14.31%	7,073.45	11.39%

Pursuant to the scheme, as at December 31, 2024, our Bank had 2,591,298 PMJDY accounts, amounting to a total value of ₹ 522.25 crore, with an average balance of approximately ₹ 0.02 per account.

Recovery of NPAs

We have devised a strategic policy for the recovery of NPAs by identifying such risky assets at an early stage with the daily recognition of NPAs. The various measures recommended for recovery include one-time settlements, out-of court settlements, filing of suits before the Debt Recovery Tribunals and courts, actions under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 and Lok Adalats, which is a system for out-of-court settlements of impaired loans through mutual consent in accordance with the LSA Act, 1987.

Additionally, NPA accounts of ₹ 1.00 crore and above are reviewed periodically by our senior management and appropriate measures are taken for their early recovery or upgrading. Non-performing loans which are not capable of upgrading or recovery are also considered for write-off on a case-by-case basis, although recovery efforts continue to be undertaken on accounts that have been written off.

We have assembled special teams for monitoring our high value NPAs and technically written-off accounts with a specific focus on the resolution of such NPAs and to recover the sums in the technically written-off accounts. We also have a team for the slippage prevention and recovery of NPA portfolios through the collection and recovery or resolution agents.

The above measures are coupled with our resolution strategies to prevent the migration of assets to a lower asset class. We believe that the healthy level of recoveries from NPAs and in unrealized interest were primarily due to the collateral that has been provided to secure the impaired loans, which encourages borrowers to repay loans and interest rather than forfeit their property.

The Bank's strategy for the resolution of stressed assets involves referring these cases for resolution under the Insolvency and Bankruptcy Code with the National Company Law Tribunal. The Insolvency and Bankruptcy Code, 2016, enacted in May 2016, provides for a time-bound revival and rehabilitation mechanism to resolve stressed assets.

The Bank has referred certain non-performing borrowers for resolution under the Insolvency and Bankruptcy Code, 2016, with the National Company Law Tribunal. Further, the filing for resolution by various stakeholders, including financial creditors and any other participants as may be eligible, could impact the Bank's provisioning and credit loss. In addition, the requirement to complete the resolution process within the stipulated timeline to avoid liquidation of the borrower may impact recoveries from these stressed accounts. In the event borrowers go into liquidation, the additional credit losses may be significant.

Customer Base

Our Bank's customer base is comprised large and mid-sized corporates, MSMEs and individuals. Our Bank has recently sought to increase its focus on its retail operations. Our Bank's customer relationship is a significant aspect of our Bank's business model and is, therefore, one of the primary objectives of our Bank. Our Bank strives to achieve this goal through regular interaction with customers and strengthening of relations, with the aim of increasing customer retention.

Although our Bank has a considerable customer base, it has a relatively high concentration of loans to certain borrowers, borrower groups and industry sectors. As of March 31, 2023, our Bank's largest fund based exposures were to NAFED, Food Credit Consortium and Odisha State Civil Supplies Corporation at ₹ 3,000.00 crore , ₹ 1,932.95 crore and ₹ 1,400.00 crore, respectively, and representing 3.29%, 2.12% and 1.54%, respectively, of our total fund based exposure as at such date.

As at December 31, 2024 (a) the Bank's ten largest group borrowers amounted to ₹ 7,877.71 crore, representing 81.08% of the Bank's Tier I Capital, which is ₹ 9,716.03 crore; (b) the Bank's exposure to the single largest group borrower as per Large Exposures Framework was ₹ 1,649.65 crore representing 16.98% of the Bank's Tier I capital; and (c) the Bank's exposure as per Large Exposure Framework to its ten largest individual borrowers was ₹ 17,639.83 crore, representing 181.55% of the Bank's Tier I Capital.

Customer care and relationship management

As directed by the RBI, we have constituted a Board level committee chaired by our Managing Director and Chief Executive Officer and a Standing Committee on Customer Services chaired by our Executive Director. These committees assess the complaints from our customers, and provide necessary directions, from time to time, to improve our customer services. We have introduced a number of customer service initiatives in order to maintain a high standard of customer service. We have also started internet based mechanism, Standardized Public Grievances Redressal System ("**SPGRS**") for lodging complaints or to give suggestions and feedback on services by the customers and for providing acknowledgment and status of their feedback / complaints as per the directions of GoI.

INFORMATION TECHNOLOGY

We rely on IT systems for financial reporting processes. IT controls for recording of transactions, generating various reports in compliance with RBI guidelines/ directions is dependent on working of core banking system of our Bank. We account for all transactions related to advances in our IT systems, core banking solutions which identifies whether the advances are performing or non-performing and calculation of provisions thereon. We upgraded our core banking solutions platform from Finacle 7 to Finacle 10 during Fiscal 2024, which will enable us to offer a wider array of services through our digital platforms.

Our Bank has migrated to ITMS Treasury software which will improve efficiency and will help in compliance of the guidelines issued by Reserve Bank of India. We have Next-Gen CRM for proactive customer engagement and a Next-Gen contact centre, which is AI-powered for personalized and effective customer support. Further, we have made structural changes to support consistency in performance through cloud implementation for IT application and establishing private cloud to move most of the existing solution on latest IT infrastructure.

We have established a specialized CASA back office as a processing centre for RAM advances in every zone for streamlining deposit and account management workflows. Our initiatives focus on strengthening the credit monitoring engine and collection efficiency. We also have a dedicated vertical for liability resource mobilization, fee income and new project implementation.

Our IT strategy has been supporting business initiatives by a process of continuous update in technology and process platforms. We also have a Cyber Insurance Policy in place to mitigate losses due to cybercrime incidents. We have implemented cyber security and fraud risk management measures in place for safeguarding digital transactions and have an IT Strategy Committee of the Board, for undertaking IT initiatives.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are committed to sustainability and responsible business operations. In Fiscal 2024, ₹ 0.05 crore funds were allocated to promote Paralympic sports for athletes in India through the Boccia Sports Federation of India, covering essential equipment, including Boccia balls, Boccia ramps, and sports kits.

We provided financial support to the Gujarat Foundation for Entrepreneurial Excellence towards iCreate's corpus funds. This initiative seeks to transform business ideas into enterprises by supporting technology-led startups at all stages and nurturing over 1,000 startups within five years. We have allocated funds for the installation of a water cooler at the Graduate School and College for Women in Jamshedpur, Jharkhand, a sanitary pad vending machine at Shaheed Sheikh Bhikhari College of Education in Ranchi, Jharkhand, and a water R.O. system and cooler at the Bus Stand in Pathankot, Punjab.

Additionally, we support the Nimbark Math Seva Samiti Trust, which engages in charitable work, including aid for the poor and destitute, medical assistance, running schools for the blind, old age homes, and a Gaushala. Furthermore, funds have been allocated to the Hare Krishna Movement for providing education and food to underprivileged children at Aikya Vidya Centres. We have also installed solar lights at common places such as temples, chaupals, and panchayat ghars in the village of Batori under our CSR program. These efforts are towards our commitment to social welfare and community development.

Total Funds allocated under CSR for Fiscal 2024 was ₹ 4.11 crore. In Fiscal 2024, ₹ 1.25 crore has been allocated to Punjab Agricultural University, Ludhiana for project on futuristic farming. The project is aimed at transforming agricultural practices in the country. The new farming technique will contribute to resource conservation and reduce adverse impact on environment. The Bank has also allocated ₹ 1.91 crore to Indian School of Business, Mohali for establishing Street Vendor Incubator (SVI), scholarship and skill development. The project aimed in line with Make in India initiative of the Government of India and also to develop entrepreneurial spirit among the students.

The Bank has also allocated ₹ 0.25 crore for upgradation of ten Anganwadi into Model Anganwadi in co-ordination with the District Administration, Bokaro, Jharkhand. The project is aimed at promotion of Child friendly infrastructure and qualitative learning approaches towards attaining better output in context of pre-school learning, cogitative and overall development of children. The Bank has also allocated ₹ 0.05 crore for distribution of blankets with our Bank's logo and signage in Maha Kumbh Mela in Prayagraj, Uttar Pradesh.

On the occasion of our Bank's 117th Foundation day, we have allocated ₹ 0.45 crore approximately for distribution of water cooler and wheel chairs to the poor and needy people. ₹ 0.14 crore has been allocated for contribution of 2 (two) ambulances to GNE Engineering College and Nankhana Sahib Public School. Other initiatives include contribution of Green Generator to GRC Jabalpur, Medical equipments to Gurdwara Sri Guru Singh Sabha, contribution of medical equipment to Holy Cross Hospital, Giridih, Jharkhand. Further, the total Funds allocated under CSR for nine months ended December 31, 2024 was ₹ 3.67 crore.

AWARDS AND CERTIFICATIONS

Fiscal	Award/ accreditation
2023	SKOCH Silver Award for PSB UnIC (OMNI Channel) in the 92nd SKOCH Summit
	First position in top Improver Award in Ease 5.0 and Ease 6.0 reforms
	First Runner up Award in Theme 4 'Collaborative and Development focused Banking
2022	First position amongst 14 Small and Micro Banks (Digital Transactions <=50 crore)
	MSME Banking Excellence Awards 2022 for the 'Best Emerging Bank' Award by Chamber of Indian Micro Small & Medium Enterprises (CIMSME)

COMPETITION

The Indian banking industry is highly competitive, and we face competition across all our principal areas of business. Our primary competitors are public sector banks and private sector banks, including foreign banks. Many of our competitors have, over time, built extensive branch networks, providing them with the advantage of a low cost deposit base, and enabling them to lend at competitive rates.

In addition, the extensive geographic reach of many of these institutions enables product delivery in remote parts of the country. In addition, the moderation of growth in the Indian banking sector is expected to lead to greater competition for business opportunities. The GoI is also actively encouraging banks and other financial institutions to significantly increase their lending to the agricultural & MSME sector, which will make this segment more competitive.

We seek to compete with these banks through value added services, faster customer service response, quality of service, a growing inter – connected branch network and delivery capabilities based on enhanced technology. Other private sector banks also compete in the corporate banking market on the basis of pricing, efficiency, service delivery and technology. We also face competition from foreign banks, which have traditionally been active in providing trade finance, fee-based services and other short-term financing products to large Indian corporations. Additionally, we also face competition from small finance banks and payment banks.

INSURANCE

We maintain ongoing insurance policies in respect of our head office, branches, ATMs, office automation, furniture and fixtures, electronic equipment, other valuables and documents. We have a pan-India cash on premises and cash in transit insurance policy which covers cash at all our offices and branches and in transit. We also have standard fire and special perils policy for our Head Office at 21, Rajender Place, Bank House. New Delhi. Additionally, we have standard fire and special perils and burglary insurance policy which provide coverage to all our branches and offices across the country. Pursuant to these insurance policies, our automation, furniture and fixtures, electronic equipment, cash in premises, cash in transit, other valuables and documents are insured against any burglary, theft, fire, perils, terrorism, strike riots and civil commotion. We believe that we maintain all material insurance policies commonly required by a bank in India.

EMPLOYEES

As of December 31, 2024, we had total of 10,250 employees comprised 6,896 officers and 3,354 other employees. Our employees include experts in risk management, credit analysis, treasury, relationship management, retail products, IT as well as general banking professionals. Business per employee of our Bank stood at ₹ 25.01 crore and ₹ 23.35 crore for the nine months ended December 31, 2024 and Fiscal 2024, respectively, as compared to ₹ 22.75 crore and ₹ 21.45 crore for the nine months ended December 31, 2023 and Fiscal 2023.

In addition to basic compensation, our employees are eligible for housing loans at concessional rates, medical reimbursement, group insurance cover and basic retirement benefits, including provident fund and gratuity for eligible employees. We have a performance management system for monitoring employee performance digitally through key responsibility areas. We perform lateral hiring of specialized cadre.

We also provide our employees regular training to enable them to effectively address regulatory and market developments in the banking and financial services industry. We also provide specialized training on certain operational areas such as credit management, foreign exchange related issues, treasury management, risk management, as well as sales and marketing skills, systems and procedures and security. Considering the large scale retirements and developing skills, we have undertaken process of revamping our training to the employees by arranging special executive development programmes. Further, Our Bank has undertaken several initiatives to support and develop its employees.

We are in the process of establishing a Centre of Excellence at the Staff Training College (STC) that aims to provide advanced training and development opportunities. Succession planning is in place to build a strong, future-ready leadership team, ensuring the bank's long-term success. We have a ISO-certified Staff Training College is dedicated to imparting high-quality training and creating future leaders.

Capacity building is further enhanced through the Individual Development Plan (IDP) program, which focuses on competency mapping and personalized development. Additionally, we offer a scheme for the reimbursement of course fees for programs offered by apex institutes and ed-tech platforms, encouraging continuous learning and professional growth. Mentorship programs are also in place to provide guidance and support, fostering a culture of growth and development within the organization.

These initiatives collectively contribute to our Bank’s commitment to employee development and excellence. Further, to promote gender diversity within our Bank, various women-centric initiatives have been implemented. These include organising webinars on post-maternity counselling and support for women employees, creche allowance benefitting 425 women employees, and the launch of the Women Mentorship Programme-PSB Sakhi, aligning with the United Nations’ International Women's Day 2024 theme of ‘*Invest in Women: Accelerate Progress*.’

INTELLECTUAL PROPERTY

We have registered our logo “ ” under class 36 under the Trademark Rules, 2002 bearing number 1968165 dated May 19, 2010 registered with the Trademarks Registry, Mumbai.

PROPERTIES

Our Head Office is situated at 21, Rajendra Place, Bank House, New Delhi and Corporate Office is situated at Plate B, Block 3, NBCC Complex, East Kidwai Nagar, New Delhi. As of December 31, 2024, we had a network consisting of 1,584 bank branches, 25 zonal offices and 1,041 ATMs spread over all states and union territories, throughout India. Of the properties used by the Bank, some are held by our Bank on a freehold basis and some are held on a leasehold basis.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

Our Bank has been constituted as a body corporate under the Banking Companies Act. In terms of the provisions of the Banking Companies Act, the general superintendence and direction of the affairs and business of our Bank is entrusted to the Board constituted as per the provisions of the Banking Companies Act, the Nationalized Banks Scheme and Punjab & Sind Bank (Shares & Meetings) Regulations, 2008.

As per sub-section 3 of section 9 of the Banking Companies Act, every board of directors of a corresponding new bank, constituted under any scheme made under sub-section 1 of section 9 of the Banking Companies Act shall include:

a) not more than five whole-time directors to be appointed by the Central Government after consultation with RBI, provided that the Central Government, may, after consultation with the RBI, vide a notification published in the official gazette, post a whole-time director so appointed to any other corresponding new bank;

b) one director who is an official of the Central Government to be nominated by the Central Government; provided that no such director shall be a director of any other corresponding new bank;

c) one director, possessing necessary expertise and experience in matters relating to regulation or supervision of commercial banks, to be nominated by the Central Government on the recommendation of RBI;

d) one director, from among such of the employees of the corresponding bank who are workmen (as defined under clause (s) of section 2 of the Industrial Disputes Act, 1947) to be nominated by the Central Government;

e) one director, from among the employees of the corresponding bank who are not workmen (as defined under clause (s) of section 2 of the Industrial Disputes Act, 1947) to be nominated by the Central Government after consultation with RBI;

f) one director who has been a chartered accountant for not less than 15 years to be nominated by the Central Government after consultation with RBI;

g) subject to directors elected by shareholders as provided under clause (i) of sub-section 3 of section 9 of the Banking Companies Act, not more than six directors to be nominated by the Central Government;

h) directors elected by shareholders of the bank (other than the Central Government) from amongst themselves where the capital raised by public issue or rights issue or by issue of bonus shares or preferential allotment or private placement, of equity shares or preference shares is:

   I. not more than 16.00% of the total paid-up capital, one director;
   II. more than 16.00% but not more than 32.00% of the total paid-up capital, two directors; and
   III. more than 32.00% of the total paid-up capital, three directors, to be elected by the shareholders, other than the Central Government, from amongst themselves.

As on the date of this Preliminary Placement Document, we have Six (6) directors on our Board consisting of one (1) Managing Director and Chief Executive Officer and two (2) Executive Director appointed in accordance with Section 9(3)(a) of the Banking Companies Act. Other than three (3) Executive Directors, we have Three (3) non-executive Directors on our Board including One (1) women Director. All Directors are appointed/nominated/elected pursuant to the Banking Acquisition Act, Punjab & Sind Bank (Shares & Meetings) Regulations, 2008 and the Nationalised Banks (Management & Miscellaneous Provisions) Scheme, 1980, as amended ("**Nationalized Banks Scheme**").

The non-executive Directors who are on the Board of our Bank as on the date of this Preliminary Placement Document are mentioned below:

- One (1) Director (who is an official from the Central Government) nominated under section 9(3)(b) of the Banking Acquisition Act by the Government;
- One (1) Director (possessing necessary expertise and experience in matters relating to regulation or supervision of commercial banks) nominated under section 9(3)(c) of the Banking Acquisition Act by the Government on the recommendation of the RBI;

- One (1) Director in the position as shareholders (other than the Government) nominated director under Section 9(3)(i) of the Banking Acquisition Act.

The current composition of our Board is not in compliance with the provisions of the Banking Acquisition Act since one position each under section 9(3)(e), 9(3)(f) and 9(3)(g) to be nominated by the Central Government and five positions under section 9(3)(h) to be nominated by the Central Government are vacant.

Given that our Bank is a public sector undertaking, matters pertaining to, among others, appointment of our Directors are determined by the Government of India, Ministry of Finance or RBI except appointment of Shareholders' Directors under section 9(3)(i) of the Banking Companies Act. For further details please see "*Risk Factors – As on the date of this Preliminary Placement Document, the composition of our Board and the composition of certain committees does not have the full strength as prescribed in the Banking Companies Act, SEBI Listing Regulations and Master RBI (Fit and Proper Criteria for Elected Directors on the Boards of PSBs) Directions, 2019 dated August 2, 2019.*" beginning on page 70.

The following table sets forth details regarding our Board as on the date of this Preliminary Placement Document:

Name, Occupation, Term, Nationality	**Clause (as per Section 9(3) of the Banking Companies Act) under which appointed / nominated / elected**	**Age (in years)**	**Designation**
Swarup Kumar Saha **Occupation**: Service **Term**: For a period of three years with effect from the date of assumption of office i.e., June 06, 2022 or until further orders whichever is earlier **Nationality**: Indian	Clause (a)	58	Managing Director and Chief Executive Officer
Ravi Mehra **Occupation**: Service **Term**: For a period of three years with effect from the date of assumption of office i.e., October 09, 2023 or until further orders whichever is earlier **Nationality**: Indian	Clause (a)	58	Executive Director
Rajeeva **Occupation**: Service **Term**: For a period of three years with effect from the date of assumption of office i.e., August 09, 2024 or until further orders whichever is earlier	Clause (a)	56	Executive Director

Name, Occupation, Term, Nationality	Clause (as per Section 9(3) of the Banking Companies Act) under which appointed / nominated / elected	Age (in years)	Designation
Nationality: Indian			
M G Jayasree **Occupation**: Deputy Director General, Government of India, Ministry of Finance, Department of Financial Services **Term**: With effect from April 11, 2022 and until further orders **Nationality**: Indian	Clause (b)	49	Government Nominee Director
Vivek Srivastava **Occupation**: Regional Director, Reserve Bank of India **Term**: with effect from December 12, 2024 and until further orders **Nationality**: Indian	Clause (c)	57	RBI Nominee Director
R P Gupta **Occupation**: Zonal Manger, LIC of India **Term**: For a period of three years with effect from June 01, 2024 until further orders **Nationality**: Indian	Clause (i)	60	Shareholder Director

Brief Profiles of our Directors

Swarup Kumar Saha is the Managing Director and Chief Executive Officer of our Bank. He has over 30 + years of experience of banking industry. He holds a bachelor's of degree of science from the University of Calcutta and is a Certified Associate of the Indian Institute of Bankers. He holds diploma in Treasury, Investment, and Risk Management awarded by the Indian Institute of Bankers and the Fixed Income Money Market and Derivatives Association of India. He has been a Director on our Board since June 06, 2022.

Ravi Mehra is the Executive Director of the Bank. He has been a Director on our Board since October 09, 2023. He joined the services of the Bank on December 1988 and has over 30+ years of experience. He has obtained Master of Commerce degree from Himachal Pradesh University and is a Certified Associate of Indian Institute of Bankers (CAIIB).

Rajeeva is the Executive Director of our Bank. He has over 30 + years of experience in almost all the key areas of banking. Prior to joining our Bank, he was associated, as a chief General Manager of Punjab National Bank.

He holds a post-graduated diploma in Arts, MBA in Banking and Finance and a Certified Associate of Indian Institute of Bankers (CAIIB). He has also served as Managing Director and Chief Executive Officer of PNB (International) Limited. He has been a Director on our Board since August 09, 2024.

M G Jayasree is the Government Nominee Director of our Bank. She has years of experience at various levels in different capacities in the Government of India. She also serves as a government nominee director on the Board of Directors of India Infrastructure Finance Company Limited. She has been a Director on our Board since April 11, 2022.

Vivek Srivastava is the RBI Nominee Director of our Bank. He is currently the regional director for Chandigarh Regional office of RBI. He has been a Director on our Board since December 12, 2024.

R P Gupta is the Shareholder Director of our Bank. He holds master's degree in physics from Lucknow University. Prior to joining our Bank, he was associated, as an Executive Director of Life Insurance Corporation of India. He is also a fellow member of Insurance Institute of India. He has been a Director on our Board since June 01, 2024.

Relationship between our Directors

None of our Directors are related to each other as on the date of this Preliminary Placement Document.

Remuneration details of our Directors

(i) Remuneration details of our executive Directors

The details of the remuneration paid by our Bank to our present Executive Directors for the period nine months period ended December 31, 2024 and for the Fiscals 2024, 2023 and 2022 respectively are set forth below:

(₹ in crore)

Name of the Director	Remuneration including salary and perquisites paid			
	For the period Nine-months period ended December 31, 2024	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Swarup Kumar Saha *	0.30	0.42	0.28	Nil
Ravi Mehra**	0.33	0.19	Nil	Nil
Rajeeva ***	0.14	Nil	Nil	Nil
S Krishnan #	0.00	0.00	0.13	0.33
Ram Jass Yadav $	0.03	0.39	0.33	0.13
Kollegal V Raghavendra %	Nil	0.13	0.34	0.27

* *Swarup Kumar Saha has been on our Board with effect from June 06, 2022.*
* *Ravi Mehra has been on our Board with effect from October 09, 2023.*
**** Rajeeva has been on our Board with effect from August 09, 2024.*
 # S Krishnan was on the Board of the Bank from September 03, 2020 till May 31, 2022
$ Ram Jass Yadav was on the Board of the Bank from October 21, 2021 till April 30, 2024
% Kollegal V Raghavendra was on the Board of the Bank from March 10, 2021 till June 30, 2023

(ii) Remuneration details of our non-executive Directors and Independent Directors

As per Government of India's directive F. No. 15/1/2011-BO.I dated January 18, 2019, all the directors other than the executive directors, Government's nominee director and RBI's nominee director, are to be paid a sitting fees amounting to ₹ 40,000 for attending each meeting of the board, ₹ 20,000 for attending each meeting of the sub-committee of the board, additional ₹10,000 for chairing the meeting of the Board and ₹5,000 for chairing the meeting of sub-committee of the Board.

Pursuant to the letter issued by the MoF No. F.No.15/1/2011-BO.I dated 18th January, 2019 non-executive chairman and part-time non-official directors nominated under clause I, (f) (g), (h) and (i) of sub-section (3) of section 9 of the Banking Companies Act, are to be paid a sitting fees for attending meeting of the Board and meeting of the committees of the Board, additional fees for chairing the meeting of the Board and for chairing the meeting of committees of the Board, as decided by the Board of Directors subject to overall ceiling of ₹ 0.15 crore.

Accordingly, the details of the sitting fees paid by our Bank to our present Non-Executive Directors for the Nine months period ended December 31, 2024 and for the Fiscals 2024, 2023 and 2022 respectively are set forth below:

Name of the Director	Sitting fees paid			
	For the Nine months period ended December 31, 2024	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
M G Jayasree(1)	Nil	Nil	Nil	Nil
Vivek Srivastava(2)	Nil	Nil	Nil	Nil
R P Gupta(3)	0.08	NA	NA	NA
Charan Singh (4)	0.14	0.15	0.08	0.01
Tirath Raj Mendiratta (5)	0.04	0.15	0.15	0.13
Shankar Lal Agarwal (6)	0.14	0.15	0.14	0.04
Rshmi Khetrapal(7)	-	0.11	0.15	0.00

(1) M G Jayasree has been on our Board with effect from April 11, 2022.
(2) Vivek Srivastava has been on our Board with effect from December 12, 2024.
(3) R P Gupta has been on our Board with effect from June 01, 2024.
(4) Charan Singh was on our Board from November 07, 2022 till November 06, 2024
(5) Tirath Raj Mendiratta was on our Board from May 12, 2021 till May 11, 2024
(6) Shankar Lal Agarwal was on our Board from December 21, 2021 till December 20, 2024
(7) Rshmi Khetapal was on our Board from March 21, 2022 till December 19, 2023

Performance Linked Incentive or Bonus or profit-sharing plan for our Directors

Government of India, Ministry of Finance, Department of Financial Services vide notification number F.No.12/1/2014 – BOA dated August 08, 2015 has set out broad parameters for payment of performance linked incentives to whole time directors on the boards of public sector banks. Such performance linked incentives are given in accordance with scores obtained as per the performance evaluation matrix prescribed in the notification. The performance evaluation matrix consists of qualitative and quantitative parameters. Further, in accordance with the action point 16 of banking reforms set out in the Reforms Agenda for Responsive and Responsible PSBs ("PSB Reforms Agenda"), the board of directors of a public sector bank shall evaluate the performance of the bank's whole-time directors in terms of its implementation of the six-point action plan stated in the PSB Reforms Agenda.

Shareholding details of our Directors in our Bank

Our Directors are not required to hold any qualification shares of our Bank in terms of the Banking Regulation Act. However, the directors elected under section 9(3)(i) of the Banking Acquisition Act by the shareholders (other than the Government), are required to hold a minimum of 100 shares of our Bank in terms of regulation 65 of the Punjab & Sind Bank (Shares & Meetings) Regulations, 2008.

The following table sets forth details of shareholding of our Directors in our Bank, as on the date of this Preliminary Placement Document:

Name of the Director	No. of Equity Shares (pre-Issue)	Percentage shareholding (%)
R P Gupta	225	0.00
Ravi Mehra	397	0.00
Total	**622**	**0.00**

Interest of our Directors

Our executive Directors may be deemed to be interested to the extent of salary and remuneration paid to them for services rendered as Directors of our Bank, perquisites and reimbursement of expenses, if any, payable to them, as allowed in the ordinary course of business in terms of Central Government guidelines and RBI Guidelines, as may be applicable. For details of remuneration paid to our executive Directors, see "*-Remuneration details of our executive Directors*" above.

Further, our non-executive Directors and Independent Directors other than the Government's nominee director and RBI's nominee director, are entitled to receive sitting fees for attending each meeting of our Board and Committee thereof and are also entitled to reimbursement of expenses to attend such meeting, allowed in terms of the Government and RBI Guidelines, as may be applicable, details of which have been provided under the heading "*-Remuneration details of our Non-executive Directors and Independent Directors*" above.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Bank and dividend payable to them, if any. For details of Equity Shares held by our Directors in our Bank, see "*Shareholding details of our Directors in our Bank*" above

Except as disclosed in this Preliminary Placement Document, and except to the extent of shareholding in our Bank, our Directors do not have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Except as otherwise stated in this Preliminary Placement Document, we have not entered into any contract, agreement or arrangement during the preceding three years from the date of this Preliminary Placement Document in which any of the Directors or any of their relatives are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

Except as stated in "*Related Party Transactions*" in *"Financial Statements"* on page 291 our Directors do not have any other interest in the business of our Bank.

Other Confirmations

Neither our Bank nor our Directors have not been identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI.

Neither our Bank nor any of our Directors have been debarred from accessing capital markets under any order or direction made by SEBI, the Stock Exchanges or any other regulatory or supervisory authority.

Corporate Governance

Our Board has Six (6) directors on our Board consisting of one (1) Managing Director and Chief Executive Officer and two (2) Executive Director appointed in accordance with Section 9(3)(a) of the Banking Companies Act. Other than three (3) executive Directors, we have Three (3) non-executive Directors on our Board including One (1) women Director. The Board of our Bank and certain of its committees does not have prescribed strength with regard to its composition in terms of the Banking Companies Act and the Nationalised Bank Scheme and the SEBI Listing Regulations. For further details please see "*Risk Factors – As on the date of this Preliminary Placement Document, the composition of our Board and the composition of certain committees does not have the full strength as prescribed in the Banking Companies Act, SEBI Listing Regulations and Master RBI (Fit and Proper Criteria for Elected Directors on the Boards of PSBs) Directions, 2019 dated August 2, 2019.*" beginning on page 70

Committees of our Board

Our Board has constituted the following key Committees, as may be applicable on our Bank:

- Stakeholders Relationship Committee of the Board
- IT Strategy Committee of the Board
- HR Committee of the Board
- Management Committee of the Board
- Board Committee of Directors to deal with Vigilance, Disciplinary cases and Departmental Enquires
- Board Committee for Monitoring of Recovery
- Review Committee of the Board for Wilful Defaulter

- Board Committee for dealing with the case of appeals and review
- Special Committee of the Board for Monitoring and Follow-up of cases of Frauds
- Customer Service Committee of the Board

Details of key Committees are as follows:

1. Management Committee

The Management Committee of the Board has been constituted in pursuance of Clause 13 of Nationalized Banks Scheme read with the directives of the MoF, Government of India. The composition of Management Committee of the Board has been advised by Department of Financial Services, Ministry of Finance, Government of India vide communication F. No. 13/1/2006-BO.1/80061042 dated August 24, 2015, as may be amended by further communications. Our Management Committee comprises the following members:

Name of Director	Designation
Swarup Kumar Saha	Chairman
Ravi Mehra	Member
Rajeeva	Member
Vivek Srivastava	Member
R P Gupta	Member

2. Audit Committee

The Bank has not constituted the Audit Committee of the Board (the "**Audit Committee**") and is not in compliance with the applicable provisions of the SEBI Listing Regulations and the applicable provisions/norms under any legislation/circular/guidelines issued by the Government of India/Reserve Bank of India/other statutory or regulatory authority. For further information, see Risk factors - *As on the date of this Preliminary Placement Document, the composition of our Board and the composition of certain committees does not have the full strength as prescribed in the Banking Companies Act, SEBI Listing Regulations and Master RBI (Fit and Proper Criteria for Elected Directors on the Boards of PSBs) Directions, 2019 dated August 2, 2019* on page no 70

3. Stakeholders' Relationship Committee

Our Stakeholders' Relationship Committee was constituted pursuant to Regulation 20 read with Clause B of Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, with the objective of specifically looking into the redressal mechanism of grievances of shareholders, debenture holders and other security holders and to consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends etc. Our Stakeholders' Relationship Committee was last reconstituted on January 14, 2025 and comprises of the following members:

Name of Director	Designation
M G Jayasree	Chairman
Ravi Mehra	Member
Rajeeva	Member

4. Risk Management Committee

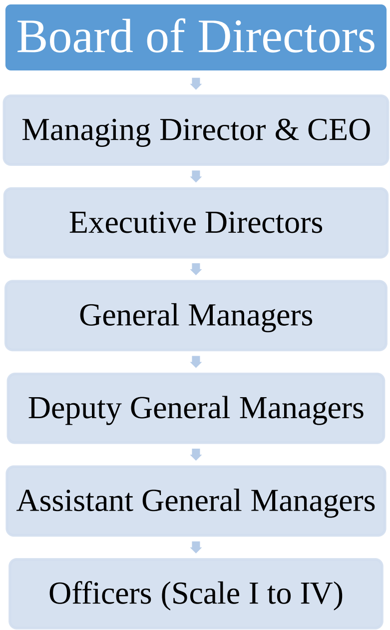
The Bank has not constituted the Risk Management Committee of the Board (the "**Risk Management Committee**") and is not in compliance with the applicable provisions of the SEBI Listing Regulations and the applicable provisions/norms under any legislation/circular/guidelines issued by the Government of India/Reserve Bank of India/other statutory or regulatory authority. For further information, see Risk factors - *As on the date of this Preliminary Placement Document, the composition of our Board and the composition of certain committees does not have the full strength as prescribed in the Banking Companies Act, SEBI Listing Regulations and Master RBI (Fit and Proper Criteria for Elected Directors on the Boards of PSBs) Directions, 2019 dated August 2, 2019* on page no 70

5. Nomination and Remuneration Committee

The Bank has not constituted the Nomination and Remuneration Committee of the Board and is not in compliance with the applicable provisions of the SEBI Listing Regulations and the applicable provisions/norms under any legislation/circular/guidelines issued by the Government of India/Reserve Bank of India/other statutory or regulatory authority. For further information, see Risk factors - *As on the date of this Preliminary Placement Document, the composition of our Board and the composition of certain committees does not have the full strength as prescribed in the Banking Companies Act, SEBI Listing Regulations and Master RBI (Fit and Proper Criteria for Elected Directors on the Boards of PSBs) Directions, 2019 dated August 2, 2019* on page no 70

Management Organization Structure

Set forth is the organization structure of our Bank:



Our Key Managerial Personnel

In addition to, Swarup Kumar Saha, Managing Director and Chief Executive Officer whose details are provided in "*-Brief Profiles of Directors*" on page 207 the details of the Key Managerial Personnel of our Bank are as follows:

Name	Designation	Associated since
Arnab Goswamy	Chief Financial Officer	April 03, 2024
Ravi Gupta	Chief Compliance Officer	March 20, 2024
Dheeraj Kumar Gaur	Chief Risk Officer	July 25, 2022
Saket Mehrotra	Company Secretary	December 02, 2013

Our Senior Managerial Personnel

In addition to our Key Managerial Personnel whose details are provided in "*-Key Managerial Personnel*" on page 212 the details of the Senior Managerial Personnel of our Bank are as follows:

Name	Designation	Associated since
Gajraj Devi Singh Thakur	General Manager	February 13, 1989
Gopal Krishan	General Manager	March 05, 1993
Manoj Kumar	General Manager	September 14, 1990
Nilendra K Prabhat	General Manager	March 12, 1993
Parveen Kumar	General Manager	January 08, 1990
Rasmita Kwatra	General Manager	April 09, 1986

Rajendra Kumar Raigar	General Manager	February 04, 1994
Rajesh Chandan Pandey	General Manager	March 10, 1993
Chaman Lal Shienhmar	General Manager	November 12, 1993
Vinod Kumar Pandey	General Manager	March 10, 1993
Ratnesh Chandra	General Manager	November 19, 2018
Santosh Kumar Neeraj	General Manager	December 15, 2012
Gurdeep	Deputy General Manager (Independent Charge)	February 26, 2011
Mahima Agarwal	Deputy General Manager (Independent Charge)	January 03, 2013
Kanwar Lal	Deputy General Manager (Independent Charge)	February 05, 1990

Relationships between Key Managerial Personnel and Senior Managerial Personnel and with Directors

None of our Key Managerial Personnel and Senior Managerial Personnel are related to each other or with our Directors.

Bonus or a profit-sharing plan to our Key Managerial Personnel and Senior Managerial Personnel

Our Bank does not have a performance linked bonus or a profit sharing plan for the Key Managerial Personnel and Senior Managerial Personnel.

Shareholding of our Key Managerial Personnel and Senior Managerial Personnel

The following table sets forth details of shareholding of our Key Managerial Personnel and Senior Managerial Personnel in our Bank, as on the date of this Preliminary Placement Document:

Name of the Key Managerial Personnel and Senior Managerial Personnel	No. of Equity Shares	Percentage shareholding (%)
R P Gupta	225	0.00
Ravi Mehra	397	0.00
Nilendra K Prabhat	8,494	0.00
Parveen Kumar	7,389	0.00
Rajesh Chandan Pandey	12,130	0.00

Interests of our Key Managerial Personnel

None of our Key Managerial Personnel and Senior Managerial Personnel have any interest in our Bank except to the extent of their, remuneration, benefits and reimbursement of expenses incurred by them in the ordinary course of business, which they receive from our Bank, their shareholding in our Bank, if any, and loans availed from our Bank, if any.

Our Key Managerial Personnel and Senior Managerial Personnel may also be deemed to be interested to the extent of Equity Shares held by them in our Bank and any dividend or other distributions payable to them in respect of the said Equity Shares (if any).

None of our Key Managerial Personnel and Senior Managerial Personnel have any financial or other material interest in the Issue and there is no effect of an interest by virtue of having shareholding in the Bank, so far as it is different from the interests of other persons.

Other than as disclosed in this Preliminary Placement Document, there were no outstanding transactions other than in the ordinary course of business undertaken by our Bank in which the Key Managerial Personnel and Senior Managerial Personnel were the interested parties.

Policy on disclosures and internal procedure for prevention of insider trading

Regulation 8(1) and 9(1) of the SEBI Insider Trading Regulations, 2015 applies to the Bank and its employees and requires the Bank to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with. The Bank has implemented a code of conduct for prevention of insider trading in accordance with the SEBI Insider Trading Regulations, 2015.

Employee Stock Option Scheme/Employee Stock Purchase Scheme

As on the date of this Preliminary Placement Documents, our Bank does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme.

PRINCIPAL SHAREHOLDERS AND OTHER INFROMATION

The following table presents information regarding the ownership of Equity Shares by the Shareholders as of December 31, 2024:

Summary statement holding of Equity Shares

Category of Shareholder	No. of Shareholders	No. of fully paid-up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of of Total Voting Right	No. of equity shares held in dematerialized form
(A) Promoter & Promoter Group	1	6,65,90,51,093	6,65,90,51,093	98.25	6,65,90,51,093	98.25	6,65,90,51,093
(B) Public	1,99,132	11,87,35,354	11,87,35,354	1.75	11,87,35,354	1.75	11,86,54,274
(C1) Shares underlying DRs	-	-	-	0.00	-	0.00	-
(C2) Shares held by Employee Trust	-	-	-	0.00	-	0.00	-
(C) Non Promoter-Non Public	-	-	-	0.00	-	0.00	-
Grand Total	1,99,133	677,77,86,447	677,77,86,447	100.00	677,77,86,447	100.00	677,77,05,367

Note: *C = C1+C2*
Grand Total = A+B+C

Shareholding Pattern of the Promoter and Promoter Group of our Bank as on December 31, 2024

Category of Shareholder	Entity Type	Nos. of Shareholders	No. of fully paid-up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of equity shares held in dematerialized form
						Class eg: X	Total	
A1) Indian					0.00		0.00	
Central Government/ State Government(s)		1	6,65,90,51,093	6,65,90,51,093	98.25	6,65,90,51,093	98.25	6,65,90,51,093
President of India	Promoter	1	6,65,90,51,093	6,65,90,51,093	98.25	6,65,90,51,093	98.25	6,65,90,51,093
Sub Total A1		1	6,65,90,51,093	6,65,90,51,093	98.25	6,65,90,51,093	98.25	6,65,90,51,093
A2) Foreign		-	-	-	0.00	-	0.00	-
A=A1+A2		1	6,65,90,51,093	6,65,90,51,093	98.25	6,65,90,51,093	98.25	6,65,90,51,093

Shareholding Pattern of Public Shareholders as on December 31, 2024

Category of Shareholder	No. of Shareholders	No. of fully paid-up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of equity shares held in dematerialized form
B1) Institutions (Domestic)	-	-	-	-	-	-	-
Mutual Funds/	6	18,42,335	18,42,335	0.03	18,42,335	0.03	18,42,335
Alternate Investment Funds	1	95	95	-	95	-	95
Banks	2	18,050	18,050	-	18,050	-	18,050
Insurance Companies	7	4,21,69,570	4,21,69,570	0.62	4,21,69,570	0.62	4,21,69,570
NBFCs registered with RBI	1	6,000	6,000	-	6,000	-	6,000
Sub Total B1	17	4,40,36,050	4,40,36,050	0.65	4,40,36,050	0.65	4,40,36,050
B2) Institutions (Foreign)	-	-	-	-	-	-	-
Foreign Portfolio Investors Category I	4	2,56,361	2,56,361	-	2,56,361	-	2,56,361
Foreign Portfolio Investors Category II	1	13,517	13,517	-	13,517	-	13,517
Sub Total B2	5	2,69,878	2,69,878	-	2,69,878	-	2,69,878
B3) Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-
						-	

Category of Shareholder	No. of Shareholders	No. of fully paid-up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of equity shares held in dematerialized form
B4) Non-Institutions	-	-	-	-	-	-	-
Resident Individuals holding nominal share capital up to Rs. 2 lakhs	1,92,331	5,89,20,203	5,89,20,203	0.87	5,89,20,203	0.87	5,89,19,123
Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	193	90,63,699	90,63,699	0.13	90,63,699	0.13	90,63,699
Non-Resident Indian (NRI)	1,403	19,22,497	19,22,497	0.03	19,22,497	0.03	18,42,497
Bodies Corporate	329	18,98,625	18,98,625	0.03	18,98,625	0.03	18,98,625
Any Other (specify)	4,854	26,24,402	26,24,402	0.04	26,24,402	0.04	26,24,402
Clearing Members	9	1,653	1,653	-	1,653	-	1,653
Unclaimed or Suspense or Escrow Account	1	2,402	2,402	-	2,402	-	2,402
HUF	4,820	22,15,824	22,15,824	0.03	22,15,824	0.03	22,15,824
LLP	14	2,59,437	2,59,437	-	2,59,437	-	2,59,437
Trusts	10	1,45,086	1,45,086	-	1,45,086	-	1,45,086
Sub Total B4	1,99,110	7,44,29,426	7,44,29,426	1.10	7,44,29,426	1.10	7,43,48,346

Category of Shareholder	No. of Shareholders	No. of fully paid-up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of equity shares held in dematerialized form
B=B1+B2+B3+B4	1,99,132	11,87,35,354	11,87,35,354	1.75	11,87,35,354	1.75	11,86,54,274

Shareholding Pattern of the Non Promoter – Non Public shareholder as on December 31, 2024

Category & Name of Shareholder (I)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	Total no. of shares held (VII = IV + V + VI)	Shareholding as a % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of equity shares held in dematerialized form (XIV) (Not Applicable)
C1) Custodian/ DR Holder	-	-	-	-	-
C2) Employee Benefit Trust	-	-	-	-	-
C=C1+C2					

REGULATIONS AND POLICIES

The following description is a summary of the relevant laws, regulations and policies as prescribed by the Government of India, and other regulatory bodies that are applicable to the business of our Bank. The description of laws and regulations set out below is not exhaustive and is only intended to provide general information to investors. The information in this section is neither designed nor intended to be a substitute for professional legal advice and investors are advised to seek independent professional legal advice.

*The primary legislation governing banking companies in India is the Banking Regulation Act, 1949 (the "**Banking Regulation Act**") which applies to public sector banks such as our Bank, only to a limited extent. The provisions of the Banking Regulation Act are, in addition to and not, save as expressly provided under the Banking Regulation Act, in derogation of the Companies Act, 2013 and any other law currently in force. Other laws governing banking companies include the Reserve Bank of India Act, 1934, the Negotiable Instruments Act, 1881, the SARFAESI Act and FEMA etc. Additionally, the RBI, from time to time, issues guidelines, regulations, policies, notifications, press releases, circulars, etc. to be followed by us and supervises our compliance with these guidelines. Our Bank is listed on a Stock Exchanges in India and therefore, our Bank will be governed by various regulations of the SEBI*

The statements below are obtained from publications available in the public domain based on the current provisions of applicable Indian law, and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by legislative, regulatory, administrative, quasi-judicial or judicial decisions/ actions and our Bank or the BRLMs are under no obligation to update the same.

Reserve Bank of India Act, 1934

RBI may, subject to certain conditions, direct the inclusion or exclusion of any bank from the second schedule of the RBI Act. Scheduled banks are required to maintain cash reserves with RBI. In this regard, RBI may stipulate an average daily balance requirement to be complied with, by such banks and may direct that such banks regard a transaction or class of transactions as a liability. RBI has the power to impose penalties against any person for inter-alia failure to produce any book, account or other document or furnish any statement, information or particulars which such person is duty-bound to produce or furnish under the RBI Act, or any order, regulation or direction thereunder.

Banking Regulation Act, 1949 ("Banking Regulation Act")

Commercial banks in India are required to obtain a license from the RBI to carry on banking business in India as per Section 22 of the Banking Regulation Act. Such license is granted to a bank subject to compliance with certain conditions including (i) that the bank has or will have the ability to pay its present and future depositors in full as their claims accrue; (ii) that the affairs of the bank are not or are not likely to be conducted in a manner detrimental to the interests of present or future depositors; (iii) bank has adequate capital structure and earnings prospects; (iv) any other condition, the fulfilment of which would, in the opinion of the RBI, be necessary to ensure that the carrying on of banking business in India by the company will not be prejudicial to the public interest or the interest of its depositors ; and (v) that public interest will be served if such license is granted to the bank.

RBI may cancel the license if the bank fails to meet the qualifications/ conditions imposed on it or if the bank ceases to carry on banking operations in India. Additionally, RBI has issued various reporting and record-keeping requirements for commercial banks. Further, the appointing, re-appointing or removing of auditor or auditors of the bank requires prior approval of RBI.

We have obtained a banking license since the date of nationalisation through Gazette of India and are regulated and supervised by the RBI as applicable to as a Corresponding New Bank. The RBI requires us to furnish statements, information and certain details relating to our business and it has issued guidelines for commercial banks on recognition of income, classification of assets, valuation of investments, maintenance of capital adequacy and provisioning for non-performing and restructured assets. The RBI has set up a board for financial supervision ("BFS"), under the chairmanship of the Governor of the RBI. The primary objective of BFS is to undertake consolidated supervision of the financial sector comprising of inter alia, commercial banks, financial institutions and non-banking finance companies. The RBI can direct a special audit in the interest of the bank or the depositors or in the public interest.

The Banking Regulation Act confers power on RBI (in consultation with the central government) in the public interest, interest of banking policy and to secure the interest of the depositors of the bank and the banking company, to pass orders to supersede the board of directors of a banking company for a period of up to six months, which period shall not exceed up to 12 months.

During the moratorium, the RBI may prepare a scheme: (i) for the reconstruction of the bank, or (ii) for the amalgamation of the banking company with any other banking institution, if it is satisfied that it is necessary to do so in:

(i) in the public interest; or
(ii) in the interests of the depositors; or
(iii) in order to secure the proper management of the banking company;
(iv) or in the interest of the banking system of the country as a whole.

The abovementioned scheme shall be in accordance with the provisions of the Banking Regulation Act.

When a bank fails to or omits to comply with the provisions of the Banking Regulation Act, the RBI may impose fine within prescribed limits on banks and its officers or punish with imprisonment for the term provided in the law, on the basis of the nature of the violation.

The Banking Regulation (Amendment) Act, 2017 had been promulgated by the President of India with a view to give extensive powers to RBI to issue directions to banks for resolution of stressed assets. The amendment introduced two new sections to the Banking Regulation Act, Section 35AA and Section 35AB which enables RBI to direct banks to commence the insolvency resolution process against the defaulting company under the Insolvency and Bankruptcy Code, 2016 ("**IBC**"). The RBI has also been granted the discretion to set up one or more advisory/supervisory committees to advise banks on resolution of stressed assets.

The Banking Regulation (Amendment) Ordinance, 2020, ("**Ordinance**") was promulgated by the President of India on June 26, 2020. The Ordinance amends the Banking Regulation Act as applicable to Cooperative Banks. It seeks to protect the interests of depositors and strengthen cooperative banks by improving governance and oversight by extending powers already available with RBI in respect of other banks to Co-operative Banks as well for sound banking regulation, and by ensuring professionalism and enabling their access to capital.

The Ordinance also amends Section 45 of the Banking Regulation Act, to enable making of a scheme of reconstruction or amalgamation of a banking company for protecting the interest of the public, depositors and the banking system and for securing its proper management, even without making an order of moratorium, so as to avoid disruption of the financial system.

Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980

The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (the "**Banking Acquisition Act**") applies to acquisition and transfer of undertaking of banking companies which shall not include foreign companies. It caters to the developmental needs of the economy in conformity with the national policy and objectives for the connected thereto. The Banking Acquisition Act paved way for constitution of corresponding new banks and established our Bank, i.e. Punjab & Sind Bank from the earlier corresponding 'The Punjab & Sind Bank Limited' as per the First Schedule. The Banking Acquisition Act *vide* section 6, Second Schedule paid an amount of ₹ 1 crore as compensation to our Bank.

The Banking Acquisition Act provided for the constitution of Board of Directors, which vests with the Central Government after consultation with the RBI. The Central Government gives timely directions on discharge of banking functions and matters of policy involving public interest. However, the power for appointment of Additional Directors to the bank shall vest entirely with RBI.

In accordance with sub-section (2E) of section 3 of the Banking Acquisition Act, no shareholder of the corresponding new bank, other than the Central Government, shall be entitled to exercise voting rights in respect of any shares held by him in excess of ten per cent of the total voting rights of all the shareholders of the corresponding new bank. Further, the shareholder holding any preference share capital in the corresponding new bank shall, in respect of such capital, have a right to vote only on resolutions placed before such corresponding new bank which directly affects the rights attached to his preference shares. Provided that no preference shareholder, other than the Central Government, shall be entitled to exercise voting rights in respect of preference shares held by him in excess of ten per cent of the total voting rights of all the shareholders holding preference share capital only.

The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1980

The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1980 was a government order issued under the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980. The Scheme primarily aimed at managing the affairs of the nationalized banks in India following their nationalization.
The Scheme of 1980 provided the framework for the structure, management, and functions of these nationalized banks, addressing various aspects of their administration, governance, and operations.

The Scheme set out guidelines for the appointment and terms of office of the Chairman, Managing Directors, and other key officials of the nationalized banks. It defined the composition of the board of directors, which would include government representatives, as well as directors with expertise in various fields. The central government was given authority over the functioning of the nationalized banks, which could include issuing directives on matters related to policy and operations. The Scheme also dealt with personnel management within these banks, including aspects of promotions, transfers, and other administrative matters. Other provisions included clarifications on the legal and financial aspects of managing the nationalized banks, including matters related to bank mergers and restructuring, and the handling of bank assets and liabilities.

Punjab & Sind Bank (Shares & Meetings) Regulations, 2008

The Punjab & Sind Bank (Shares & Meetings) Regulations, 2008, govern the management and operational procedures related to the bank's shares and shareholder meetings. These regulations set forth the rules for the issuance, transfer, and transmission of shares, as well as the rights and responsibilities of shareholders. They also outline the conduct of annual general meetings (AGMs) and extraordinary general meetings (EGMs), ensuring transparency and compliance with legal requirements. The regulations aim to maintain shareholder equity, safeguard interests, and promote effective governance within the bank's corporate structure.

Regulatory reporting and examination procedures

The RBI is empowered under the Banking Regulation Act to call for certain information from a bank as well as to inspect a bank. The RBI monitors prudential parameters at periodic basis.

RBI has introduced the Centralised Information Management System (CIMS) to revolutionize its data handling, analysis, and governance. The system leverages advanced technology to manage big data, enabling powerful data mining, text mining, visual analytics, and statistical analysis. Apart from CIMS, RBI has also launched Daksh– a new suptech initiative aimed at developing an Advanced Supervisory Monitoring System. The application allows for the collection and analysis of data from various sources and the automation of various steps of the supervisory process.

RBI has adopted a Risk Based Supervisory (RBS) approach, based on the recommendations of the High-Level Steering Committee (HLSC) for Review of Supervisory Processes of Commercial Banks. RBI's revised supervisory approach is called Supervisory Program for Assessment of Risk and Capital – SPARC. RBI conducts Inspection for Supervisory Evaluation (ISE) of the Bank under Section 35 of Banking Regulation Act, 1949 and shares Inspection & Risk Assessment Report (IRAR) as part of Supervisory Programme for Assessment of Risk and Capital (SPARC). This involves on-site inspection of the Banks on on matters relating to the bank's portfolio, risk management systems, governance & oversight, internal controls, credit allocation and regulatory compliance.

Maintenance of records

Extant Record Maintenance Policy of the bank, for the year 2024-25 circulated vide Operations (GB) Circular No. 17/2024 dated 20.03.2024. covers all aspects of maintenance of record at bank under guidelines of Banking Regulation Act 1934.

Further, as per RBI's KYC Policy dated February 25, 2016 and updated from time to time, also provide for certain records to be maintained for a minimum period of period of five years from the business relationship have ended- this is covered under POLICY FOR KNOW YOUR CUSTOMER as per KYC Cir. No 14/2023 dated November 14, 2023. For, further information on POLICY FOR KNOW YOUR CUSTOMER, HO: DPMD is the owner division.

Capital adequacy requirements

Sr. No.	Regulatory Capital	As % of Risk Weighted Assets
1.	Minimum Common Equity Tier I Ratio	5.50%
2.	Capital Conservation Buffer (comprised of Common Equity)	2.50%
3.	Minimum Common Equity Tier I Ratio plus Capital Conservation Buffer (1)+(2)	8.00%
4.	Additional Tier I Capital	1.50%
5.	Minimum Tier I Capital Ratio (1) +(4)	7.00%
6.	Tier II Capital	2.00%
7.	Minimum Total Capital Ratio (MTC) (5)+(6)	9.00%
8.	Minimum Total Capital Ratio plus Capital Conservation Buffer (7)+(2)	11.50%

To ensure smooth transition to Basel III, appropriate transitional arrangements were provided for meeting the minimum Basel III capital ratios, full regulatory adjustments to the components of capital etc and accordingly, RBI had introduced the master circular on "Basel III Capital Regulations" dated July 1, 2015 (Master Circular No. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015). The Basel III capital regulations were implemented in India with effect from April 1, 2013 and have been fully implemented as on October 1, 2021. Banks have to comply with the regulatory limits and minima as prescribed under Basel III capital regulations, on an ongoing basis.

RBI has thereafter issued revisions to the Master Circular - Basel III Capital Regulations lastly dated April 1, 2024 vide its notification, namely, Master Circular – Basel III Capital Regulations (bearing number RBI/202425/08 DOR.CAP.REC.4/21.06.201/2024-25).

Liquidity coverage ratio

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

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

The notification further provides that banks shall prepare LCR restoration plans upon breach of the LCR requirement set out above, for scrutiny by the RBI's Department of Supervision.

The LCR measures a bank's ability to manage and survive for 30 days under a significant stress scenario that combines idiosyncratic as well as market-wide shock situations that would result in accelerated withdrawal of deposits from retail as well as wholesale depositors, partial loss of secured funding, increase in collateral requirements and unscheduled drawdown of unused credit lines. 100% of the net cash outflows in the next 30 days, computed with these assumptions of a stressed scenario, are required to be supported by High Quality Liquid Assets ("**HQLA**").

The RBI has permitted banks to reckon Government securities as Level 1 HQLA under FALLCR within the mandatory SLR requirement up to 16 per cent of their NDTL. Accordingly, the total HQLA carve out from the mandatory SLR, which can be reckoned for meeting LCR requirement will be 18 per cent of NDTL (2 per cent MSF plus 16 per cent FALLCR).

Further, the Basel Committee on Banking Supervision issued the final rules on 'Net Stable Funding Ratio' on October 31, 2014 and RBI issued the guidelines on NFSR on May 17, 2018 with the objective to ensure that banks maintain a stable funding profile in relation to the composition of their assets and off- balance sheet activities.

RBI has vide circular dated November 29, 2018 notified that the NSFR guidelines shall come into effect from April 1, 2020. RBI had vide circular dated March 27, 2020, deferred the implementation of NSFR guidelines by six months i.e. till October 1, 2020 and vide notification dated September 29, 2020, has decided to defer the implementation of NSFR guidelines by a further period of six months i.e. till April 1, 2021. The NSFR guidelines came into effect on October 1, 2021 pursuant to notification dated February 5, 2021.

Prudential framework for resolution of stressed assets

RBI has, pursuant to its circular dated June 7, 2019 established a new regulatory framework for resolution of stressed assets ("Revised Framework"). Pursuant to the Revised Framework, existing guidelines and schemes for debt resolution such as revitalising distressed assets, corporate debt restructuring scheme, flexible structuring of existing long term project loans, strategic debt restructuring ("**SDR**"), change in ownership outside SDR, and scheme for sustainable structuring of stressed assets have been withdrawn. In addition, the guidelines /framework for joint lenders' forum have also been discontinued. According to the Revised Framework, the lenders must identify incipient stress in loan accounts immediately on default by classifying stressed assets as special mention account.

Under the Revised Framework, RBI has introduced a revised framework for resolution of stressed assets, where banks are required to put in place a board approved policy for resolution of stressed assets. Upon the occurrence of a default, banks are required to, within a period of 30 days from the date of such default ("**Review Period**"), review the account of the borrower and determine a strategy for implementing a resolution plan or choose to initiate legal proceedings or recovery. If a resolution plan route is chosen by the lenders during the Review Period, the lenders are required to enter into an inter-creditor agreement to provide rules for finalisation and implementation of the resolution plan and also provide in such inter-creditor agreement that decisions by lenders representing 75% of outstanding facilities and 60% by number shall bind all lenders to the inter-creditor agreement. The resolution plan is to be implemented within 180 days from the end of the Review Period. Depending on the aggregate exposure (including fund based and non-fund based) of the borrower towards the lender, the Review Period is required to commence by a specified date, as set out below:

1. ₹2,000 crore and above– June 7, 2019;
2. ₹1,500 crore and above but less than ₹2,000 crore– January 1, 2020; and
3. Less than ₹1,500 crore– To be announced.

The Revised Framework further clarifies that in the event a viable resolution plan in respect of the borrower is not implemented within the aforementioned timelines, all lenders (whether party to the inter-creditor agreement or not) are required to make additional provisions as set out below:

Timeline for implementation of viable resolution plan	Additional provisions to be made as a percentage of total outstanding, if resolution plan not implemented within the timeline
180 days from the end of Review Period	20%
365 days from the commencement of Review Period	15% (i.e. total additional provisioning of 35%)

As per the Revised Framework, the additional provisions shall also be required to be made in cases where the lenders have initiated recovery proceedings, unless the recovery proceedings are fully completed. The Revised Framework shall not be available for borrower entities in respect of which specific instructions have already been issued or are issued by the RBI to the banks for initiation of insolvency proceedings under the IBC. It may be noted that the certain sections of the Revised Framework (Implementation of Resolution Plan, Implementation Conditions of Resolution Plan, Delayed Implementation of Resolution Plan) is not applicable to MSMEs whose revival and rehabilitation is already mentioned RBI Circular on 'Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises (MSMEs)' dated March 17, 2016.

As part of the regulatory measures aimed at alleviating the lingering impact of Covid-19 pandemic, the RBI through its circulars dated April 17, 2020 and May 23, 2020 each titled "Covid-19 Regulatory Package – Review of Resolution Timelines Under the Prudential Framework on Resolution of Stressed Assets" extended the resolution timeline under the Revised Framework as follows:

i. within the Review Period as on March 1, 2020, the period from March 1, 2020 to August 31, 2020 shall be excluded from the calculation of the 30-day timeline for the Review Period. In respect of all such accounts, the residual Review Period shall resume from September 1, 2020, upon expiry of which the lenders shall have the usual 180 days for resolution; and

ii. in respect of accounts where the Review Period was over, but the 180-day resolution period had not expired as on March 1, 2020, the timeline for resolution shall get extended by 180 days from the date on which the 180-day period was originally set to expire.

Consequently, the requirement of making additional provisions as specified above shall be triggered as and when the extended resolution timeline expires. Further, the RBI directed that the lending institutions shall make relevant disclosures in respect of accounts where the resolution period was extended in the 'Notes to Accounts' while preparing their financial statements for the half year ending September 30, 2020, as well as the financial years 2020 and 2021

The Insolvency and Bankruptcy Code, 2016

The IBC was enacted and notified in the Gazette of India on May 28, 2016. The IBC covers individuals, companies, limited liability partnerships, partnership firms, proprietorship firms and other legal entities. The IBC has established an Insolvency and Bankruptcy Board of India to function as the regulator for all matters pertaining to insolvency and bankruptcy. The IBC prescribes a time limit of 180 days (extendable by up to a maximum of 90 days) for the insolvency resolution process to be completed ("Moratorium Period") during which period the entity shall be revived. The Insolvency and Bankruptcy (Amendment) Act, 2019 has provided a relief to the creditors wherein it has been stipulated that the corporate insolvency resolution process has to be mandatorily completed within 330 days from the insolvency commencement date, including the time taken in legal proceedings in relation to such resolution process. During the Moratorium Period, (i) the management of the debtor vests in favour of the resolution professional appointed by National Company Law Tribunal ("**NCLT**"); (ii) no assets of the debtor can be transferred, encumbered; (iii) there can no enforcement of security interest; (iv) no fresh proceedings can be initiated against the debtor and the continuation of pending proceedings are prohibited.

The resolution professional shall invite and verify claims of all creditors of the debtor and constitute a committee of creditors comprising of all creditors whose claims are verified and accepted. Thereafter a resolution plan is prepared for the revival of the entity which shall be approved by majority of the committee of creditors which is then sanctioned by the NCLT. In the event no resolution plan is approved by committee of creditor or the NCLT rejects the resolution plan for non-compliance, the NCLT directs the liquidation of the debtor.

The IBC was recently amended by the Insolvency and Bankruptcy Code (Amendment) Act, 2020 ("Amendment"), which received Presidential Assent on March 13, 2020 and is deemed to be effective from December 28, 2019. The Amendment has inter alia prescribed minimum thresholds for filing of the application in certain cases i.e. in terms of number, for instance, in case of homebuyers / allottees, at least 100 homebuyers/allottees under the same project or at least 10% of the total numbers of such allottees whichever is less.

The Amendment has introduced a non-obstante explanation stating that any permit, license, registration which has been provided by any local, central or state authority constituted under any law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in the payment of current dues arising for the use or continuation of such license, permit or registration during the IBC Moratorium Period.

The Amendment also clarifies that the effect of the approval of a resolution plan by the Adjudicating Authority should result in (i) the extinguishment of all liabilities of the corporate debtor existing at or pertaining to the period prior to the insolvency commencement date; and (ii) no action being taken against the property of the corporate debtor, in relation to the offences committed in the period prior to the insolvency commencement date. However, this immunity is only available in cases where the resolution plan specifically provides for a change in the management control of the corporate debtor to a person not being a promoter managing or controlling the corporate debtor / any related party or a person against whom a complaint has been made before the relevant authority in relation to the aforementioned offence.

The Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 and the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021

In terms of the Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 (effective June 5, 2020) (the "2020 Act") Section 10 A was inserted in the IBC through of which an embargo was imposed on initiation of corporate insolvency resolution proceedings ("CIRP") against corporate debtors for any default arising on or after March 25, 2020 for a period of period of six months or such further period not exceeding one year ("Embargo Period"). Further, the Act also provided that initiation of CIRP, for defaults arising during the Embargo Period shall be barred in perpetuity. Subsequently, the Embargo Period was initially extended up till December 24, 2020 and thereafter up till March 24, 2021. Additionally, the 2020 Act also amended Section 66 of the IBC in terms of a resolution professional was authorised to apply to the National Company Law Tribunal against persons who were knowingly party to transactions undertaken to defraud the creditors of a Corporate Debtor or for any fraudulent purposes. In terms of the 2020 Act, Section 66 was amended to restrict resolution professionals from initiating actions under such persons provided the CIRP of the relevant corporate debtor is covered under the Embargo Period.

Subsequently, the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021 was introduced on April 4, 2021 in terms of which, the pre-packaged insolvency framework was introduced, and the Embargo Period ended with effect from March 24, 2021. On July 26, 2021, the Insolvency and Bankruptcy Code (Amendment) Bill, 2021 ("Bill") was introduced.On the August 11, 2021, the Bill received the assent of the President thus enacting the Insolvency and Bankruptcy (Amendment) Act, 2021 ("Amendment") deemed to have come into force on the April 4, 2021**.**

The Recovery of Debts and Bankruptcy Act, 1993 as amended by the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 ("RDB Act")

The DRT Act prescribes the rules for establishment of DRTs, procedure for making application to Debt Recovery Tribunals ("DRTs"), powers of DRTs and modes of recovery of debts determined by DRTs, including attachment and sale of movable and immovable properties of defendants, arrest of defendants, defendants' detention in prison and appointment of receivers for management of the movable or immovable properties of defendants.

The DRT Act also provides that a bank or public financial institution, having a claim to recover its debt may join an ongoing proceeding filed by some other bank or public financial institution against its debtor at any stage of the proceedings before the final order is passed by making an application to the DRT. Pursuant to the recovery certificate being issued, the recovery officer of the respective DRT shall effectuate the final orders of the DRT in the application. Unless such final orders of the DRT have been passed with the consent of the parties to an application, an appeal may be filed against such final orders of the DRT before the debt recovery appellate tribunal ("DRAT"), which is the appellate authority constituted under the RDB Act.

Further, no court or other authority, except the Supreme Court of India or a high court exercising jurisdiction under Articles 226 and 227 of the Constitution of India, shall have, or is entitled to exercise, any jurisdiction, powers or authority in relation to the aforementioned matter.

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 as amended by the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 ("SARFAESI Act")

The SARFAES1 Act, read with the Security Interest Enforcement Rules, 2002, as amended, governs securitization of assets in India. Any securitization or reconstruction company may acquire assets of a bank or financial institution by either entering into an agreement with such bank or financial institution for transfer of such assets to the company or by issuing a debenture or bond or other security in the nature of debentures, for consideration, as per such terms and conditions as may be mutually agreed. If a bank or financial institution is a lender in relation to financial assets acquired by the securitization/reconstruction company, such company shall be deemed to be the lender in relation to those financial assets.

The SARFAESI Act provides for sale of financial assets by banks and financial institutions to asset

reconstruction companies. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in case of default. The Prudential Norms issued by the RBI describe the process to be followed for sales of financial assets to asset reconstruction companies. The banks may not sell financial assets at a contingent price with an agreement to bear a part of the shortfall on ultimate realisation.
The SARFAESI Act provides for the enforcement of security interest without the intervention of the courts. Under the provisions of the SARFAESI Act, a secured creditor can recover dues from its borrowers by taking any of the
measures as provided therein. Rights, with respect to the enforcement of security interest, under the SARFAESI Act cannot be enforced unless the account of the borrower has been classified as an NPA in the books of account of the secured creditor in accordance with the directions or guidelines issued by the RBI or any other applicable regulatory authority.

The secured creditors must serve a 60-days' notice on the borrower demanding repayment of the amount due and specifying the borrower's assets over which the bank proposes to exercise remedies. If the borrower still fails to pay, the secured creditors, on expiry of the 60-days' notice period, can: (i) take possession of the secured assets; (ii) take over the management of the secured assets along with the right to transfer by way of lease, assignment or sale of the secured assets; (iii) appoint any person to manage the secured assets; and (iv) require any person who has acquired any of the secured assets from the borrower to pay amounts necessary to satisfy the debt.

The security interests covered by the SARFAESI Act are security interests over immovable and movable property, existing or future receivables, certain intangible assets (such as know- how, patents, copyrights, trademarks, licenses, franchises) and any debt or any right to receive payment of money, or any receivable, present or future, and in which security interest has been created. Security interests over ships and aircraft, any statutory lien, a pledge of movables, any conditional sale, hire purchase or lease or any other contract in which no security interest is created, rights of unpaid sellers, any property not liable to attachment, security interest for securing repayment of less than ₹ 100,000, agricultural land and any case where the amount due is less than 20% of the principal amount and interest are not enforceable under the SARFAESI Act.

The security interests covered by the SARFAESI Act are security interests over immovable and movable property, existing or future receivables, certain intangible assets (such as know- how, patents, copyrights, trademarks, licenses, franchises) and any debt or any right to receive payment of money, or any receivable, present or future, and in which security interest has been created. Security interests over ships and aircraft, any statutory lien, a pledge of movables, any conditional sale, hire purchase or lease or any other contract in which no security interest is created, rights of unpaid sellers, any property not liable to attachment, security interest for securing repayment of less than ₹ 100,000, agricultural land and any case where the amount due is less than 20% of the principal amount and interest are not enforceable under the SARFAESI Act.

In the event that the secured creditor is unable to recover the entire sum due by exercise of the remedies under the SARFAESI Act in relation to the assets secured, such secured creditor may approach a debt recovery tribunal or the relevant court for the recovery of the balance amounts. A secured creditor may also simultaneously pursue its remedies under the SARFAESI Act as well as a debt recovery tribunal.

The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 ("ESIRDA Amendment Act") Priority sector lending

The ESIRDA Amendment Act received Presidential Assent on August 12, 2016. It seeks to amend certain provisions of the SARFAESI, RDB Act, the Indian Stamp Act, 1899 and the Depositories Act, 1996.

The key amendments to the SARFAESI include: (a) Debenture Trustees registered with SEBI have now been included in the definition of 'secured creditor' and can take enforcement action under Section 13 of the SARFAESI, as the remedies under SARFAESI have been extended to apply to listed debt securities. The scope of SARFAESI has been widened to include hire purchase, financial leasing and conditional sale transactions; (b) the process of taking possession over collateral against which a loan has been provided by a secured creditor, with the assistance of the Chief Metropolitan Magistrate or District Magistrate, has been made time-bound, requiring an order to be passed within 30 days from the date of the application by the secured creditor; and (c) amendments in relation to registration of security interest have been introduced, including inter alia setting up of a central database to integrate records of security registered under various registration systems.

The key amendments to the RDB Act include (a) Debenture Trustees registered with SEBI can initiate proceedings under the RDB Act regarding defaults in listed debt securities; (b) a bank or a financial institution has now been permitted to take proceedings under the RDB Act before a tribunal in whose jurisdiction where the defaulted account is maintained / located; (c) a defendant, upon service of summons under the RDB act, is restricted from transferring the secured assets or other assets disclosed in the application made by the bank of financial institution without the approval of the tribunal, except in the ordinary course of business; and (d) electronic filing of recovery application, documents and written statements has been introduced.

Prevention of Money Laundering Act, 2002 ("PMLA")

In order to prevent money laundering activities, the Government enacted the PMLA which seeks to prevent money laundering and to provide for confiscation of property derived from, or involved in money laundering, and for incidental matters connected therewith. Section 12 of the PMLA casts certain obligations on, inter alia, banking companies in regard to preservation and reporting of customer account information.

The RBI has advised all banks to go through the provisions of the PMLA and the rules notified thereunder and to take all steps considered necessary to ensure compliance with the requirements of Section 12 of the PMLA.

Master Circulars and Directions of Reserve Bank of India

Priority sector lending

The Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2020 dated September 04, 2020 ("PSL Master Directions"), as amended from time to time, sets out the broad policy in relation to priority sector lending. In accordance with this circular, the priority sectors for all scheduled banks include (i) agriculture; (ii) micro, small and medium enterprises; (iii) export credit; (iv) education; (v) housing; (vi) social infrastructure; (vii) renewable energy and (viii) others.

Further, it also prescribes the details of eligible activities under the aforesaid categories. Under the aforementioned master direction, the priority sector lending targets are linked to adjusted net bank credit as defined ("**ANBC**") or credit equivalent amount of off-balance sheet exposure ("CEOBE"), whichever is higher, as on the corresponding date of the preceding year. Currently, the total priority sector lending target for domestic banks is 40% of ANBC or CEOBE, whichever is higher. This has to be achieved in a phased manner by 2020 as prescribed in the directions. It also prescribed sub-targets for small and marginal farmers, micro-enterprises and weaker sections. By way of a notification dated September 20, 2019, the RBI has, in relation to export credit, enhanced the sanctioned limit, for classification of export credit under priority sector lending, from ₹25 Crore per borrower to ₹ 400 million per borrower and removed the existing criteria of 'units having turnover of up to ₹ 1 billion.

The RBI via circular reference FIDD.CO.Plan.BC.7/04.09.01/2019-20 dated August 13, 2019, decided that bank credit to registered NBFCs (other than MFIs) for on-lending will be eligible for classification as priority sector under respective categories, subject to the conditions laid out therein. This was to be applicable will March 31, 2020, and was subject to review thereafter. Therefore, RBI via FIDD.CO.

Plan. BC.No.19/04.09.01/2019-20 dated March 23, 2020 decided to extend the priority sector classification for bank loans to NBFCs for on-lending for FY 2020-21. Further, existing loans disbursed under the on-lending model will continue to be classified under Priority Sector till the date of repayment/maturity. The RBI via master circular reference FIDD.CO.Plan.BC.5/04.09.01/2020-21 dated September 4, 2020, amended the definition of MSME in line with amendment to MSME Act and also aligned guidelines to bring sharper focus on inclusive development and achieve sustainable development goals.

The PSL Master Directions requires the banks to furnish the data on priority sector advances on a quarterly and annual basis and also provides for measures to be taken in the event of non-achievement of the prescribed targets which includes Banks having any shortfall in lending to priority sector shall be allocated amounts for contribution to the Rural Infrastructure Development Fund established with National Bank For Agriculture And Rural Development ("**NABARD**") and other funds with NABARD /National Housing Bank / Small Industries Development Bank of India / Micro Units Development and Refinance Agency Limited, as decided by the RBI from time to time and such non-achievements shall also be taken into account while granting regulatory clearances/approvals for various purposes.

Exposure norms

As a prudent measure aimed at better risk management and avoidance of concentration of credit risk, RBI advised the banks to fix limits on their exposure to specific industry or sectors and has prescribed credit exposure limits for banks in respect of their lending to individual borrowers and to all borrowers belonging to a single group. In addition, banks are also required to observe certain statutory and regulatory exposure limits in respect of advances against / investments in shares, convertible debentures /bonds, units of equity-oriented mutual funds and all exposures to venture capital funds ("**VCFs**").

RBI pursuant to Master Circular on Exposure Norms dated July 1, 2015 has prescribed exposure ceiling for a single borrower as 15% of capital funds and group exposure limit as 40% of capital funds comprising of Tier I and Tier II capital. Relaxations are permitted in exceptional circumstances, with the approval of their boards or lending to infrastructure sector or lending to oil companies who have been issued oil bonds by Government of India. The total exposure (both lending and investment) to a single NBFC, NBFC-AFC (Asset Financing Companies) and infrastructure finance companies should not exceed 10%, 15% and 15%, respectively, of the bank's capital funds as per its last audited balance sheet. The limit may be increased by another 5% provided that the excess exposure is on account of funds on- lent to the infrastructure sector.

Section 19(2) of the Banking Regulation Act, 1949, restricts a banking company from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less, except as provided in sub-section (1) of Section 19 of the Act.

The aggregate exposure of a bank to the capital markets in all forms (both fund based and non-fund based) should not exceed 40% of its net worth, on both standalone and consolidated basis as on March 31 of the previous year. Within this overall ceiling, the bank's direct investment in shares, convertible bonds/debentures, units of equity oriented mutual funds and all exposures to VCFs (both registered and unregistered) should not exceed 20% of its net worth on both standalone and consolidated basis.

On August 25, 2016, RBI released guidelines on 'Enhancing Credit Supply for Large Borrowers through Market Mechanism' with the objective of mitigating the risk posed to the banking system on account of large aggregate lending to a single corporate. As per the framework, exposure to corporate with large borrowing from banking system beyond the prescribed limit would attract additional provisions and higher risk weights.

On June 3, 2019, the RBI released the guidelines on 'Large Exposures Framework to align the exposure norms for Indian banks' with the Basel Committee. As per the framework, the sum of all exposure values of a bank to a counterparty or a group of connected counterparties is defined as a 'Large Exposure (LE)', if it is equal to or above 10 percent of the bank's eligible capital base (i.e., Tier 1 capital) and the bank is required to report their LE to the Reserve Bank of India (RBI) and Department of Banking Supervision, Central Office, (DBS, CO). Further, exposure limits to a single counterparty and group of connected counterparties will be 20% (extendable up to additional 5% exposure by the board of the banks during exceptional circumstances) and 25% of available eligible capital base respectively. Further, RBI vide its notification dated September 12, 2019 prescribes that bank's exposure to a single NBFC (excluding gold loan companies) will be restricted to 20 percent of that bank's eligible capital base. Banks' exposures to a group of connected NBFCs or group of connected counterparties having NBFCs in the group will be restricted to 25 percent of their Tier I Capital.

Central Repository of Information on Large Credits

The RBI has vide its circular dated May 22, 2014, set up the Central Repository of Information on Large Credits ("CRILC") to collect, store and disseminate data on all borrowers' credit exposures including 'special mention accounts' (SMA 0, 1 & 2) having aggregate fund-based and non-fund based exposure of ₹ 50 million and above. The CRILC is designed entirely for supervisory purposes and its focus is on the reporting entities' exposure to the borrower (as individual and/or as a group) under various heads, such as bank's exposure to a large borrower; the borrower's current account balance; bank's written-off accounts; and identification of non-cooperative borrowers, among others. Further, the CRILC system started with information on SMA2 (default for 61-90 days) to be submitted on as and when basis i.e., whenever repayment for a large borrower's account becomes overdue for 61 days it is to be reported by the bank immediately.

Further, in terms of RBI circular dated June 7, 2019, all banks are required to report to CRILC, on a monthly basis, exposures of individuals and entities having exposure (both fund and non-fund based) of more than ₹ 50 million. Banks are also required to report to CRILC, on a weekly basis for all borrower entities in default, having aggregate exposure of more than ₹50 million. In addition, banks are required to report to CRILC the classification of an account to 'special mention account' in respect of borrower entities having aggregate exposure of more than ₹ 50 million. Any non-submission of or incorrect reporting in these returns attracts penalties as specified in the Banking Regulation Act.

Short selling of Government securities

As per the Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 dated September 12, 2023, Banks may undertake short sale transactions in Government securities provided it is in accordance with the requirements of Short Sale (Reserve Bank) Directions, 2018 as amended from time to time.

Regulations relating to maintenance of statutory reserves

The RBI has issued Reserve Bank of India – (Interest rate on Deposits) Directions, 2016 dated March 3, 2016 (updated as of June 7,2024 Scheduled commercial banks are required to pay interest on deposits of money (other than current account deposits) accepted by them or renewed by them in their domestic, ordinary non-resident (NRO), non-resident (external) accounts (NRE) and foreign currency (non-resident) accounts (banks) scheme deposit account), subject to certain conditions prescribed in the directions. Further, certain additional restrictions have been prescribed to determine interest rates for savings deposits and term deposits.

Additionally, interest rates offered by banks on NRO and NRE deposits cannot be higher than those offered by them on comparable domestic rupee term deposits. The RBI has issued Reserve Bank of India – (Interest rate on Advances) Directions, 2016 dated March 3, 2016 (updated as of September 12,2023). Scheduled commercial banks shall charge interest on advances on the terms and conditions specified in these directions. Further, the bank shall have freedom to offer all categories of advances on fixed or floating rates. There shall be no lending below the benchmark rate for a particular maturity.

Deposit insurance

Demand and time deposits of up to ₹ 5,00,000 accepted by all commercial banks including branches of foreign banks functioning in India, local area banks and regional rural banks are insured by Deposit Insurance and Credit Guarantee Corporation, a wholly owned subsidiary of the RBI. Each depositor in a bank is insured up to a maximum of ₹ 500,000 for both principal and interest amount held by him in the same right and same capacity as on the date of liquidation/cancellation of bank's license or the date on which the scheme of amalgamation / merger / reconstruction comes into force. Banks are required to pay the insurance premium for the eligible amount to the Deposit Insurance and Credit Guarantee Corporation on a half yearly basis. The cost of the insurance premium cannot be passed on to the customer and is borne entirely by the bank.

Regulations relating to Know Your Customer ("KYC") and anti-money laundering

The RBI issued the Reserve Bank of India Master Direction-Know Your Customer (KYC) Directions, 2016 ("KYC Directions") on February 25, 2016, (as updated up to May 10, 2021), prescribing the guidelines for KYC and anti-money laundering procedures. Banks are required to formulate a KYC policy which shall include (i) customer acceptance policy, (ii) customer identification procedures, (iii) monitoring of transactions and (iv) risk management. In relation to each of the above, the master direction also specifies minimum procedures required to be followed by banks. Banks are not permitted to make payment of cheques/drafts/pay orders/banker's cheques if they are presented beyond the period of nine months from the date of such instrument.

Banks have been advised to ensure that systems and procedures are in place to control financial frauds, identify money laundering or financing of terrorism activities and suspicious activities and monitor high value cash transactions. Banks shall carry out 'Money Laundering (ML) and Terrorist Financing (TF) Risk Assessment' exercise periodically to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk and our Bank is in the process of issuing RFP for outsourcing of the said risk assessment, suggesting mitigation measures. Further, banks have also been advised to ensure that adequate policies are formulated and adopted in relation to KYC and Anti Money Laundering.

RBI in its circular DOR.AML.REC 13/14.01.001/2021-22 dated May 5, 2021 advised the Regulated Entities (REs) who have to carry out periodic updation of KYC of existing customers as per Section 38 of the KYC Directions, that keeping in view the current Covid-19 related restrictions in various parts of the country, the customer accounts where periodic updation of KYC is due and pending as on date, no restrictions on operations of such account shall be imposed till December 31, 2021, for this reason alone, unless warranted under instructions of any regulator/ enforcement agency/court of law, etc. Further, RBI vide its circular DOR.AML.REC.74/14.01.001/2021-22 dated December 30, 2021 extended the aforementioned circular till March 31, 2022.

Regulations relating to maintenance of statutory reserves

A bank is required to maintain, on a daily basis, Cash Reserve Ratio ("CRR"), which is a specified percentage of its Net Demand and Time Liabilities ("**NDTL**"), excluding interbank deposits, by way of a balance in a current account with the RBI. The RBI does not pay any interest on CRR balances. The CRR has to be maintained on an average basis for a fortnightly period and the minimum daily maintenance of the CRR should be 90%of the requirement. The RBI may impose penal interest at the rate of 3% above the bank rate on the amount by which the reserve falls short of the CRR required to be maintained on a particular day and if the shortfall continues further, the penal interest charged shall be increased to a rate of 5% above the bank rate in respect of each subsequent day, during which the default continues.

In addition to the CRR, a bank is required to maintain Statutory Liquidity Ratio ("SLR"), a specified percentage of its NDTL, by way of liquid assets like cash, gold or approved unencumbered securities. The percentage of this liquidity ratio is fixed by the RBI from time to time, pursuant to Section 24 of the Banking Regulation Act. At present, the required SLR is 18%.

Further, the RBI has permitted banks to avail funds from the RBI on an overnight basis, under the Marginal Standing Facility ("MSF"), against their excess SLR holdings. Additionally, they can also avail themselves of funds, on an overnight basis below the stipulated SLR, up to 2% of their respective NDTL outstanding at the end of the second preceding fortnight.

Further, the RBI requires the banks to create a reserve fund to which it must transfer not less than 25 per cent of the net profit of each year before declaring dividends. Unless specifically allowed by extant regulations, the Bank is required to take prior approval from the Reserve Bank of India before any appropriation is made from the Statutory Reserve.

Regulations relating to authorized dealers for foreign exchange and cross-border business transactions

The foreign exchange and cross border transactions undertaken by banks, both on its own account and also on behalf of customers, are subject to the provisions of FEMA and rules/ regulations/ directions and notifications issued thereunder. The bank should monitor all non-resident accounts and cross border transactions to prevent money laundering. RBI may impose penalty for contravention of Foreign Exchange Management Act and regulations/ notifications issued there under, or for contravention of any conditions, subject to which an authorization is issued by the RBI.

The Master Direction on Risk Management and Interbank Dealings, dated July 5, 2016, (Updated as on May 03, 2024) states that-

(A) All categories of overseas foreign currency borrowings of AD Category I banks, (except for borrowings at point (B) below), including existing External Commercial Borrowings and loans/ overdrafts from their Head office, overseas branches and correspondents outside India, International/ Multilateral Financial Institutions [refer to point (C) below] or any other entity as permitted by RBI and overdrafts in nostro accounts (not adjusted within five days), shall not exceed 100% of their unimpaired Tier I capital or U.S. Dollar 10 million (or its equivalent), whichever is higher. The aforesaid limit applies to the aggregate amount availed of by all the offices and branches in India from all their branches/correspondents abroad and also includes overseas borrowings in gold for funding domestic gold loans. If drawals in excess of the above limit are not adjusted within five days, a report, should be submitted to the Chief General Manager, Financial Markets Regulation Department, Reserve Bank of India, Central Office, 9th Floor, Central Office Building, Shahid Bhagat Singh Road, Fort, Mumbai – 400 001, within 15 days from the close of the month in which the limit was exceeded. Such a report is not necessary if arrangements exist for value dating.

(B) The following borrowings would continue to be outside the limit of 100 per cent of unimpaired Tier I capital or USD 10 million (or its equivalent), whichever is higher:

(I) Overseas borrowings by AD Category I banks for the purpose of financing export credit subject to the conditions prescribed in DBOD Master Circular dated July 2, 2015 on Rupee / Foreign Currency Export Credit & Customer Service to Exporters

(II) Subordinated debt placed by head offices of foreign banks with their branches in India as Tier II capital.

(III) Capital funds raised/augmented by the issue of Innovative Perpetual Debt Instruments and Debt Capital Instruments, in foreign currency, in terms of Circulars DBOD. No. BP.BC.57/21.01.002/200506 dated January 25, 2006, DBOD. No. BP.BC.23/21.01.002/2006-07 dated July 21, 2006 and Perpetual Debt Instruments and Debt Capital Instruments in foreign currency issued in terms of circular DBOD.No.BP.BC.98/21.06.201/2011-12 dated May 2, 2012; and

(IV) Any other overseas borrowing with the specific approval of the Reserve Bank.

(C) AD Category-I banks may borrow only from International / Multilateral Financial Institutions in which Government of India is a shareholding member or which have been established by more than one government or have shareholding by more than one government and other international organizations.

(D) The borrowings beyond 50 per cent of unimpaired Tier I capital of AD Category – I banks will be subject to the following conditions:

(i) The bank should have a Board approved policy on overseas borrowings which shall contain the risk management practices that the bank would adhere to while borrowing abroad in foreign currency.

(ii) The bank should maintain a CRAR of 12.0 per cent; and

(iii) The borrowings beyond the existing ceiling shall be with a minimum maturity of three years.

(iv) All other existing norms (FEMA regulations, NOPL norms, etc) shall continue to be applicable.

(E) The funds so raised may be used for purposes other than lending in foreign currency to constituents in India and repaid without reference to RBI. As an exception to this rule, AD Category-I banks are permitted to use borrowed funds as also foreign currency funds received through swaps for granting foreign currency loans for export credit in terms of IECD Circular No 12/04.02.02/2002-03 dated January 31, 2003. Any fresh borrowing above this limit shall be made only with the prior approval of the Reserve Bank. Applications for fresh ECBs should be made as per the current ECB Policy.

(F) Interest on loans/overdrafts may be remitted (net of taxes) without the prior approval of Reserve Bank.

Secrecy obligations-

A bank's obligations relating to maintaining secrecy arise out of Section 13 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 and common law principles governing its relationship with its customers. Subject to certain exceptions, a bank cannot disclose any information to third parties. Further, the RBI may, in the public interest, publish the information obtained from the bank.

Ownership restrictions

Under the current policy, the total foreign ownership in a private sector bank cannot exceed 74% (49% under the automatic route and above 49% and up to 74% under the government approval route) of the paid-up capital. At all times, at least 26% of the paid up capital will have to be held by residents, except in regard to a wholly owned subsidiary of a foreign bank.

The Banking Regulation Act requires any person to seek prior approval of the RBI to acquire or agree to acquire, directly or indirectly, shares or voting rights of a bank, by himself or with persons acting in concert, wherein such acquisition (taken together with shares or voting rights held by him or his relative or associate enterprise or persons acting in concert with him) results in aggregate shareholding of such person to be 5% or more of the paid up capital of a bank or entitles him to exercise 5% or more of the voting rights in a bank.

Further, the RBI may, by passing an order, restrict any person holding more than 5.00% of the total voting rights of all the shareholders of the banking company from exercising voting rights on poll in excess of the said 5%, if such person is deemed to be not 'fit and proper' by the RBI. Pursuant to Section 12(2) of the Banking Regulation Act, 1949, the RBI has, on July 21, 2016, notified that no shareholder in a bank can exercise voting rights on poll in excess of 26% of total voting rights of all the shareholders of the bank.

Further, the RBI may, by passing an order, restrict any person holding more than 5.00% of the total voting rights of all the shareholders of the banking company from exercising voting rights on poll in excess of the said 5%, if such person is deemed to be not 'fit and proper' by the RBI. In this regard, the RBI has issued master directions for prior approval for acquisition of shares or voting rights on January 16, 2023 (the "**Master Directions for Acquisitions**").

The Master Directions for Acquisitions are applicable to the existing and proposed "major shareholders" of all banking companies as defined under the Banking Regulation Act including local area banks, small finance banks and payment banks. The Master Directions for Acquisitions define a "major shareholding" as "aggregate holding" of five per cent or more of the paid-up share capital or voting rights in a banking company by a person. The term "aggregate holding" has been defined as the total holding, directly or indirectly, beneficial or otherwise, of shares or voting rights by a person along with his relatives, associate enterprises and persons acting in concert with him in a banking company.

Every person desirous of undertaking such acquisition shall seek prior approval of the RBI as per the procedure set out in the Master Directions for Acquisitions. Any person who intends to acquire shares or voting rights in a banking company beyond the limit for which approval was obtained from the Reserve Bank, is required to apply to the Reserve Bank for prior approval to increase their aggregate holding in the banking company. It is the responsibility of the concerned bank to ensure that all its major shareholders are 'fit and proper' and every bank shall make continuous monitoring arrangements to ensure that the major shareholders continue to be 'fit and proper' as per the Master Directions for Acquisitions.

Further, SEBI has, through a circular dated April 5, 2018, put in place a system for monitoring foreign investment limits in listed Indian companies, and, by a circular dated May 17, 2018, SEBI has directed that the system be made operational from June 1, 2018. Accordingly, each listed Indian company shall have to appoint any one depository as its designated depository to facilitate the monitoring of the foreign investment limits.

Additionally, the DIPP by way of press note no. 3 (2020 series) amended the FEMA Regulations by restricting foreign direct investments by an entity of any country which shares a border with India or where the beneficial owner of an investment into India is situated in or is a citizen of such country, only through the Government approval.

Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021

Securitisation involves transactions where credit risk in assets are redistributed by repackaging them into tradeable securities with different risk profiles which may give investors of various classes access to exposures which they otherwise might be unable to access directly. Keeping in view that complicated and opaque securitisation structures could be undesirable from the point of view of financial stability, prudentially structured securitisation transactions can be an important facilitator in a well-functioning financial market in that it improves risk distribution and liquidity of lenders in originating fresh loan exposures, the RBI issued the RBI (Securitisation of Standard Assets) Directions, 2021 *vide* its circular dated September 24, 2021(updated as on December 05, 2022),which are applicable to all the scheduled commercial banks in India.

Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021

Loan transfers are resorted to by lending institutions for multitude of reasons ranging from liquidity management, rebalancing their exposures or strategic sales. A robust secondary market in loans can be an important mechanism for the management of credit exposures by lending institutions and also create additional avenues for raising liquidity. Thus, RBI *vide* its circular dated September 24, 2021, notified RBI (Transfer of Loan Exposures) Directions, 2021 which is a comprehensive set of regulatory guidelines governing the transfer of loan exposures, which are applicable to all the scheduled commercial banks in India.

Master Direction on Transfer of Loan Exposure was amended to inter alia permit overseas branches of specified lenders to (a) acquire only 'not in default' loan exposures from a financial entity operating and regulated as a bank in the host jurisdiction; (b) transfer exposures 'in default' as well as 'not in default' pertaining to resident entities to a financial entity operating and regulated as a bank in the host jurisdiction; and (c) transfer exposures 'in default' as well as 'not in default' pertaining to non-residents, to any entity regulated by a financial sector regulator in the host jurisdiction. Amendments have also been made in certain provisions related to minimum holding period (MHP), valuation of security receipts (SRs), transfer of stressed loans to ARCs, and credit/ investment exposure of lenders. Additionally, the term 'Economic Interest' has now been explicitly defined as 'the risks and rewards that may arise out of loan exposure through the life of the loan exposure'.

Downstream investment by banks-

In accordance with Rule 23 of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, downstream investments made by a banking company, as defined in section 5(c) of the Banking Regulation Act, incorporated in India, which is owned or controlled by non-residents/non-resident entity, under corporate debt restructuring, or other loan restructuring mechanism, or in trading books, or for acquisition of shares due to defaults in loans, shall not count towards indirect foreign investment. However, their 'strategic downstream investment' shall count towards indirect foreign investment. For this purpose, 'strategic downstream investments' would mean investment by these banking companies in their subsidiaries, joint ventures, and associates.

Regulation of financial services provided by banks

The Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 dated May 26, 2016 as updated on August 10, 2021 require banks to comply with certain restrictions while undertaking financial services including in relation to risk mitigation measures, limits on investment that can be made by banks in companies undertaking financial services. The directions also provide for specific regulations for certain financial services such as, *inter alia*, setting of an infrastructure debt fund, underwriting activities, mutual fund business, insurance.

Guidelines on management of intra-group transactions and exposures

The RBI issued the "Guidelines on Management of Intra-Group Transactions and Exposures on February 11, 2014". Pursuant to the said guidelines, the RBI has prescribed quantitative limits on financial intra-group transactions and exposures and prudential measures for the non-financial intra-group transactions and exposures. These guidelines also require that all intra- group transactions to be at "arms-length".

The objective of these guidelines is to ensure that banks engage in intra-group transactions and exposures in safe and sound manner in order to contain concentration and contagion risks arising out of such transactions.

Capital and provisioning requirements for exposures to entities with unhedged foreign currency exposure

The RBI issued a circular relating to "Reserve Bank of India (Unhedged Foreign Currency Exposure) Directions, 2022" on October 11, 2022. Pursuant to these guidelines, the RBI has introduced incremental provisioning and capital requirements for bank exposures to entities with unhedged foreign currency exposures. The circular also lays down the method of calculating the incremental provisioning and capital requirements. The banks will be required to calculate the incremental provisioning and capital requirements at least on a quarterly basis. This framework became fully effective from January 1, 2023.

Revised Prompt Corrective Action (PCA) framework for banks

The RBI *vide* its circular dated April 13, 2017 had reviewed and revised the Prompt Corrective Action (PCA) framework for banks, which was effective from April 1, 2017. Further, RBI *vide* its circular dated November 2, 2021, stated that the existing PCA Framework has further been revised and the new provisions will be effective from January 1, 2022. The PCA framework sets out certain 'risk thresholds', the breach of which would mandate the relevant bank to implement certain mandatory and discretionary actions. The 'risk thresholds' take into consideration the capital adequacy ratio, net non-performing advances ratio and the leverage ratio of the relevant bank.

The Banking Ombudsman Scheme, 2006

The Banking Ombudsman Scheme, 2006 provides the extent and scope of the authority and functions of the Banking Ombudsman for redressal of grievances against deficiency in banking services, concerning loans and advances and other specified matters and has gone through various amendments to provide for revised procedures for redressal of grievances by a complainant under the scheme and to broaden the scope of complaints addressed by the Banking Ombudsman. RBI *vide* its circular dated November 12, 2021 being satisfied that it is in public interest to do so to make the alternate dispute redress mechanism simpler and more responsive to the customers of entities regulated by it integrated the three Ombudsman schemes – (i) the Banking Ombudsman Scheme, 2006, as amended up to July 01, 2017; (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018; and (iii) the Ombudsman Scheme for Digital Transactions, 2019 into the Reserve Bank - Integrated Ombudsman Scheme, 2021 (the Scheme), thereby being applicable to commercial banks as well.

Declaration of dividend by banks

The payment of dividends by banks is subject to restrictions under the Banking Regulation Act. Section 15(1) of the Banking Regulation Act states that no banking company may pay any dividend on its shares until all its capitalized expenses (including preliminary expenses, organisation expenses, share-selling commissions, brokerage, amounts of losses incurred and any other item of expenditure not represented by tangible assets) have been completely written off. In addition, Section 17(1) of the Banking Regulation Act and RBI circular dated September 20, 2006 requires every banking company to create a reserve fund and, out of the balance of the profit of each year as disclosed in the profit and loss account, transfer a sum equivalent to not less than 20% of such profit to the reserve fund before declaring any dividend. If there is an appropriation from this account, the bank is required to report the same to the RBI within 21 days, explaining the circumstances leading to such appropriation.

Further, on May 4, 2005, the RBI issued guidelines on 'Declaration of Dividends by Banks', which prescribed certain conditions for declaration of dividends by banks.

Classification and Reporting of Fraud Cases

RBI has issued Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions vide circular no. RBI/ DOS/ 2024-25/ 118/ DOS.CO.FMG.SEC.No.5/ 23.04.001/ 2024-25 dated July 15th, 2024.The fraud cases have been classified into misappropriation and criminal breach of trust, fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property, cheating by concealment of facts with the intention to deceive any person and cheating by impersonation, forgery with the intention to commit fraud by making any false documents/electronic records, wilful falsification, destruction, alteration, mutilations of any book, electronic record, paper, writing, valuable security or account with intent to defraud, fraudulent credit facilities extended for illegal gratification, cash shortages on account of frauds, fraudulent transactions involving foreign exchange, fraudulent electronic banking/ digital payment related transactions committed on banks; and other type of fraudulent activity not covered under any of the above.

The Senior Management shall be responsible for implementation of the fraud risk management policy approved by the Board of the bank. A periodic review of incidents of fraud shall also be placed before Board / Audit Committee of Board (ACB), as appropriate, by the Senior Management of the bank.

Issue of Long Term Bonds by Banks - Financing of Infrastructure and Affordable Housing

In order to ensure adequate credit flow to infrastructure sector also towards the affordable housing needs of the country, RBI issued guidelines on issue of long term bonds by banks on July 15, 2014 ("Infrastructure and Affordable Housing Guidelines"), amended from time to time. Banks can issue long-term bonds with a minimum maturity of seven years to raise resources for lending to (i) long term projects in infrastructure sub-sectors, and (ii) affordable housing. As a regulatory incentive, these bonds exempted from computation of net demand and time liabilities and would therefore not be subjected to CRR / SLR requirements subject to certain conditions. Eligible bonds will also get exemption in computation of ANBC for the purpose of priority sector lending ("**PSL**"). As on 31.03.2024, outstanding amount of bond raised by the bank under this category is Rs 2800 crores.

Marginal Cost of Funds based Lending Rate (MCLR)

Pursuant to the notification issued by RBI dated December 17, 2015, all rupee loans sanctioned and credit limits renewed w.e.f. April 1, 2016 were priced with reference to the MCLR which is the internal benchmark for such purposes. MCLR comprises of: (a) marginal cost of funds; (b) negative carry on account of CRR; (c) operating costs and; (d) tenor premium.

In terms of the notification, the board of directors of the banks is required to adopt a policy delineating the components of spread charged to a customer. Actual lending rates are to be determined by adding the components of spread to the MCLR.

External benchmark-based lending

The RBI *vide* circular dated September 04, 2019 (as amended from time to time) mandated that all new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans extended by banks to Micro and Small Enterprises from October 01, 2019 and floating rate loans to Medium Enterprises from April 01, 2020 extended by banks shall be linked to external benchmarks. Banks are free to offer such external benchmark linked loans to other types of borrowers as well.

In furtherance of the same, the said new floating rate shall be benchmarked to one of the following: (1) RBI's policy repo rate; (2) Government of India 3-Months Treasury Bill yield published by the Financial Benchmarks India Private Limited ("**FBIL**"); (3) Government of India 6-Months Treasury Bill yield published by the FBIL; and (4) Any other benchmark market interest rate published by the FBIL.

The adoption of multiple benchmarks by the same bank is not allowed within a loan category.

Banks are free to decide the spread over the external benchmark, subject to the conditions specified in the aforesaid circular. The interest rate under external benchmark shall be reset at least once in three months.

Implementation of Indian Accounting Standards ("Ind AS")

The MCA notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015, pursuant to which the banking companies were exempted to comply with Ind AS for preparation of financial statements. However, in terms of the MCA press release dated January 18, 2016, the scheduled commercial banks are required to prepare Ind AS based financial statements on consolidated and standalone basis in relation to accounting period beginning from April 1, 2018 onwards, with comparatives for the period ending March 31, 2018 or thereafter and not even voluntarily before that, which was deferred to financial year 2019-20 vide RBI's Press Release (2017-18/2642)dated 5 April 2018. Subsequently, Ind AS implementation has been deferred by RBI vide their notification dated 22.03.2019 till further notice. Further, as per RBI directive, the Audit Committee of the Board (ACB) shall oversee the progress of the Ind AS implementation process and report to the Board of Directors on quarterly basis. The Audit Committee of the Board & Board is being apprised of the progress made on quarterly basis.

RBI vide email dated 20.07.2018 advised the banks to submit Proforma Ind AS Financial Statements(PIFS) every quarter, starting from the quarter ended 30.06.2018 as per the format /template provided by them .RBI stated that these Proforma Financial Statements are for regulatory analysis purpose only and may not necessarily be completely Ind AS compliant or indicative of the final format to be specified in the Third Schedule to the Banking Regulation Act, 1949. RBI vide e-mail dated 08.08.2021, advised banks to submit Proforma Ind AS Financial Statements on half yearly basis. Bank is submitting the Proforma Ind AS Financial Statements to the RBI as per prescribed periodicity within stipulated time.

Master Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances dated April 1, 2023 ("Prudential Norms")

An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank. The Prudential Norms further, specify the timeline within which specific assets are to be considered non-performing. Once the account has been classified as a non-performing asset, the unrealized interest and other income already debited to the account is derecognized and further interest is not recognized or credited to the income account unless collected in cash. The Prudential Norms require banks to further classify NPAs into the following three categories based on the period for which the asset has remained non- performing and the realisability of the dues (i) sub-standard assets; (ii) doubtful assets; and (iii) loss assets. These norms also specify provisioning requirements specific to the classification of the assets.

The banks should maintain provisioning coverage ratio, including floating provisions, of at least 70.00%. In case of restructuring, the accounts classified as 'standard' shall be immediately downgraded as non-performing assets. Scheduled commercial banks shall report credit information, including classification of an account as SMA to Central Repository of Information on Large Credits ("**CRILC**"), on all borrowers having aggregate exposure of ₹5 crore and above with them. Banks must put in place Board-approved policies for resolution of stressed assets, including the timelines for resolution. Since default with any lender is a lagging indicator of financial stress faced by the borrower, it is expected that the lenders initiate the process of implementing a resolution plan (RP) even before a default.

In any case, once a borrower is reported to be in default by any of the lenders, lenders shall undertake a prima facie review of the borrower account within thirty days from such default. Any action by the Banks with an intent to conceal the actual status of accounts or evergreen the stressed accounts, will be subjected to stringent supervisory / enforcement actions as deemed appropriate by the Reserve Bank, including, but not limited to, higher provisioning on such accounts and monetary penalties.

Master Regulations and Guidelines of the SEBI

SEBI was established in 1992 in accordance with the provisions of the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") to protect the interests of public investors in securities and to promote the development of, and to regulate, the Indian securities market including all related matters. The SEBI Act also provides for the registration and regulation of the function of various market intermediaries including stock brokers, depository participants, merchant bankers, portfolio managers, investment advisers, and research analysts. Pursuant to the SEBI Act, SEBI has formulated various rules and regulations to govern the functions and working of these intermediaries. SEBI also issues various circulars, notifications and guidelines from time to time in accordance with the powers vested with it under the SEBI Act.

SEBI has the power to impose (i) monetary penalty under the SEBI Act and the regulations made thereunder, and (ii) penalties prescribed under the SEBI Intermediaries Regulations including suspending or cancelling the certificate of registration of an intermediary and to initiate prosecution under the SEBI Act. Further, SEBI has the power to conduct inspection of all intermediaries in the securities market, including, stock brokers, sub brokers, investment advisers, merchant bankers, underwriters, research analysts, to ensure, amongst others, that the books of account are maintained in the manner required in accordance with applicable law.

We are subject to regulations prescribed by SEBI in respect of capital issuances as well as some of our activities, including acting as agent for collecting subscriptions to public offerings of securities made by other Indian companies, underwriting, custodial, depositary participant, and investment banking and because our Equity Shares are listed on Indian stock exchanges. These regulations provide for registering with SEBI the functions, responsibilities, and the code of conduct applicable for each of these activities.

Guidelines on digital lending issued by RBI on September 2, 2022 ("Guidelines on Digital Lending")

The guidelines issued by RBI on September 2, 2022 are applicable to digital lending extended by (a) all commercial banks, (b) primary (urban) co-operative banks, state co-operative banks, district central co-operative banks, and (c) non – banking financial companies (including house finance companies).

The Guidelines on Digital Lending require, among other things: (a) all loan disbursals and repayments to be executed only between the bank accounts of the borrower and the regulated entity without any pass-through/ pool account of the loan service provider or any third party; (b) all-inclusive costs of digital loans to be disclosed to the borrower; (c) a cooling-off period to be provided to borrowers, during which the borrowers can exit digital loans by paying the principal and the proportionate costs without any penalty; (d) the appointment of a nodal grievance redressal officer by loan service providers; and (e) reporting of loans to credit information companies. Additionally, the Recommendations have noted some issues for further examination by the RBI, which may be incorporated into the Guidelines on Digital Lending in the future.

In the Guidelines on Digital Lending, the RBI has also provided that regulated entities engaged in credit delivery through digital lending will have time until November 30, 2022 to comply with the lending norms for repeat and top up loans to existing digital lending customers

Reserve Bank of India's Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021

The RBI issued the guideline for appointment/re-appointment of SCAs/ SAs of the entities on April 27, 2021 superseding all the previous guidelines as annexed in the guidelines. The guidelines are applicable to commercial banks (excluding RRBs), UCBs and NBFCs including HFCs for financial year 2021-22 and onwards. UCBs and NBFCs shall have the flexibility to adopt the guidelines from second half of financial year 2021-22 in order to ensure that there is no disruption. Under the guidelines, Commercial Banks and UCBs will be required to take prior approval of RBI for the appointment of SCAs/ SAs on annual basis.

It also specifies the maximum number of SCAs/ SAs to be appointed by the board based on the asset size of the entity. Entities are required to appoint audit firms as it SCAs/ SAs fulfilling the eligibility norms and independence of auditors requirements as prescribed under these directions. Other criteria's including eligibility for appointment based on the asset size of the entity being audited (as on March 31 of the previous year), professional standards for discharge of audit responsibilities, tenure and rotation, and audit fees and expenses for SCAs/ SAs have been provided. Each entity is required to formulate a board approved policy to be hosted on its official website/ public domain and formulate necessary procedure thereunder to be followed for appointment of SCAs/ SAs.

Other laws

In addition to the above, our Bank is also required to comply with the provisions of other applicable statutes imposed by the Central or the State Government and other authorities for our day-to-day business and operations. Our Bank is also amenable to various central and state tax laws

ISSUE PROCEDURE

Below is a summary, intended to provide a general outline of the procedures for the Bidding, payment of Bid amount, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and prospective Bidders are presumed to have apprised themselves of the same from our Bank or the Book Running Lead Managers.

Our Bank, the Book Running Lead Managers and their respective directors, officers, agents, affiliates, shareholders, employees, counsel and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Bidders are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Bank, the Book Running Lead Managers and their respective directors, officers, agents, affiliates, shareholders, employees, counsel and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Bank, the Book Running Lead Managers and their respective directors, officers, agents, affiliates shareholders, employees, counsel and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Equity Shares. For details, see the sections titled, "Selling Restrictions" and "Transfer Restrictions" beginning on pages 255 and 264.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the SEBI/RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations through the mechanism of a qualified institutions placement ("**QIP**"). Under Chapter VI of the SEBI ICDR Regulations, our Bank, being a listed entity in India may issue Equity Shares to Eligible QIBs, provided that:

- a special resolution approving the qualified institutions placement has been passed by its shareholders. Such special resolution must *inter alia* specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the QIP and (b) the Relevant Date;

- approval from the Ministry of Finance, GoI dated January 09, 2025 has been obtained on the basis of the recommendation from RBI specifying that the allotment of Equity Shares is proposed to be made pursuant to the QIP;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Bank, which are proposed to be allotted through the Issue, are listed on the recognized Stock Exchanges that has nation-wide trading terminals, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer-cum-application (i.e., this Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made;

- in accordance with the SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be made only in dematerialized form;

- our Bank shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue; and

- the Directors are not Fugitive Economic Offenders.

At least 10% of the equity shares issued to Eligible QIBs must be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

The above approval is subject to the following conditions as provided in the approval letter dated January 09, 2025 from the Department of Financial Services, Ministry of Finance, Government of India (**"GoI Approval Letter"**):

i. FDI Policy conditionalities (including, inter alia, paragraph 5.2(a) of the Policy, which provides that the FDI allowed is subject to applicable laws/ regulations) and other Sectoral Regulations/ Guidelines.

ii. Claim of any tax relief under the Income-Tax Act, 1961 or the relevant Double Taxation Avoidance Agreement (DTAA) will be examined independently by the tax authorities to determine the eligibility and extent of such relief and the approval of the Department of Financial Services by itself will not amount to any recognition of eligibility for giving such relief.

iii. Department of Financial Services approval by itself does not provide any immunity from tax investigations to determine whether specific or general anti-avoidance rules apply.

iv. The fair market value of various payments, services, assets, shares etc., determined in accordance with extent guidelines shall be examined by the tax authorities under the tax laws and rules in force and may be varied accordingly for tax purposes; and

v. The taxation of dividend, future capital gains on alienation of shares by the foreign investor, interest income and income of any other nature shall be examined by the field formation in accordance with the provision of Income-Tax Act, 1961 and DTAA applicable to the facts of the case.

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

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued pursuant to this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of not more than 5% of the Floor Price may be offered by our Bank in accordance with the provisions of the SEBI ICDR Regulations and pursuant to a resolution of the Shareholders passed in the EGM held on May 31, 2024 our Bank may offer a discount of not more than 5% on the Floor Price.

The "Relevant Date" referred to above means the date of the meeting in which the Board or the Issue Committee decides to open the Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

The Equity Shares will be Allotted within 365 days from the date of the shareholders' resolution approving the Issue, being May 21, 2024 and within 60 days from the date of receipt of Bid Amount from the Successful Bidders. For details of refund of Bid Amount, see "*– Pricing and Allocation – Designated Date and Allotment of Equity Shares*" on page 250.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Preliminary Placement Document and the Placement Document that shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Bank with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document or the Placement Document addressed to you, you may not rely on this Preliminary Placement Document or the Placement Document uploaded on the website of the Stock Exchanges or our Bank for making an application to subscribe to Equity Shares pursuant to the Issue.

This Issue was authorized and approved by the Board on February 28, 2024 and approved by the Shareholders in the EGM held on May 31, 2024. he minimum number of Allottees with respect to a QIP shall at least be:

two, where the issue size is less than or equal to ₹250 Crore; and

five, where the issue size is greater than to ₹250 Crore.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "—*Application Form*" on page 294.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on a recognised stock exchange.

We have applied for and received the in-principle approvals from BSE and NSE each on March 24, 2025, respectively under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares on the Stock Exchanges. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue. AIFs and VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules are not permitted to participate in the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "*offshore transactions*" as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, please see "*Selling Restrictions*" on page 255. Also see, "*Transfer Restrictions*" on page 264 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue procedure

1. On the Bid / Issue Opening Date, our Bank in consultation with the Book Running Lead Managers shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. Our Bank shall maintain records of the Eligible QIBs to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched

2. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered will be determined by our Bank in consultation with the Book Running Lead Managers, at their sole discretion. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed

to have been made to such person and any application that does not comply with this requirement shall be treated as invalid and shall be rejected. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

3. Eligible QIBs are required to submit a duly completed Application Form, including any revisions thereof along with the Bid Amount (which is to be transferred to the Escrow Account specified in the Application Form) and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Issue Period to the Book Running Lead Managers and their Bid Amount shall be deposited into the Escrow Account.

4. Bidders will be required to indicate the following in the Application Form:

    - full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details, phone number and bank account details;

    - number of Equity Shares Bid for;

    - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

    - details of the beneficiary account maintained with the Depository Participant to which the Equity Shares should be credited;

    - that it has agreed to certain other representations set forth in the Application Form;

    - Equity Shares held by the Eligible QIBs in our Bank prior to the Issue

    - a representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in compliance with, Regulation S and in accordance with the applicable laws of the jurisdiction where those offers and sales are madeand it has agreed to certain other representations set forth under the "*Representations by Investors*" on page 5 and "*Transfer Restrictions*" on page 264 and certain other representations set forth in the Application Form; and

    - an undertaking that they will deliver an offshore transaction letter to the Issuer prior to any sale of Equity Shares confirming that they will not re-offer, re-sell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S.

Note: *Eligible FPIs are required to indicate the SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

5. Eligible QIBs shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of **"PSB QIP 2025 – Escrow Account"** with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid

Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Bank shall keep a record of the bank account from where such payment has been received. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and receipt of final listing and trading approvals from the Stock Exchanges, Bid Amount received for subscription of the Equity Shares shall be kept by the Bank in a separate bank account with a scheduled bank. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Bid Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 251.

6. Once a duly completed Application Form is submitted by a Bidder and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, on or after the Issue Closing Date, our Bank shall, in consultation with the Book Running Lead Managers, determine the final terms, including the Issue Price of the Equity Shares and Allocation of Equity Shares to be issued pursuant to the Issue. Upon such determination, the Book Running Lead Managers will send the serially numbered CANs, along with serially numbered Placement Document, in electronic form only, to the successful Bidders who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Bank and will be in consultation with the Book Running Lead Managers.**

8. Upon dispatch of the serially numbered Placement Document and CAN, our Bank shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Bank will inform the Stock Exchanges of the details of the Allotment.

9. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Bank shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

10. After receipt of the listing approvals of the Stock Exchanges, our Bank shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

11. Our Bank will then apply for the final trading approvals from the Stock Exchanges.

12. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

13. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Bank may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Bank and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Bank.

14. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in the Refund Intimation Letter which will be dispatched to such Bidder.

Eligible Qualified Institutional Buyers

Currently, the definition of a QIB as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations includes:

- Mutual funds, venture capital funds and alternate investment funds (except AIFs and VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules) registered with SEBI;
- Eligible FPIs other than individuals, corporate bodies and family offices;
- Public financial institutions;
- Scheduled commercial banks;
- State industrial development corporations;
- Insurance companies registered with IRDAI;
- Provident funds with minimum corpus of ₹25 crore;
- Pension funds with minimum corpus of ₹25 crore registered with the Pension Fund Regulatory and Development Authority established under section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013; • National Investment Fund set up by Government of India, set up by resolution no. F. No. 2/3/2005-DDII, dated November 23, 2005 of the Government published in the Gazette of India;
- Insurance funds set up and managed by army, navy or air force of the Union of India;
  Insurance funds set up and managed by the Department of Posts, India; and
  Systemically important non-banking financial companies.

Only QIBs as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations, and not otherwise restricted from participating in the Issue under the applicable laws, including the SEBI ICDR Regulations and are residents of India or are Eligible FPI participating through Schedule II of the FEMA rules are eligible to invest in the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs and are eligible to invest in this Issue. AIFs or VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules or FVCIs, multilateral or bilateral development financial institutions are not permitted to participate in this Issue.

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA NON-DEBT RULES IN THIS ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DOES NOT EXCEED SPECIFIED LIMIT AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Please note that participation by non-residents in the Issue is restricted to participation by Eligible FPIs through the portfolio investment scheme under Schedule II of the FEMA Rules, subject to the limits prescribed under the SEBI FPI Regulations and the FEMA Rules. Further, AIFs or VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules or FVCIs, multilateral or bilateral development financial institutions are not permitted to participate in this Issue.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or more of the post-Issue equity share capital of our Bank, and the total holding of all FPIs, collectively, shall not exceed 20% of the paid-up equity share capital of our Bank. Further, if any FPI holds 10% or more of the Equity Share capital of our Bank, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

In terms of the approval of the GoI Approval Letters, prior approval of the GoI for the issuance of equity shares up to 20% of paid-up capital to FIIs/FPIs in the Issue, subject to provisions of the Banking Companies Act and other provisions of the Consolidated FDI Policy.

Allotments made to Eligible QIBs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. In terms of FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all FPIs shall be included. In accordance with the Consolidated FDI Policy, the total foreign ownership in a public sector bank, subject to Banking Companies Act, cannot exceed 20% of the paid-up capital. In accordance with Section 3(2D) of the Banking Companies Act, shareholding of non-residents in a corresponding new bank cannot exceed 20.00% of its paid up capital and in accordance with Section 3(2E) of the Banking Companies Act, no shareholder, other than the Government shall be entitled to exercise voting rights in excess of 10.00% of the total voting rights of all the shareholders of the corresponding new bank;

As of December 31, 2024 the aggregate FPI shareholding in our Bank is 0.00 % of our Bank's paid up Equity Share capital (on a fully diluted basis). For further details, see "*Principal Shareholders and Other Information*" beginning on page 215.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being a Promoter, or any person related to, the Promoter. Eligible QIBs, which have all or any of the following rights, shall be deemed to be persons related to the Promoter:

(i) rights under a shareholders' agreement or voting agreement entered into with the promoter or members of the promoter group;
(ii) veto rights; or
(iii) a right to appoint any nominee director on our Board

Provided, however, that an Eligible QIB which does not hold any equity shares in our Bank and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoter.

Our Bank, the Book Running Lead Managers and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors, associates or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations, and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of under subscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: Affiliates or associates of the Book Running Lead Managers who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are specifically addressed to them) supplied by our Bank and the Book Running Lead Managers in electronic form only for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document.

An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Bid/Issue Period, and in such case, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 3, 5, 255 and 264 respectively:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India and is eligible to participate in this Issue;

2. The Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or promoter group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoter;

3. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid/Issue Closing Date;

4. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder and not an FVCI or a multilateral or bilateral development financial institution. Each Eligible QIB confirms that it is not an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules. Each Eligible QIB confirms that they have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets;

5. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges. Additionally, this will be subject to the Selling and Transfer Restrictions under the applicable laws;

6. The Eligible QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

7. The Eligible QIB confirms that its Bid would not result in triggering an open offer under the SEBI Takeover Regulations;

8. The Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period, our Bank reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

9. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

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

b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover

Regulations;

10. The Eligible QIBs acknowledge that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

11. The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to their beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

12. You are aware that in accordance with Section 12B of the Banking Regulation Act and the Master Direction – Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023 issued by the RBI on January 16, 2023 read together with the Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies issued by the Reserve Bank of India on January 16, 2023, no person (along with his relatives, associate enterprises or persons acting in concert with you) can acquire or hold more than 5% of the total paid-up share capital of our Bank. Further, as per the provisions of sub-section (2) of Section 12 of Banking Regulation Act read with gazette notification DBR.PSBD.No.1084/16.13.100/2016-17 dated July 21, 2016, no shareholder in a banking company can exercise voting rights on poll in excess of 26 per cent of total voting rights of all the shareholders of the banking company. Accordingly, you hereby represent that your (direct or indirect) aggregate holding in the paid-up share capital of our Bank, whether beneficial or otherwise after subscription to the Equity Shares in the Issue by you, your relatives, your associate enterprises or persons acting in concert with you, aggregated with any pre-Issue shareholding in the Bank of you, your relatives, your associate enterprises or persons acting in concert (as applicable) shall not amount to more than 5%, as applicable limits of the total paid-up share capital of our Bank or would not entitle you to exercise more than the applicable limits of the total voting rights of our Bank, except with the prior approval of the RBI.

In the event, your aggregate shareholding, whether direct or indirect, beneficial or otherwise, aggregating to more than 5% of the total paid-up share capital of our Bank, you are required to submit the approval obtained from the RBI with the Bank prior to the finalisation of the Allotment. Each Eligible QIB acknowledges that, prior RBI approval will be required in the event acquisitions made by such Eligible QIB exceeds the threshold prescribed under Master Direction for Acquisition. In case of a person permitted by the RBI to have a shareholding of 10% or more of the paid-up equity share capital of the banking company but less than 40% of the paid-up equity share capital, the shares acquired shall remain under lock-in for first five years from the date of completion of acquisition.

13. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Bank does not exceed 10% of the post-Issue paid-up capital of our Bank on a fully diluted basis.

14. The Eligible QIB confirms that:

    a. It is outside the United States purchasing the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S, and the applicable laws of the jurisdictions where those offers and sales are made, and is not our affiliate or a person acting on behalf of such an affiliate.

    b. It has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of this Preliminary Placement Document, will be deemed to have made the representations, warranties and agreements made under the sections titled "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 5, 255 and 264 respectively.

ELIGIBLE QIBs MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Bank (by itself or by the Book Running Lead Managers) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter. The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Managers through electronic form at either of the following addresses:

Name of BRLM	Address	Contact person	Email	Phone
IDBI Capital Markets & Securities Limited	6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005, Maharashtra, India	Subodh Gandhi	project.yash@idbicapital.com	+91 22 2217 1700
BNP Paribas	1 North Avenue, Maker Maxity, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India	Sameer Lotankar	DL.Project.Yash.2025@bnpparibas.com	+91 22 3370 4000
Equirus Capital Private Limited	12th Floor, C Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai - 400 013	Malay Shah/Jenny Bagrecha	punjabsind.qip@equirus.com	+91 22 4332 0736

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Payment of Bid Amount

Our Bank has opened the Escrow Account in the name of "**PSB QIP 2025- Escrow Account**" with the Escrow Agent, in terms of the arrangement among our Bank, the Book Running Lead Managers and the Escrow Agent. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.

Pending Allotment, our Bank undertakes to utilise the amount deposited in "**PSB QIP 2025- Escrow Account**" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Bank is not able to Allot Equity Shares in the Issue. In case of cancellations or default by the Bidders, our Bank and the Book Running Lead Managers have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, the excess Bid Amount will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in "*Issue Procedure – Refunds*" on page 251.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. For the purpose of determination of the Floor Price, 'stock exchange' shall mean any of the recognised stock exchanges in which the Equity Shares are listed and in which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. However, our Bank may offer a discount of not more than 5% of the Floor Price, in terms of Regulation 176(1) of the SEBI ICDR Regulations, in accordance with the approval of our Shareholders pursuant to resolution passed at EGM held on May 31, 2024.

The "Relevant Date" referred to above, for Allotment, will be the date of the meeting in which the Board or the Issue Committee of the Board decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

Build-up of the book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price discovery and Allocation

Our Bank, in consultation with the Book Running Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Bank may offer a discount of not more than 5% of the Floor Price, in terms of Regulation 176(1) of the SEBI ICDR Regulations, in accordance with the approval of our Shareholders pursuant to resolution passed at EGM held on May 31, 2024.

After finalisation of the Issue Price, our Bank shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Bank shall determine the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR BANK IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR BANK, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR BANK NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON- ALLOCATION.

CONFIRMATION OF ALLOCATION NOTE OR CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Bank, in consultation with the Book Running Lead Managers, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Successful Bidder ("**Designated Date**").

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Bank) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document in the electronic form, to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board or the Capital Issue committee will approve the Allotment of the Equity Shares to the Allottees in consultation with the Book Running Lead Managers.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section titled "*Notice to Investors*" on page 3 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Successful Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

Designated Date and Allotment of Equity Shares

Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Bank will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

Our Bank, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

Following the Allotment of the Equity Shares pursuant to the Issue, our Bank shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Bank shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts, our Bank will apply for the final listing and trading approvals from the Stock Exchanges.

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Bank.

After finalization of the Issue Price, our Bank shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document. Pursuant to a circular SEBI/CFD/DIL/LA/1/2010/05/03 dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Bank along with the Placement Document.

In accordance with Section 12B of the Banking Regulation Act, 1949 and the Master Direction – Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023 issued by the RBI on January 16, 2023 read together with the Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies issued by the Reserve Bank of India on January 16, 2023, no person (along with his relatives, associate enterprises or persons acting in concert with) can acquire or hold 5% or more of the total paid-up share capital of our Bank, or be entitled to exercise 5% or more of the total voting rights of our Bank, without prior approval of the RBI. Accordingly, a Bidder's aggregate holding in the paid-up share capital of our Bank, whether beneficial or otherwise: after subscription to the Equity Shares in the Issue by such Bidder, his or her relatives, associate enterprises or persons acting in concert with such Bidder, aggregated with any pre-Issue shareholding in the Bank of such Bidder, his or her relatives, associate enterprises or persons acting in concert; or after subscription to the Equity Shares in the Issue aggregated with any pre-Issue shareholding in our Bank of such Bidder, his or her relatives, associate enterprises or persons acting in concert; shall not amount to 5% or more of the total paid-up share capital of our Bank or would not entitle such Bidder to exercise 5% or more of the total voting rights of our Bank, except with the prior approval of the RBI.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price, or Equity Shares are not Allocated to a Bidder for any reasons, is cancelled prior to Allocation, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted (as set out in the Application Form). The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that our Bank is unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled from the date of receipt of application monies, our Bank shall repay the application monies. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Depositories Act and other applicable laws

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Release of Funds to our Bank

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Bank. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us or the BRLMs.

Other instructions

Permanent account number or PAN

Each Bidder should mention its PAN allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR Number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to reject applications

Our Bank, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Bank in consultation with the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Bank, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder. For details see "*Bid Process" – "Refund*".

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all Eligible QIBs in the demat segment of the respective Stock Exchanges.

Our Bank and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT AND LOCK UP

Placement Agreement

The Book Running Lead Managers have entered into a placement agreement with the Bank dated March 24, 2025 (the "**Placement Agreement**"), pursuant to which the Book Running Lead Managers have agreed to manage this Issue and act as placement agents in connection with the proposed Issue and procure subscriptions for the Equity Shares on a reasonable efforts basis pursuant to Chapter VI of SEBI ICDR Regulations.

The Placement Agreement contains customary representations, warranties and indemnities from the Bank and it is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with RoC and, no Equity Shares issued pursuant to this Issue will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

In connection with the Issue, the Book Running Lead Managers (or their affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to this Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of this Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may subscribe to Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. See "*Offshore Derivative Instruments*" on page 11.

The Equity Shares offered in the Issue have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold in any jurisdiction outside India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, see "*Selling Restrictions*" on page 255.

The Book Running Lead Managers and their respective affiliates may engage in transactions with and perform services for the Bank in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with the Bank, for which they have received compensation and may in the future receive compensation.

Lock-up

Under the Placement Agreement, the Bank will not, for a period commencing the date hereof and ending 90 days from the Closing Date, without the prior written consent of the Book Running Lead Managers, directly or indirectly:

(a) issue, offer, lend, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing;

(b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares;

(c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe to or purchase Equity Shares or which carry the right to subscribe to or purchase Equity Shares in depository receipt facilities or enter into any such transactions (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or

(d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise,

The foregoing restrictions shall not apply to: (i) the issuance of any Equity Shares; and (ii) any issue or offer of Equity Shares by the Bank, to the extent such issue or offer is: (a) required to be undertaken pursuant to Applicable Law; or (b) required to be undertaken pursuant to the instructions, orders or guidelines as may be issued by the Government of India or an undertaking of the Government of India or such other authority acting on its behalf, in each case with the requisite authority to issue such instructions, orders or guidelines, as the case may be.

The Equity Shares held by the Promoter shall not be subject to any lock-up under the Placement Agreement.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document and the offer, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Persons who come into possession of this Preliminary Placement Document are advised to take legal advice with respect to any restrictions that may be applicable to them and to subsequently observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or sale in any circumstance in which such offer or sale is not authorized or permitted.

General

No action has been taken or will be taken by our Bank or the BRLMs that would permit a public offering of the Equity Shares offered in the Issue to occur in any jurisdiction. Except for in India, no action has been taken or will be taken by our Bank or the Book Running Lead Managers that would permit the offering of the Equity Shares offered in the Issue or the possession, circulation or distribution of this Preliminary Placement Document or any other information relating to our Bank or the Equity Shares in any jurisdiction where action for such purpose is required. The Equity Shares may not be offered or sold, directly or indirectly, and this Preliminary Placement Document or any offering materials or advertisements may not be distributed in any jurisdiction except under circumstances that will result in compliance with the applicable laws, rules and regulations of any such jurisdiction. Persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

Each subscriber of the Equity Shares offered in the Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and in "*Notice to Investors*", "*Representations by Investors*" and "*Transfer Restrictions*" on pages 3, 5, and 264 respectively.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which the Offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public or any other class of investors other than Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Australia

This Preliminary Placement Document is not a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) ("**Corporations Act**") and has not been lodged with the Australian Securities and Investments Commission and it does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

No offer will be made under this Preliminary Placement Document to investors to whom disclosure is required to be made under Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to represent and warrant that it is either a "sophisticated investor" or a "professional investor" and that not it is not a "retail client" within the meaning of those terms in the Corporations Act.

The Equity Shares acquired in the Issue in Australia must not be offered for sale in Australia in the period of 12 months after the date of the Allotment, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under Section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to undertake to our Bank that it will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act.

No financial product advice is provided in this Preliminary Placement Document and nothing in this Preliminary Placement Document should be taken to constitute a recommendation or statement of opinion that is intended to influence a person or persons in making a decision to invest in the Equity Shares offered in the Issue.

This Preliminary Placement Document does not take into account the objectives, financial situation or needs of any particular person. Before acting on the information contained in this Preliminary Placement Document, or making a decision to invest in the Equity Shares offered in the Issue, prospective investors should seek professional advice as to whether investing in the Equity Shares is appropriate in light of their own circumstances.

None of the Book Running Lead Managers or any of its affiliates is the holder of an Australian Financial Services Licence.

Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Preliminary Placement Document and the Equity Shares offered in the Issue have not been registered, filed, approved or licensed by the Central Bank of Bahrain ("**CBB**"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("**MOICT**") or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Preliminary Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Preliminary Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Preliminary Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

British Virgin Islands

This Preliminary Placement Document is not an offer to sell, or a solicitation or invitation to make offers to purchase or subscribe for, the Equity Shares offered in the Issue in the British Virgin Islands (the "**BVI**"). This Preliminary Placement Document may not be sent or distributed to persons in the BVI and the Equity Shares are not available to, and no invitation or offer to subscribe, purchase or otherwise acquire the Equity Shares may be made to, persons in the BVI. However, the Equity Shares may be offered and sold to business companies incorporated in the BVI pursuant to the BVI Business Companies Act, international limited partnerships formed in the BVI pursuant to the Limited Partnership Act 1996 and limited partnerships formed in the BVI pursuant to the Limited Partnership Act, 2017 provided that any such offering and sale is made outside the BVI.

Cayman Islands

The Preliminary Placement Document does not constitute an offer or invitation to the public in the Cayman Islands to subscribe for Equity Shares in the Issue.

People's Republic of China

This Preliminary Placement Document does not constitute an offer of the Equity Shares offered in the Issue, whether by way of sale or subscription, in the People's Republic of China (the "**PRC**"). The Equity Shares are not being offered and may not be offered or sold, directly or indirectly, in the PRC or for the benefit of legal or natural persons in the PRC. According to legal and regulatory requirements of the PRC, the Equity Shares may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), an offer to the public of any Equity Shares in the Issue may not be made in that Relevant State, except if the Equity Shares are offered to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the "**Prospectus Regulation**"):

- to any legal entity that is a qualified investor, as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the Book Running Lead Managers for any such offer;
- or in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Bank or the Book Running Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.
Each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Managers has been obtained to each such proposed offer or resale.

Our Bank, the Book Running Lead Managers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

This Preliminary Placement Document has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, this Preliminary Placement Document has not been, and will not be, registered as a "prospectus" in Hong Kong under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) ("**CO**") nor has it been authorised by the Securities and Futures Commission ("**SFC**") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) ("**SFO**"). Recipients are advised to exercise caution in relation to the Issue. If recipients are in any doubt about any of the contents of this Preliminary Placement Document, they should obtain independent professional advice.

This Preliminary Placement Document does not constitute an offer or invitation to the public in Hong Kong to acquire any Equity Shares nor an advertisement of the Equity Shares in Hong Kong. This Preliminary Placement Document must not be issued, circulated or distributed in Hong Kong other than:
(a) to "professional investors" within the meaning of the SFO and any rules made under that ordinance ("**Professional Investors**"); or
(b) in other circumstances which do not result in this Preliminary Placement Document being a prospectus as defined in the CO nor constitute an offer to the public which requires authorization by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors.

Any offer of the Equity Shares will be personal to the person to whom relevant offer documents are delivered, and a subscription for the Equity Shares will only be accepted from such person. No person who has received a copy of this Preliminary Placement Document may issue, circulate or distribute this Preliminary Placement Document in Hong Kong or make or give a copy of this Preliminary Placement Document to any other person. No person allotted Equity Shares may sell, or offer to sell, such Equity Shares to the public in Hong Kong within six months following the date of issue of such Equity Shares.

Japan

No securities registration statement in relation to the solicitations of the Equity Shares offered in the Issue in Japan (the "**Solicitations**") has been or will be filed pursuant to Article 4, Paragraph 1 of the Financial Instrument and Exchange Law of Japan (the "**FIEL**"). The Solicitations shall only be made (i) to Qualified Institutional Investors and (ii) to no more than 49 persons (excluding any Qualified Institutional Investors) during the six months period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Any Qualified Institutional Investors who acquire Equity Shares in the Issue (a) may not, directly or indirectly, resell, assign, transfer, or otherwise dispose of the Equity Shares to any person in Japan or to or for the benefit of any resident of Japan, including any corporation or other entity organised under the laws of Japan, except to Qualified Institutional Investors; and (b) shall deliver a notification indicating (a) and (b) herein to any transferee of the Equity Shares.

Capitalized terms used in this sub-section and not defined in this Preliminary Placement Document have the meanings given to those terms in the FIEL.

Jordan

The Equity Shares offered in the Issue have not been and will not be offered, sold or delivered at any time, directly or indirectly, in the Hashemite Kingdom of Jordan in a manner that would constitute a public offering. This Preliminary Placement Document has not been and will not be reviewed or approved by, or registered with, the Jordan Securities Commission in accordance with its regulations and any other regulations in the Hashemite Kingdom of Jordan. The Equity Shares are not and will not be traded on the Amman Stock Exchange. The Equity Shares have not been and will not be offered, sold or promoted or advertised in Jordan other than in compliance with the Securities Law No. (76) of 2002, as amended, the Law Regulating Dealings in Foreign Exchange No. (50) of 2008, and regulations issued pursuant thereto governing the issue of offering and sale of securities. Without limiting the foregoing, the Equity Shares have not been and will not, in any manner, be offered, sold, promoted or advertised to more than thirty (30) persons in Jordan, without complying with the required approval and notification requirements set-out under the above-referenced laws and the regulations issued pursuant to them.

Kuwait

This Preliminary Placement Document has not been licensed for the offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of securities in the State of Kuwait ("**Kuwait Securities Laws**"). Therefore, in accordance with the Kuwait Securities Laws, no private or public offering of the Equity Shares is or will be made in the State of Kuwait, no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Mauritius

In accordance with The Securities Act 2005 of Mauritius, no offer of the Equity Shares offered in the Issue may be made to the public in Mauritius without, amongst other things, the prior approval of the Mauritius Financial Services Commission. This Preliminary Placement Document has not been approved or registered by the Mauritius Financial Services Commission. Accordingly, this Preliminary Placement Document does not constitute a public offering. This Preliminary Placement Document is for the exclusive use of the person to whom it has been given by the Book Running Lead Managers and is a private concern between the sender and the recipient.

New Zealand

This Preliminary Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMA Act**"). The Equity Shares offered in the Issue may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New

Zealand) to a person who: (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act; (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act; (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Oman

This Preliminary Placement Document does not constitute an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman. This Preliminary Placement Document is strictly private and confidential and is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient.

This Preliminary Placement Document has not been approved by the Capital Market Authority of Oman (the "**CMA**") or any other regulatory body or authority in the Sultanate of Oman ("**Oman**"), nor have the Book Running Lead Managers received authorisation, licensing or approval from the CMA or any other regulatory authority in Oman, to market, offer, sell, or distribute the Equity Shares in Oman.

No marketing, offering, selling or distribution of any Equity Shares has been or will be made from within Oman and no subscription for any Equity Shares may or will be consummated within Oman. The Book Running Lead Managers are not a company licensed by the CMA to provide investment advisory, brokerage, or portfolio management services in Oman, nor a bank licensed by the Central Bank of Oman to provide investment banking services in Oman. The Book Running Lead Managers do not advise persons or entities resident or based in Oman as to the appropriateness of investing in or purchasing or selling securities or other financial products.

The Equity Shares offered in the Issue have not and will not be listed on any stock exchange in the Sultanate of Oman.
Nothing contained in this Preliminary Placement Document is intended to constitute Omani investment, legal, tax, accounting or other professional advice. This Preliminary Placement Document is for your information only, and nothing herein is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice on the basis of your situation.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or an offer of Equity Shares in the State of Qatar and accordingly should not be construed as such. The Equity Shares offered in the Issue have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of the Equity Shares in the State of Qatar.

By receiving this Preliminary Placement Document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, or any other authority or agency in the State of Qatar; (b) our Bank and the Book Running Lead Managers are not authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Issue has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Our Bank and the Book Running Lead Managers are not, by distributing this Preliminary Placement Document, advising individuals resident in the State of Qatar as to the appropriateness of purchasing Equity Shares in the Issue. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar Financial Centre

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or offer of Equity Shares from or within the Qatar Financial Centre ("**QFC**"), and accordingly should not be construed as such. This Preliminary Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This Preliminary Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Bank has not been approved or licenced by or registered with any licensing authorities within the QFC.

Singapore

This Preliminary Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") under the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**"). Accordingly, the Equity Shares offered in the Issue may not be offered or sold, or made the subject of an invitation for subscription or purchase nor may this Preliminary Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Equity Shares be circulated or distributed, whether directly or indirectly, in Singapore other than (i) to an "institutional investor" within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) other pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), our Bank has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA) that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

South Africa

In South Africa, the offering of the Equity Shares in the Issue will only be made by way of private placement to:

(a) selected persons falling within one of the specified categories listed in section 96(1)(a) of the South African Companies Act of 2008, as amended (the "South African Companies Act"); and
(b) selected persons, acting as principal, acquiring Equity Shares for a total acquisition cost of ZAR1,000,000 or more, as contemplated in section 96(1)(b) of the South African Companies Act,

and in each case to whom the offer of the Equity Shares will specifically be addressed, and only by whom the offer will be capable of acceptance (the "**South African Qualifying Investors**"). This Preliminary Placement Document is being made available only to such South African Qualifying Investors. The information contained in this Preliminary Placement Document does not constitute, nor form part of, any offer or invitation to sell or issue, an advertisement or any solicitation of any offer or invitation to purchase or subscribe for any Equity Shares or any other securities and is not an "offer to the public" as contemplated in the South African Companies Act. This Preliminary Placement Document does not, nor does it intend to, constitute a "registered prospectus" or an "advertisement", as contemplated by the South African Companies Act and no prospectus has been filed with the Companies and Intellectual Property Commission (the "**CIPC**") in respect of the Issue of the Equity Shares. As a result, this Preliminary Placement Document does not comply with the substance and form requirements for a prospectus set out in the South African Companies Act and the South African Companies Regulations of 2011, and has not been approved by, and/or registered with, the CIPC.

The information contained in this Preliminary Placement Document constitutes factual information as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act of 2002, as amended (the "**FAIS Act**") and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the Equity Shares or in relation to the business or future investments is appropriate to the particular investment objectives, financial situation or needs of a prospective investor, and nothing in this Preliminary Placement Document should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa. Our Bank is not a financial services provider licenced as such under the FAIS Act.

South Korea (Republic of Korea)

No securities registration statement in relation to the Solicitations (as defined under Financial Investment Services and Capital Markets Act of the Republic of Korea ("**South Korea**") (the "**FISCMA**")) of the Equity Shares offered in the Issue in South Korea has been or will be filed pursuant to the FISCMA. The Solicitations shall only be made (i) to certain professionals as prescribed in the FISCMA and the enforcement decree promulgated thereunder ("**Professional Investors**") and (ii) to no more than 49 persons (excluding any Professional Investors) during the six months period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Furthermore, the Equity Shares may not be offered, sold, transferred or delivered for reoffering or resale, directly or indirectly, in South Korea or to, or for the account or benefit of, any resident (as defined under the Foreign Exchange Transactions Act of South Korea and the decree, rules and regulations promulgated thereunder) thereof for a period of one year from the date of the issuance of the Equity Shares, except as otherwise permitted under applicable South Korean laws and regulations.

Switzerland

The offering of the Equity Shares offered in the Issue in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because such offering in Switzerland is directed only at investors classified as "professional clients" within the meaning of the FinSA and the Equity Shares offered in the Offer will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the Issue.

No key information document under article 58 of the FinSA or article 59(2) of the FinSA in respect of the Issue has been prepared and published. Accordingly, the Equity Shares offered in the Issue may not be offered to "private clients" within the meaning of the FinSA in Switzerland.

Each person in Switzerland who acquires Equity Shares in the Issue shall be deemed to have represented to our Bank and the Book Running Lead Managers that it is a "professional client" within the meaning of the FinSA and that it has not opted-in to be treated as a "private client" on the basis of article 5(5) of the FinSA.

This document is not intended to constitute an advertising document within the meaning of article 68 of the FinSA and article 95 of the Swiss Federal Financial Services Ordinance.

The Equity Shares do not constitute a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes and are not licensed by the Swiss Financial Market Supervisory Authority ("**FINMA**") thereunder. Accordingly, neither the Equity Shares nor the Shareholders benefit from protection under the Swiss Federal Act on Collective Investment Schemes or supervision by FINMA.

United Arab Emirates (excluding the Dubai International Financial Centre)

No offering, marketing, promotion, advertising or distribution (collectively, "**Promotion"**) of this Preliminary Placement Document or the Equity Shares may be made in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE.

The Promotion of this Preliminary Placement Document and the Equity Shares has not been and will not be approved by the SCA and, as such, this Preliminary Placement Document does not constitute an offer to the general public in the UAE to acquire any Equity Shares. Except where the Promotion of this Preliminary Placement Document and the Equity Shares is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE, the Promotion of this Preliminary Placement Document and the Equity Shares in the UAE is being made only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations).

None of the SCA, the Central Bank of the United Arab Emirates or any other regulatory authority in the UAE has reviewed or approved the contents of this Preliminary Placement Document and nor does any such entity accept any liability for the contents of this Preliminary Placement Document.

Dubai International Financial Centre

The Equity Shares offered in the Issue are not being offered to any persons in the Dubai International Financial Centre except on that basis that an offer is: (i) an "Exempt Offer" in accordance with the Markets Rules (MKT) (the "**Markets Rules**") adopted by the Dubai Financial Services Authority (the "**DFSA**"); and (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook and are not natural Persons. This Preliminary Placement Document must not be delivered to, or relied on by, any other person. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set out in it and has no responsibility for it. Capitalised terms not otherwise defined in this Preliminary Placement Document have the meaning given to those terms in the Markets Rules.

The Equity Shares may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered in the Issue should conduct their own due diligence on the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Equity Shares at any time:

(c) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
(d) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or
(e) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Equity Shares shall require our Bank or the Book Running Lead Managers to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

This Preliminary Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article

19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "relevant persons"). This Preliminary Placement Document is directed only at relevant persons. Other persons should not act on this Preliminary Placement Document or any of its contents. This Preliminary Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S. To help ensure compliance with Regulation S, each purchaser of Equity Shares in the Issue will be deemed to have made the representations, warranties, acknowledgements and agreements set forth in "*Transfer Restrictions*" on page 264. The Equity Shares purchased in the Issue are transferable only in accordance with the restrictions described in "*Transfer Restrictions*" on page 264

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares Allotted in the Issue, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them.

The Equity Shares Allotted in the Issue are also subject to the resale restrictions in "***Selling Restrictions***" on page 255 and the following resale restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase the Equity Shares and/or accepting delivery of Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S), and such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S

- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and other applicable U.S. state securities laws.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the

Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Bank or the Book Running Lead Managers for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) are seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares and (v) have no need for liquidity with respect to the investment in the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.

- It agrees to indemnify and hold our Bank and the Book Running Lead Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold our Bank or the Book Running Lead Managers liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by our Bank.

It acknowledges that the Bank and the Book Running Lead Managers and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Bank and the Book Running Lead Managers. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Bank, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Bank to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Bank or the BRLMs or any of its respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SECC Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, FIIs, FPIs, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of a company's obligations under the Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further, the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 requires all listed companies to maintain a minimum public shareholding of 25%, subject to certain time bound exceptions.

Minimum Level of Public Shareholding

Pursuant to an amendment to SCRR in June 2010 and Regulation 38 of SEBI Listing Regulations, all listed companies are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of the public shareholding having fallen below the 25% threshold. However, every listed public sector company whose public shareholding falls below 25% at any time on or after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, respectively, in the manner specified by SEBI. Further, pursuant to Securities Contract (Regulations) (Second Amendment) Rules, 2020 every listed public sector company is required to increase its public shareholding to at least 25% within a period of three years from the date of commencement of the amendment i.e., August 3, 2018. Also, pursuant to the budget 2019-2020, SEBI has been authorised to consider increase in minimum public shareholding to 35%. Pursuant to the Securities Contract (Regulations) (Amendment) Rules, 2022, the Central Government may, in public interest, exempt any listed entity in which the Central Government or State Government or public sector company, either individually or in any combination with other, hold directly or indirectly, majority of the shares or voting rights or control of such listed entity, from any or all of the provisions of this rule.

Disclosures under the SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, namely, at 10.00%, 15.00% and 20.00% respectively. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the NIFTY 50 of the NSE , whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of up to 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available. The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, the BSE is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. It has evolved over the years into its present status as one of the premier stock exchanges of India. Pursuant to the BSE (Corporatisation and Demutualisation) Scheme, 2005 of the SEBI, with effect from August 19, 2005, the BSE was incorporated and is now a company under the Companies Act. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as NIFTY 50, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. The NSE became the first exchange to grant approval to its members for providing internet based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes' pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that: (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading (or "**BOLT**") facility in 1995. This totally automated screen based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

The NSE has introduced a fully automated trading system called National Exchange for Automated Trading (or "**NEAT**"), which operates on strict time/ price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Code

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer.

The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. The SEBI Takeover Regulations were further amended on June 22, 2020 to exempt any acquisitions by way of preferential issue from the obligation to make an open offer. Subsequently, the SEBI Takeover Regulations were amended on August 13, 2021 exempting (a) persons, together with persons acting in concert with him, holding shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company; and (b) promoter of the target company, together with persons acting in concert with him, from making continual disclosures in relation to aggregate shareholding and voting rights in the target company. Further, the amendment has also removed certain disclosure obligations for acquirers/promoters, pertaining to acquisition or disposal of shares aggregating to 5% and any change of 2% thereafter, annual shareholding disclosure and creation/invocation/release of encumbrance registered in depository systems under the SEBI Takeover Regulations. These relaxations have been given on account of implementation of the System Driven Disclosures (SDD).

SEBI Insider Trading Regulations

The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended (the "**Insider Trading Regulations**") have been notified by SEBI to prohibit and penalise insider trading in India. An "insider" is defined to include any person who has received or has access to unpublished price sensitive information ("**UPSI**") or a "Connected Person". A "Connected Person" includes, *inter alia*, any person who is or has directly or indirectly, been associated with the company in any capacity whether contractual, fiduciary or employment or has any professional or business relationship with the company whether permanent or temporary, during the six months prior to the concerned act which would allow or reasonably expect to allow access, directly or indirectly, to UPSI.

The Insider Trading Regulations also provide disclosure obligations for promoters, employees and directors, with respect to their shareholding in our Bank, and the changes therein. An insider is, *inter alia*, prohibited from trading in securities of a listed or proposed to be listed company when in possession of UPSI and to provide access to any person including other insiders to the above referred UPSI except where such communication is for legitimate purposes, performance of duties or discharge of legal obligations. UPSI shall include any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities.

The Insider Trading Regulations also provide disclosure obligations for shareholders holding more than 5.00% of equity shares or voting rights, and the changes therein. Initial disclosures are required from promoters, members of promoter group, key managerial personnel, directors as well as continual disclosures by every promoter, members of promoter group, designated person, employee or director in case value of trade exceed monetary threshold of ten lacs rupees over a calendar quarter, within two trading days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. Further, SEBI framed regulations in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets. Further, on July 17, 2020, SEBI amended the SEBI Insider Trading Regulations to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database be maintained, containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details person with whom information is shared.

Derivatives: Futures and Options

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

*Set forth below are some of the relevant regulations applicable and with respect to the Equity Shares of our Bank. Our Bank was constituted as a corresponding new bank in accordance with the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 ("**Banking Acquisition Act**") and pursuant to the powers conferred on our Board by section 19 of the Banking Acquisition Act, the Punjab & Sind Bank (Shares & Meetings) Regulations, 2008, as amended, was brought into force. Further, our Bank follows the RBI Dividend Circular in relation to declaration of dividends.*

General

As of the date of this Preliminary Placement Document, the authorised capital of our Bank is ₹ 10000,00,00,000 (Rupees Ten thousand crore) divided into 1000,00,00,000 (One Thousand crore) Equity Shares of ₹ 10.00 each and 677,77,86,447 Equity Shares of ₹10.00 each aggregating to ₹6777,78,64,470 (Rupees Six Thousand Seventy Seven Crore Seventy Eight Lakh Sixty Four Thousand Four Hundred seventy) were paid up and outstanding.

Capital

Our Bank is permitted to raise capital by public issue or preferential allotment or private placement of equity shares or preference shares in accordance with provisions of the Banking Companies Act. Our Bank is required to formulate a proposal to raise capital in accordance with the guidelines, rules or regulations of the SEBI, relating to raising of such capital. Our Bank is required to submit the proposal to the RBI and consider the views of the RBI before finalizing the proposal. Further, the final proposal is required to be submitted to the Government for its sanction and the Government may grant sanction subject to such terms and conditions as it may deem fit.

Register of Shareholders

Our Bank is required to keep, maintain and update a share register of its shareholders. The particulars required to be entered in the share register are required to be maintained in the form of books or data stored in magnetic / optical / magneto-optical media by way of diskettes, floppies, cartridges or otherwise in computers to be maintained by the Bank's RTA and back up at such location as may be decided from time to time by the Chairman or Managing Director or any other designated official. Our Bank is required to maintain the register in electronic format subject to safeguards stipulated in the Information Technology Act, 2000, as amended.

Share Certificate

Each share certificate in respect of shares of our Bank is required to bear a distinctive share certificate number; the number of shares in respect of which it is issued and the name of the shareholder to whom it is issued and it should be in such form as may be specified by the Board. Every share certificate should be issued under the common seal of our Bank in pursuance of a resolution of the Board and it should be signed by two Directors and some other officer not below the rank of Scale-II or the company secretary appointed by the Board for the purpose.

No share certificate is valid unless and until it is so signed. Share certificate so signed will be valid and binding notwithstanding that, before the issue thereof, any person whose signature appears thereon may have ceased to be a person authorized to sign the share certificates on behalf of our Bank.

Issue of Share Certificates

Under the provisions of the Punjab & Sind Bank (Shares & Meetings) Regulations, 2008 (a shareholder who has been registered as a shareholder shall be entitled to one certificate for each hundred shares or multiples thereof registered in his name on any one occasion and one additional share certificate for the number of shares in excess thereof but which are less than hundred. Further, if the number of shares to be registered is less than hundred, one certificate shall be issued for all the shares. In respect of any share or shares held jointly by several persons, our Bank shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders

Forfeiture of shares

Our Bank can by a resolution of the Board forfeit the shares, if the calls on such shares are unpaid. Any share so forfeited will be deemed to be the property of our Bank and may be sold, re-allocated or otherwise disposed of to any person upon such terms and in such manner as the Board may decide.

Meeting of Shareholders

There are two types of general meetings of shareholders: AGM and extra ordinary general meeting. For convening an AGM, a notice signed by the chairman and the managing director or the executive director or any officer not below the rank of scale VII or the company secretary should be published at least twenty-one clear days before the meeting in not less than two daily newspapers having wide circulation in India.

Every such notice is required to state the time, date and place of such meeting, and also the business that should be transacted at that meeting. An extraordinary general meeting of shareholders can be convened by the chairman and managing director or in their absence by the Executive Director or in their absence by any one of the other Directors, or on a requisition for such a meeting having been received either from the Government or from other shareholders holding an aggregate of shares carrying not less than 10.00% of the total voting rights of all the shareholders. The requisition should state the purpose for which such extraordinary general meeting is required to be convened. The time, date and place of an extraordinary general meeting shall be decided by the Board, provided that a special general meeting convened on requisition by other shareholders will be convened not later than forty five days of the receipt of the requisition.

No business shall be transacted at any meeting of the shareholders unless a quorum of at least five shareholders entitled to vote at such meeting in person are present at the commencement of such business. If within half an hour after the time appointed for the holding of a meeting, a quorum is not present in the case of a meeting called by a requisition of shareholders other than the Government, the meeting shall stand dissolved. In any other case, if within half an hour after the time appointed for the holding of a meeting, a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and such other time and place as the Chairman may determine.

Voting rights of Shareholders

Subject to certain provisions of the Banking Companies Act provide that no shareholder other than the Government shall be entitled to exercise voting rights in respect of any shares held by them in excess of 10.00% of the total voting rights of all the shareholders of our Bank. In addition, Section 3(2D) of the Banking Companies Act mandates that shareholding of non-residents in a corresponding new bank cannot exceed 20.00% of its paid up capital. Each shareholder who has been registered as a shareholder on the date of closure of the register prior to the date of a general meeting shall, at such meeting, have one vote on show of hands and in case of a poll shall have one vote for each share held by him. Shareholders of our Bank entitled to attend and vote at a general meeting shall be entitled to appoint another person (whether a shareholder or not) as their proxy to attend and vote instead of them, but a proxy so appointed shall not have any right to speak at the meeting.

Right to elect Directors

A director, is to be elected by the shareholders on the register, other than the Government, from amongst themselves in a general meeting of our Bank. Where an election of a director is to be held at any general meeting, the notice thereof should be included in the notice convening the meeting. Every such notice should specify the number of directors to be elected and the particulars of vacancies in respect of which the election is to be held.

Declaration of Dividend

As per the RBI Dividend Circular, our Bank can declare dividends only if our Bank has a (i) CRAR of at least 9.00% for the preceding two completed years and the accounting year for which it proposes to declare a dividend; and (ii) net NPA less than 7.00%. In case our Bank does not meet the said CRAR norm, but has a CRAR of at least 9.00% for the accounting year for which it proposes to declare dividend, it would be eligible to declare dividend provided its net NPA ratio is less than 5.00%.

Our Bank is required to comply with certain provisions of the Banking Regulation Act including Section 15; Section 10(7) of the Banking Companies Act and the prevailing regulations / guidelines issued by the RBI, including creating adequate provisions for impairment of assets and staff retirement benefits, transfer of profits to statutory reserves. See, "Dividend Policy" on page 82. The proposed dividend should be paid out of the current year's profit. Also, the RBI should not have placed any explicit restrictions on our Bank for declaration of dividends. The rate of dividend shall be determined by the Board.

TAXATION

To,

The Board of Directors
Punjab & Sind Bank
NBCC Office Complex, Block 3,
East Kidwai Nagar,
New Delhi – 110023, India

IDBI Capital Markets & Securities Limited
6th Floor, IDBI Tower, WTC Complex, Cuffe Parade,
Mumbai 400005, Maharashtra, India

BNP Paribas
1 North Avenue, Maker Maxity,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051, Maharashtra, India

Equirus Capital Private Limited
12th Floor, C Wing, Marathon Futurex,
N M Joshi Marg, Lower Parel,
Mumbai - 400 013

(together, IDBI Capital Markets & Securities Limited, BNP Paribas, Equirus Capital Private Limited are referred to as the **"Book Running Lead Managers"** or **"BRLMs"**)

Dear Sirs,

Re: **Certificate on tax benefits**

Sub: Proposed qualified institutions placement of equity shares of face value ₹ 10 each ("Equity Shares") by Punjab & Sind Bank (the "Bank") under Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") (the proposed qualified institutions placement to be referred to as the "Issue").

We, **S. P. Chopra & Co**., Chartered Accountants, Firm Registration Number: 000346N, one of the Statutory Central Auditors of the Bank (hereinafter referred as "**Statutory Central Auditors**") hereby report the possible tax benefits available to the Bank, and the shareholders of the Bank, under the Income Tax Act, 1961 read with the rules, circulars and notifications issued in connection thereto, (the "**IT Act**") as amended, applicable as at and for the financial year ended March 31, 2024 and relevant to the assessment year 2024-25, presently in force in India and under indirect taxation laws presently in force in India ("**Tax Laws**"), in the enclosed statement at **Annexure A**.

The preparation of statement of possible tax benefits, which is to be included in the preliminary placement document ("PPD")/ placement document ("PD") is the responsibility of the management of the Bank.

Several of these stated tax benefits/consequences are dependent on the Bank or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Bank or its shareholders to derive the tax benefits is dependent on fulfilling such conditions.

The benefits discussed in the enclosed annexure are not exhaustive. **Annexure A** is for your information, and we consent its inclusion in the Preliminary Placement Document and Placement Document, as amended or supplemented thereto (together the "**Placement Documents**") to be filed by the Bank with the Stock Exchanges, and any other authority and such other documents as may be prepared in connection with the Issue.

In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

i) the Bank or its shareholders will continue to obtain these benefits in future; or

ii) the conditions prescribed for availing the benefits have been/would be met with; or

iii) the revenue authorities / courts will concur with the views expressed herein.

We also consent to the references to us as “Experts”, to the extent of the certification provided hereunder and included in the Placement Documents of the Bank or in any other documents in connection with the Issue.

Nothing contained herein shall be construed to (i) limit our responsibility for or liability in respect of, the certificate we have issued, covered by our consent and included in the Placement Documents or (ii) limit our liability with respect to the certificate we have issued to any person which (a) cannot be lawfully limited or excluded under applicable laws or regulations or guidelines issued by applicable regulatory authorities or (b) has been assumed by us contractually in connection with the Issue; or (iii) limit our liability in respect of comfort letters provided to the BRLMs in connection with the Issue.

This certificate is issued in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the ‘**Guidance Note’**) issued by the Institute of Chartered Accountants of India (the ‘**ICAI**’). The Guidance Note requires that we comply with the independence and ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (‘**SQC**’) Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

This certificate and the information contained herein can be relied upon by the BRLMs and Legal Counsel, and can be submitted to the Stock Exchanges, the Securities and Exchange Board of India, Reserve Bank of India and any other regulatory or statutory authority in respect of the Issue, as can be required and for the records to be maintained by the BRLMs in connection with the Issue.

We undertake to immediately inform in writing to the BRLMs and Legal Counsel in case of any changes to the above until the date when the Equity Shares issued pursuant to the Issue commence trading on Stock Exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

We hereby consent to this certificate being disclosed by the BRLMs, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or to be uploaded in repository by order of SEBI circular; or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation in connection with the contents of the Placement Documents.

Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Placement Documents.

For and on behalf of
S. P. Chopra & Co.
Chartered Accountants
Firm Registration Number: 000346N

(Gautam Bhutani)
Partner
Membership Number: 524485
UDIN: 25524485BMIFUV4384
Date: March 24, 2025

CC:

Domestic Legal Counsel to the Bank as to Indian Law

M/s. Crawford Bayley & Co.
State Bank Buildings
N.G. N. Vaidya Marg
Fort, Mumbai 400 023

International Counsel to the Issuer

Hogan Lovells Lee & Lee
50 Collyer Quay, #10-01 OUE Bayfront
Singapore 049321

ANNEXURE – A

THE STATEMENT OF TAX BENEFITS AVAILABLE TO THE BANK AND ITS SHAREHOLDERS UNDER THE APPILCABLE TAX LAWS IN INDIA

The information provided below is the statement of possible tax benefits to the bank and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences. The said statement is prepared to the best of our knowledge & belief as per the provisions of Income tax Act, 1961 as **amended by the Finance (No. 2) Act, 2024**. This overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. All the tax benefits mentioned in this document are subject to the specific conditions mentioned in the respective section and / or the related rules or guidelines.

Views expressed by us in this statement are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility towards the shareholders or other stakeholders in this regard.

A. **TAX BENEFIT TO THE BANK**

1. Currently, the Bank is subject to income-tax rate of 30% (plus 12% Surcharge and 4% Health & Education Cess) under the normal provisions of the Act. A new Section 115BAA was introduced in the Act vide the Taxation Laws (Amendment) Act, 2019 which provides for an option to domestic companies to opt for a lower income-tax rate of 22% (plus 10% Surcharge and 4% Health & Education Cess) subject to the condition that they will not avail specified tax exemptions/ deductions or incentives under the Act. The Bank is eligible to exercise the option for concessional income-tax rate u/s 115BAA. However, once the Bank opts for paying income-tax as per Section 115BAA of the Act, the provisions relating to Minimum Alternate Tax (MAT) u/s 115JB shall not be applicable to the Bank and carry forward of MAT credit will not be available. Such option for lower tax regime can be exercised only once and can not be changed later on.

2. The income of the Bank under the head Profit and gain of Business or Profession is computed in accordance with applicable provisions of the Act read with Income Computation and Disclosure Standards (ICDS) notified under Section 145(2) of the Act. Income by way of interest, premium on redemption or other payment on notified securities, bonds, certificates issued by the Central Government is exempt from tax under Section 10(15) as per conditions specified in the concerned notification.

3. Under Section 36(1)(vii), any bad debt or part thereof written off as irrecoverable in the accounts of the Bank is allowable as a deduction, subject to the provisions of section 36(2). The deduction of bad debts is limited to the amount, by which such bad debts or part thereof, exceeds the credit balance in the provision for bad and doubtful debts account made under Section 36(1)(viia). The Bank shall continue to be entitled for this deduction even if it opts for the benefit of lower rate of tax under section 115BAA of the Act as discussed at para 2 above.

If the amount subsequently recovered on such debt or part thereof, written off is greater than the difference between the debt or the part of debt, so written off and the amount so allowed, the excess shall be deemed to be profit and gain of business or profession and accordingly chargeable to tax in accordance with Section 41(4) in the year in which it is recovered, whether the business or profession in respect of which the deduction has been allowed is in existence in that year or not.

4. Under Section 36(1)(viia),a deduction is allowable in respect of any provision made for bad and doubtful debts, by an amount not exceeding 8.5% of total income (computed before making any deduction under this Clause and Chapter VIA) and an amount not exceeding 10% of the aggregate average advances made by rural branches of the Bank computed in the prescribed manner. The Bank shall continue to be entitled for this deduction even if it opts for the benefit of lower rate of tax under section 115BAA of the Act as discussed at para 2 above.

5. In terms of Section 36(1)(viii) of the Act, the bank is allowed deduction in respect of any special reserve created and maintained by the Bank for an amount not exceeding 20% of the profits (before making any deduction under this clause) derived from the business of long term finance for industrial or agricultural development or development of infrastructure facility in India or development of housing in India. Further, if the aggregate amount carried to the Special Reserve account from time to time exceeds twice the paid- up capital and general reserves, no deduction shall be allowed on the excess amount under the Section. The amount withdrawn from such a Special Reserve Account would be chargeable to income tax in the year of withdrawal, in accordance with the provisions for Section 41(4A) of the Act. The Bank shall continue to be entitled for this deduction even if it opts for the benefit of lower rate of tax under section 115BAA of the Act as discussed at para 2 above.

6. Under Section 36(1)(xv), securities transaction tax paid by a taxpayer in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the Income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession". However, as per seventh proviso of section 48, no deduction shall be allowed in computing the income chargeable under the head “Capital Gains” in respect of any sum paid on account of Securities Transaction Tax.

7. Interest income on certain categories of bad and doubtful debts, as specified in Rule 6EA of the Income tax Rules, 1962, is chargeable to tax only in the year of receipt or credit to the Profit & Loss Account of the Bank whichever is earlier, in accordance with the provisions of Section 43D.

8. As per provisions of Section 72, the Bank is entitled to carry forward business losses that cannot be set off against permitted sources of income in the relevant assessment year, for a period of 8 consecutive assessment years immediately succeeding the assessment year when the losses were first computed, and set off such losses against income chargeable under the head "Profits and gains from business or profession" in such assessment year. The set off is permissible even if the business in which the loss was sustained is not carried on in the year of set off.

9. Under Section 74, short-term capital loss suffered during the year is allowed to be carried forward and set-off against short-term as well as long-term capital gains of a subsequent year. Such loss is permitted to be carried forward for up to eight years immediately succeeding the year in which such loss arises, for claiming set-off against subsequent years' short-term as well as long term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for up to eight consecutive assessment years immediately succeeding the assessment year when the losses were first computed for claiming set-off against subsequent years' long- term capital gains.

B. **STATEMENT OF GENERAL DIRECT TAX BENEFITS AVAILABLE TO THE RESIDENT SHAREHOLDERS**:

1. The gains/losses, arising from sale of shares will assume the character of Capital Gains or Business Income depending on the nature of holding in the hands of the shareholder and various other factors. Taxability of income on regular trading of securities will depend on facts and circumstances of each case.

2.

a. Dividend income from equity shares is taxable in the hands of shareholders at the applicable tax rates.

b. A deduction of expenses u/s 57 of the Act shall be allowed against such dividend income only in respect of interest expense up to a maximum of 20% of such dividend

c. The domestic company declaring/ distributing/ paying dividends shall be liable to withhold taxes at 10% on dividend income paid to resident shareholders. The aggregate threshold of Rs 5000/- in a financial year applies in case of dividend income payable to a resident individual shareholder.

3. If the resident shareholder is a domestic company and its gross total income in any tax year includes any income by way of dividends from any other domestic company (which includes the Bank) or foreign company

or a business trust, it shall be allowed a deduction u/s 80M of the Act in computation of its total income, of an amount equal to so much of the amount of income by way of dividends received from domestic/ foreign companies or business trust as does not exceed the amount of dividend distributed by it up to a date not exceeding one month prior to the due date of filing its return of income.

4. Income arising from transfer of shares held for more than 12 months and subject to Securities Transaction Tax (STT) shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets. The characterization of gains/ losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. The Central Board of Direct Taxes (CBDT) has clarified in a circular that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as "Capital Gains" unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income.

5. Section 112A of the Act provides for concessional rate of 12.5% (plus applicable surcharge and cess) on long term capital gains exceeding Rs. 1,25,000 arising on transfer of equity shares, if STT has been paid on both acquisition and transfer in case of equity shares. The requirement of chargeability to STT is not applicable to transaction undertaken on a recognized stock exchange located in International Financial Service Centre where the consideration for such transaction is payable in foreign currency.

6. In case of an individual or Hindu Undivided Family (HUF), being a resident, where the total taxable income as reduced by long-term capital gains is below the basic exemption limit, such long-term capital gains will be reduced to the extent of the shortfall and only the balance long term capital gains will be subjected to such tax in accordance with the provision to Section 112A(1) or provision to Section 112(1) of the Act as the case may be.

7. Short-term capital gains arising on transfer of shares will be chargeable to tax at the rate of 20% (plus applicable surcharge and cess) as per the provisions of Section 111A of the Act if such transaction is chargeable to STT. The requirement of chargeability of STT is not applicable to transaction undertaken on a recognized stock exchange located in International Financial Service Centre and where the consideration for such transactions is payable in foreign currency

8. In case of an individual or HUF, being a resident, where the total taxable income as reduced by short- term capital gains is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to such tax in accordance with the provision to Section 111A(1) of the Act.

9. The rate of surcharge on capital gains u/s 111A and u/s 112A arising on sale of equity shares for all taxpayers will not exceed 15% on the income-tax

10. In accordance with, and subject to the conditions including ownership of not more than one residential house on the date of transfer (other than the new residential house referred hereinafter) and to the extent specified in Section 54F of the Act, long term capital gains arising on transfer of the shares shall be exempt from capital gains u/s 54F, if the net sale consideration is utilized within a period of one year before or two years after the date of transfer, for the purchase of a new residential house, or is utilized for construction of a residential house within three years. If the whole of the net sale consideration is not so utilized, the exemption shall be allowed on a pro rata basis.

11. Further, where the cost of new asset exceeds ten crore rupees, the amount exceeding ten crore rupees shall not be taken into account for providing exemption under section 54F.

12. As per Section 70 read with Section 74 of the Act short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any shall be carried forward and se-off against any capital gains (short term capital gains or long term capital gains) arising during subsequent eight assessment years. As per Section 70 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any shall be carried forward and se-off against long term capital gains arising during subsequent eight assessment years. As per Section 71 of the Act short term capital loss or long term capital loss for the year cannot be set-off against income under any other head for the same year.

13. Where the gains arising on the transfer of shares are included in the business income of an assessee assessable under the head "Profit and Gains from Business or Profession" and on which STT has been charged, such STT shall be a deductible expense from the business income as per the provisions of Section 36(1)(xv) of the Act. However, as per seventh proviso of section 48, no deduction shall be allowed in computing the income chargeable under the head "Capital Gains" in respect of any sum paid on account of Securities Transaction Tax.

14. Section 56(2)(x)(c) of the Act provides that, subject to exception provided therein, if any person receives from any person, any property, including, inter alia, shares of a company, without consideration or for inadequate consideration, the following shall be treated as 'Income from other sources' in the hands of recipient :

a. Where the shares are received without consideration, aggregate Fair Market Value (FMV) exceeds Rs 50,000/-, the whole FMV

b. Where the shares are received for a consideration less than FMV but exceeding Rs 50,000/-, the aggregate FMV in excess of the consideration paid

Rule 11UA of the Income tax Rules, 1962 ("the Rules") provides for the method for determination of FMV of shares and securities.

15. In case of income arising to a shareholder on account of buyback of shares (listed or unlisted) by a Company will be exempt u/s 10(34A) of the Act if the company buying back the shares has paid additional income tax at the rate of 20% (plus applicable surcharge and cess) on distributed income u/s 115QA of the Act. Above clause will not apply with respect to any buy back of shares by a company on or after 01st October 2024. W.e.f. 01st October 2024, receipt of buy back proceeds will be taxed as "deemed dividend". The cost of acquisition of the said shares will be allowed as a capital loss and may be set-off / carry forward against other capital gains.

c. **STATEMENT OF GENERAL DIRECT TAX BENEFITS AVAILABLE TO THE NON RESIDENT SHAREHOLDERS INCLUDING FOREIGN PORTFOLIO INVESTORS ("FPI") / FOREIGN INSTITUTIONAL INVESTORS ("FII"):**

1. Under the provisions of Section 90(2) of the Act a non-resident will be governed by the provisions of the Double Taxation Avoidance Agreement ("DTAA") between India and the country of tax residence of the non-resident [as modified by the Multilateral convention to implement Tax treaty related measures to prevent Base Erosion and Profit Shifting (MLI)] or the provisions of the Act to the extent they are more beneficial to the non-resident.

2.

A. Dividend income from equity shares is taxable in the hands of shareholders at the applicable tax rates.

B. A deduction of expenses u/s. 57 of the Act shall be allowed against such dividend income only in respect of interest expense up to a maximum of 20% of such dividend.

C. The domestic company declaring/distributing/paying dividends shall be liable to withhold taxes at the rates in force on dividend income paid to non-resident shareholders. Thus, the non-resident shareholders are liable to tax on dividend income received from domestic company u/s. 115A at 20% of gross dividend income (plus applicable surcharge and cess) subject to the provisions of the relevant DTAA read with the MLI (wherever applicable).

3. Income arising from transfer of shares held for more than 12 months and subject to STT, shall be considered as long-term capital assets. Assets not considered as long-term capital assets shall be considered as short-term capital assets. The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. The Central Board of Direct Taxes (CBDT) in a circular has clarified that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as "Capital Gains" unless the shareholder itself treats these as its stock-in- trade and income arising from transfer thereof as its business income.

4. Section 112A of the Act provides for concessional rate of 12.5% (plus applicable surcharge and cess) on long term capital gains exceeding Rs. 1,25,000 arising on transfer of equity shares, if STT has been paid on both

acquisition and transfer in case of equity shares. The requirement of chargeability to STT is not applicable to transaction undertaken on a recognized stock exchange located in International Financial Service Centre where the consideration for such transaction is payable in foreign currency.

5. The long-term capital gains arising to the shareholders from the transfer of equity shares held as investments, not covered under point 4 above shall be taxable as follows:

6. Where the equity shares are acquired in convertible foreign exchange, the same shall be taxable at the rate of 12.5% on the amount of capital gains computed as per point 6 below;

7. Where the equity shares are acquired in INR, the same shall be taxable at the rate of 20% (plus applicable surcharge and cess) on the amount of capital gains computed after considering the indexation benefit provided under second proviso to Section 48 or at the rate of 10% on the amount of capital gains computed without indexing the cost of acquisition, whichever is lower.

8. In accordance with, and subject to Section 48 of the Act read with Rule 115A of the Rules, capital gains arising on transfer of shares which are acquired in convertible foreign exchange and not covered under point 4 above shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/ arising from every reinvestment thereafter.

9. Short-term capital gains arising on transfer of the shares will be chargeable to tax at the rate of 20% (plus applicable surcharge and cess) as per the provisions of Section 111A of the Act if such transaction is chargeable to STT. The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

10. The rate of surcharge on capital gains u/s. 111A and u/s. 112A arising on sale of equity shares for all taxpayers and capital gains on securities u/s. 115AD(1)(b) for FIIs will not exceed 15% on the income tax.

11. In accordance with, and subject to the conditions including ownership of not more than one residential house on the date of transfer (other than the new residential house referred hereinafter) and to the extent specified in Section 54F of the Act, long term capital gains arising on transfer of the shares shall be exempt from capital gains u/s 54F, if the net sale consideration is utilized within a period of one year before or two years after the date of transfer, for the purchase of a new residential house, or is utilized for construction of a residential house within three years. If the whole of the net sale consideration is not so utilized, the exemption shall be allowed on a pro rata basis.

12. Further, where the cost of new asset exceeds ten crore rupees, the amount exceeding ten crore rupees shall not be taken into account for providing exemption under section 54F.

13. As per Section 70 read with Section 74 of the Act short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains (short term capital gains or long-term capital gains) arising during subsequent eight assessment years. As per Section 70 read with Section 74 of the Act long term capital loss arising during a year is allowed to be set- off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years. As per Section 71 of the Act short term capital loss or long term capital loss for the year cannot be set-off against income under any other heads for the same year

14. Where the gains arising on the transfer of shares are included in the business income of an assessee assessable under the head “Profits and Gains from Business or Profession” and on which STT has been charged, such STT shall be a deductible expense from business income as per the provisions of Section 36(1)(xv) of the Act. However, as per seventh proviso of section 48, no deduction shall be allowed in computing the income chargeable under the head “Capital Gains” in respect of any sum paid on account of Securities Transaction Tax.

15. Section 56(2)(x)(c) of the Act provides that, subject to exception provided therein, if any person receives from any person, any property, including, inter alia, shares of a company, without consideration or for inadequate consideration, the following shall be treated as 'Income from other sources' in the hands of the recipient:

a. Where the shares are received without consideration, aggregate Fair Market Value ("FMV") exceedsRs.50, 000/-, the whole FMV;

b. Where the shares are received for a consideration less than FMV but exceeding Rs. 50,000/-, the aggregate FMV in excess of the consideration paid.

Rule 11UA of the Rules provides for the method for determination of the FMV of shares and securities.

16. As per Explanation 4 to Section 115JB(2), the provisions of Section 115JB shall not be applicable to a foreign company if the foreign company is a resident of a country having DTAA with India and such foreign company does not have a Permanent Establishment within the definition of the term in the relevant DTAA, or the foreign company is a resident of a country which does not have a DTAA with India and such foreign company is not required to seek registration u/s. 592 of the Companies Act 1956 or u/s. 380 of the Companies Act 2013.

17. In respect of foreign companies which are not exempt from MAT provisions as per point 13 above, capital gains (whether long term or short term) arising on transactions in securities will need to be adjusted / reduced (if such income is credited to Profit and Loss account and tax payable on such capital gains income under normal provisions is less than the MAT rate of 15%) from the book profits while computing MAT u/s. 115JB of the Act. Consequently, corresponding expenses shall also be excluded while computing MAT.

18. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement ("DTAA"), if any, between India and the country of residence of the non-resident. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the DTAA to the extent they are more beneficial to the non-resident. As per section 90(4) of the Act, the non-residents shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of their being a resident in any country outside India, is obtained by them from the government of that country or any specified territory. As per section 90(5) of the Act, the non-residents shall be required to provide such other document and information, as has been notified.

D. **SPECIFIC PROVISIONS APPLICABLE TO FPIs AND FIIs:**

As per Section 2(14) of the Act transfer of any shares/securities by FPIs/FIIs being invested in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 shall be treated as Capital Assets.

As per the amended provisions of Section 115AD of the Act:

Income by way of short term capital gains arising to a FPI/FII on transfer of shares shall be chargeable at a rate of 30% (plus applicable surcharge and cess) where such transactions are not subjected to STT and at the rate of 20% (plus applicable surcharge and cess) if such transaction of sale is entered on a recognized stock exchange in India and is chargeable to STT;

Income by way of long-term capital gains arising to a FPI/FII from transfer of long term capital asset referred to in Section 112A of the Act shall be liable to tax at the rate of 12.5% (plus applicable surcharge and cess) on such income exceeding Rs. 1,25,000;

Income by way of long term capital gains arising to a FPI/FII from the transfer of shares held in the Company (other than that taxable u/s.112A) shall be taxable at the rate of 10% (plus applicable surcharge and cess).

The benefits of foreign currency fluctuations and of indexation of cost as per first and second proviso to Section 48 of the Act are not available to FPIs/FIIs.

As per Section 196D(2) of the Act no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares, payable to FIIs. Further, TDS on dividend shall be withheld at the rate of 20% u/s. 196D.

E. **SPECIFIC PROVISIONS APPLICABLE TO NON RESIDENT SHAREHOLDER BEING NON RESIDENT INDIANS (NRIs):**

Besides the above benefits available to non-residents, NRIs have the option of being governed by the provisions of Chapter XII-A of the Act which, inter alia, entitles them to the following benefits in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreign exchange:

Section 115E of the Act provides that NRIs will be taxed at 12.5% (plus applicable surcharge and cess) on long-term capital gains arising on sale of shares of the Company which are acquired in convertible foreign exchange. Dividend Income at the hand of NRIs will be taxed at 20% and no deduction of any expenditure thereagainst will be allowed as per section 115D.

Section 115F of the Act provides that, subject to the conditions and to the extent specified therein, long-term capital gains arising to NRIs from transfer of shares of the Company acquired out of convertible foreign exchange shall be exempt from capital gains tax if the net consideration is invested within 6 months of the date of transfer of the asset in any specified asset or in any saving certificates referred to in Section 10(4B) of the Act. In case the whole of the net consideration is not so invested, the exemption shall be allowed on a pro rata basis. However, this exemption is subject to three year lock in period in investment in new assets.

In accordance with the provisions of Section 115G of the Act, NRIs are not obliged to file a return of income u/s. 139(1) of the Act if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

In accordance with the provisions of Section 115H of the Act when NRIs become assessable as resident in India, they may furnish a declaration in writing to the Assessing Officer along with their return of income for that year u/s. 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to them in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are transferred or converted into money.

As per the provisions of Section 115-I of the Act NRIs may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing their return of income for that year u/s. 139 of the Act declaring therein that the provisions of Chapter XII-A shall not apply to them for that assessment year and accordingly, their total income for that assessment year will be computed in accordance with the other provisions of the Act.

F. **SPECIFIC PROVISIONS APPLICABLE TO MUTUAL FUNDS:**

Section 10(23D) of the Act provides that any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf. As per Section 196 of the Act, no tax is to be deducted from any income payable to a Mutual Fund specified u/s. 10(23D) of the Act.

G. **SPECIFIC PROVISIONS APPLICABLE TO VENTURE CAPITAL COMPANIES/ FUNDS:**

Section 10(23FB) of the Act provides that any income of Venture Capital Company or Venture Capital Fund, to whom the certificate of registration is granted under SEBI (Venture Capital Funds) Regulations, 1996 before May 21, 2012 or has been granted a certificate of registration as Venture Capital Fund as a sub-category I Alternative Investment Fund and is regulated under SEBI (Alternative Investment Funds Regulations) 2012, under the SEBI Act, 1992, from a Venture Capital Undertaking would be exempt from income tax, subject to conditions specified therein. As per Section 115U of the Act any income derived by a person from his investment in Venture Capital Company/Venture Capital Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing or arising to or received by such person had the investments been made directly in the Venture Capital Undertaking.

H. **SPECIFIC PROVISIONS APPLICABLE TO INVESTMENT FUNDS:**

Income of an Investment Fund, being a Trust, Company, Limited Liability Partnership or a body corporate which has been granted a certificate of registration and is regulated under SEBI (Alternative Investment Funds) Regulations, 2012 as Category I or Category II Alternate Investment Fund, other than the income chargeable under the head 'profits and gains of business and profession', shall be exempt from tax u/s. 10(23FBA) of the Act. Proportionate Income from Business and Profession from the Investment fund is exempt in the hand of unit holder under section 10(23FBB).

Section 115UB of the Act provides that the income chargeable under the head 'profits and gains of business and profession' shall be taxed in the hands of the Investment Fund depending on the legal status (i.e. a company, a limited liability partnership, body corporate or a Trust) of the Fund and at the rate or rates as specified in the

Finance Act of the relevant year. However, income (other than income chargeable under the head "Profits and gains of business or profession) of the unit holder out of the investment made

in such investment fund is chargeable to income-tax in the same manner as if it were income accruing or arising to, or received by, such unit holder had the investments, made by the Investment Fund, been made directly by him. Further, the income accruing or arising to or received by the Investment Fund if not paid or credited to a person (who has made investments in an Investment Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

As regards income of an Investment Fund, being a Trust, Company, Limited Liability Partnership or a body corporate which has been granted a certificate of registration as Category III Alternate Investment Fund, and is regulated under SEBI (Alternative Investment Funds) Regulations, 2012 will be taxed in India depending on the legal status of the Fund. In case the Fund is set-up as a 'Trust', the principles of trust taxation should apply.

I. APPROVED /RECOGNIZED PROVIDENT FUND, PENSION FUND AND GRATUITY FUND

Under section 10(25) of the Act, any income received by trustees on behalf of an approved /recognized Provident Fund, approved Pension Fund and approved Gratuity Fund is exempt from tax.

J. SPECIAL TAX BENEFITS AVAILABLE TO THE OTHER SHAREHOLDERS UNDER THE ACT

No Special Tax benefits are available to the other shareholders.

K. REQUIREMENT TO FURNISH PAN UNDER THE ACT:

Section 139A(5A) of the Act requires every person receiving any sum or income or amount from which tax is required to be deducted under Chapter XVII-B of the Act to furnish his PAN to the person responsible for deducting such tax.

Section 206AA of the Act requires every person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVII-B ("deductee") to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:

at the rate specified in the relevant provision of the I. T. Act; or

at the rate or rates in force; or

at the rate of 20%

Accordingly, in case the shareholders do not intimate PAN to the company (which includes the Bank) paying dividends, then TDS shall be deducted at 20% on the amount of dividend.

As per amended provisions of Rule 37BC, w.e.f. July 24, 2020, the higher rate u/s. 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect, of payment of dividend, if the non-resident deductee furnishes the prescribed details including, inter alia, Tax Residency Certificate (TRC) and Tax Identification Number (TIN) of the deductee in the country of his residence.

Linking of Aadhaar with PAN is mandatory, in case of non-linking, PAN will become inoperative and following consequences will arise as a result of PAN becoming inoperative inter alia includes where tax is deductible under Chapter XVII-B in case of such person, such tax shall be deducted at higher rate, in accordance with the provisions of section 206AA and where tax is collectible at source under Chapter XVII-BB in case of such person, such tax shall be collected at higher rate, in accordance with the provisions of section 206CC.

LEGAL PROCEEDINGS

Our Bank are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. Our Bank believes that the number of proceedings and disputes in which our Bank are involved is not unusual for a bank of our size doing business in India and in international markets. These legal proceedings are primarily in the nature of tax proceedings, recovery proceedings, consumer disputes, regulatory and statutory proceedings, criminal complaints and other civil proceedings, pending before various adjudicating forums. Further, certain regulatory and statutory authorities such as the Reserve Bank of India, the banking ombudsman, various tax authorities and other authorities have, in the past, taken action and/or imposed penalties against our Bank, including those during routine inspections undertaken in the ordinary course of business.

*This section discloses outstanding legal proceedings which have been considered material in accordance with our Bank's periodically published disclosure policies framed in accordance with Regulation 30 of the SEBI Listing Regulations ("**Policy of Materiality**").*

*Additionally, solely for the purpose of the Issue, our Bank has also disclosed in this section, to the extent applicable, (i) all outstanding criminal proceedings involving our Bank and its Directors; (ii) all outstanding actions by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) against our Bank, and its Directors, and all notices and actions by regulatory authorities against our Bank in the financial years ended March 31, 2022, March 31, 2023, March 31, 2024 and the period till the date of this Preliminary Placement Document, in each case other than in the ordinary course of business; (iii) any other outstanding civil litigation involving our Bank and its Directors, where the amount involved in such proceeding is exceeding ₹ 49.13 crore (approximately 5% of the average of absolute value of profit after tax, as per the last three audited financial statements) ("**Materiality Threshold**") or above; and (iv) any other outstanding litigation involving our Bank and its Directors, wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of our Bank, as on the date of this Preliminary Placement Document. Further, all outstanding direct and indirect taxes proceedings involving our Bank and its Directors, have been disclosed herein, where the amount involved in such proceedings exceeds the Materiality Threshold. Further, the banking ombudsman has imposed certain penalties on our Bank and the cumulative amounts of the penalties imposed on our Bank during the Financial Years ended March 31, 2022, March 31, 2023, March 31, 2024, have been disclosed.*

It is clarified that for the purposes of the above, pre-litigation notices received by our Bank and its Directors from third parties (excluding those notices issued by statutory/regulatory authorities) have not been disclosed in this Preliminary Placement Document unless the above-mentioned entities have been impleaded as a defendant or respondent in a litigation proceeding before any judicial forum or arbitral tribunal. In the ordinary course of business, especially in relation to recovery of loans, the Bank initiates criminal proceedings under applicable laws, which have not been disclosed in this Preliminary Placement Document separately unless the amount involved therein is more than the Materiality Threshold. A consolidated disclosure for dishonour of cheques (under Section 138 of the Negotiable Instruments Act, 1881), cases under the Banking Ombudsman Scheme and fraud reporting has been made in this Preliminary Placement Document. In the ordinary course of business, our Bank is also involved in litigation instituted by its employees, including in relation to retrenchment, gratuity etc. and cases instituted by its customers before the designated banking ombudsman.

1. Litigation against our Bank

A. Criminal Cases:

1. Our Bank dated December 11, 2010 sanctioned a term loan of ₹ 33.52 Crore ("**Loan**") to Kisan Petro Oils Private Limited ("**Borrower**") against a leased immovable property, owned by Greater Noida Industrial Development Authority ("Owner") and situated at Greater Noida, Gautam Budh Nagar as collateral ("**Mortgaged Property**"). On default by the Borrower, the Bank June 28, 2022 filed an application under section 14 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI Act**") to recover the Mortgaged Property ("**Application 1**"). Due to certain administrative reasons, the Bank withdrew Application 1. Consequently, the Borrower and its directors were declared wilful defaulters. Harinder Singh Grover, being a director of the Borrower, filed a complaint before the Chief Judicial Magistrate, Gautam Buddha Nagar, against branch manager of our Bank and our Bank ("**Respondents**"), pursuant to which a First Information Report dated August 23, 2024 was lodged with the Eco Tech Third Police Station, Gautam Buddh Nagar ("**FIR**") under section 420, 467, 468, 471, 472, 120B, 34 of the Indian Penal Code, 1860 ("**IPC**")

alleging that the Respondents forged the permission received by the Owner to mortgage the Mortgaged Property. Our Bank filed a criminal writ petition dated September 17, 2024 to quash the FIR before the High Court of Allahabad (“**High Court**”). The High Court, through its order dated October 1, 2024, has restrained from arresting the Respondents. The matter is currently pending.

B. Outstanding action against the Bank by statutory or regulatory authorities

As on the date of this Preliminary Placement Document, there are no outstanding actions against the Bank by statutory or regulatory Authorities

C. Civil cases above the materiality threshold against the Bank

As on the date of this Preliminary Placement Document, there are no civil cases above the Materiality Threshold, against our Bank.

D. Cases filed against the Bank under SARFAESI action taken by our Bank

As on March 31, 2024, borrowers in 262 cases whose accounts have been declared as Non-Performing Assets (“NPAs”) have challenged our Bank’s actions, under the SARFAESI Act for recovery of dues.

E. Banking Ombudsman Complaints

The Banking Ombudsman has imposed fine and penalties on our Bank based on complaints received from our customers alleging, inter alia, failure by our Bank to dispense amount from ATMs, fraudulent debit of accounts, failure to provide interest subsidy loan facilities availed of by persons belonging to economically weaker sections and discrepancies in remittances. The total number of cases pending before the Banking Ombudsman for Financial Years ended March 31, 2022, March 31, 2023 and March 31, 2024 and for nine months period ended December 30, 2024 are 8, 14, 12 and 33 respectively.

Banking Ombudsman Office Location	Total complaints pending as on March 31, 2024	Total complaints received from April 1, 2024 to December 31, 2024	Total complaints resolved from April 1, 2024 to December 31, 2024	Total complaints pending as on December 31, 2024
Ahmedabad	0	5	5	0
Bengaluru	0	1	1	0
Bhopal	1	15	14	2
Bhubaneswar	0	16	14	2
Chandigarh	2	105	95	12
Chennai	0	1	1	0
Chennai II	0	1	1	0
Dehradun	1	17	17	1
Guwahati	0	9	8	1
Hyderabad	0	4	3	1
Jaipur	1	7	8	0
Jammu	3	28	27	4
Kanpur	1	34	33	2
Kolkata	0	15	15	0
Kolkata II	1	13	14	0
Mumbai I	0	8	8	0
Mumbai II	0	3	3	0
New Delhi I	1	44	44	1
New Delhi II	0	31	28	3
Patna	0	5	5	0
Raipur	0	7	6	1

Ranchi	0	7	7	0
Shimla	1	27	26	2
Thiruvananthapuram	0	2	1	1
Ahmedabad	0	5	5	0

E. Taxation cases above the materiality threshold involving the Bank

Direct Tax Cases

As on the date of this Preliminary Placement Document, the Bank is involved in 15 direct tax proceedings with an aggregate amount involved being ₹ 1,013.62 crore, of which there are 5 cases which meet the Materiality Threshold aggregating to ₹ 971.08 crore which are currently pending before various income tax authorities and High Courts.

Indirect Tax

As on the date of this Preliminary Placement Document, the Bank is involved in 15 indirect tax proceedings with an aggregate amount involved being ₹ 44.23 crore, of which there is no case in which the pecuniary amount involved exceeds the Materiality Threshold aggregating to ₹ 49.13 crore which are currently pending before various income tax authorities and High Courts.

2. Litigation by our Bank

A. Criminal cases filed by our Bank

On March 28, 2018 our Bank ("**Applicant**") has advanced a loan to Anjali Devi Pagariya ("**Borrower**") amounting to ₹ 25,00,000. Since the Borrower was unable to pay their EMIs, their account was classified as Non-performing Assets on September 28, 2021 by the Complainant. A notice under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI Act**") was issued on December 12, 2021 to the Borrower. Our Bank with the police officials took the physical possession of the property dated December 12, 2023. Our Bank was informed that Borrower has broken the seal of the attached property started illegally residing in that. Thereafter, Our Bank filed the first Information Report ("**F.I.R**") dated March 19, 2024 against the illegal possession of the attached property against the Borrower. The matter is currently under the investigation.

1. Cases filed under Section 138 of Negotiable Instruments Act, 1881

A total of 913 legal proceedings filed by our Bank are pending as on date of this Preliminary Placement Document, against accused persons under section 138 of the Negotiable Instruments Act, 1881 and the amount involved in such cases aggregate to a sum of ₹ 60.15 Crore.

2. Fraud Complaints

Our Bank has a Fraud Risk Management Department ("FRMD") created under direct reporting to Chief Risk Officer at Head Office of the Bank. The FRMD head i.e. Chief Risk Officer at Head Office submits the Fraud Monitoring Returns ("FMR") to Reserve Bank of India. The FRMD head ensures compliance with regulatory guidelines on fraud classification and reporting. The authority for deciding any case as fraud is as give below:

Sr no.	Amount Involved	Competent Authority
1	For cases involving an amount up to Rs. 50 Lakh.	Deputy General Manager (operational head) of Fraud Risk Management
2	For cases involving an amount above Rs.50 Lakh and below Rs. 1 Crore	Chief Risk Officer/General Manager of FRMD
3	For cases involving an amount of Rs. 1 Crore and above but below Rs. 2 Crore	Vertical Executive Director shall be the competent authority
4	For cases involving an amount of Rs. 2 Crore and above	MD & CEO shall be the competent authority

Thereafter, in terms of the guidelines issued by the RBI, our Bank files the complaint in fraud cases, with the respective authority assigned as per the following criteria set up:

AMOUNT INVOLVED IN THE FRAUD	AGENCY TO WHOM COMPLAINT SHOULD BE LODGED
Below Rs 6 Crore	State/UT Police
Rs 6 Crore and Above	Central Bureau of Investigation (CBI)

Details of aggregate complaints made by our Bank, against its borrowers on account of fraud in the financial years ended March 31, 2022, March 31, 2023 and March 31, 2024, and nine months period ended December 31, 2024 are tabulated below:

PERIOD NUMBER OF COMPLAINTS AMOUNT INVOLVED (₹ IN CRORE)	NUMBER OF COMPLAINTS	AMOUNT INVOLVED (₹ IN CRORE)
Financial year ended March 31, 2022	31	18.43
Financial year ended March 31, 2023	98	20.38
Financial year ended March 31, 2024	15	10.28
Nine months period ended December 31, 2024	52	322.75
TOTAL	196	371.84

Details of aggregate complaints made by our Bank, against its employees on account of fraud in the financial years ended March 31, 2022, March 31, 2023 and March 31, 2024, and nine months period ended December 31, 2024 are tabulated below:

PERIOD NUMBER OF COMPLAINTS AMOUNT INVOLVED (₹ IN CRORE)	NUMBER OF COMPLAINTS	AMOUNT INVOLVED (₹ IN CRORE)
Financial year ended March 31, 2022	5	2.19
Financial year ended March 31, 2023	4	54.82
Financial year ended March 31, 2024	3	0.85
Nine months period ended December 31, 2024	0	0.00
TOTAL	12	57.86

Details of aggregate complaints made by our Bank, on account of fraud in the financial years ended March 31, 2022, March 31, 2023 and March 31, 2024, and nine months period ended December 31, 2024 are tabulated below:

PERIOD NUMBER OF COMPLAINTS AMOUNT INVOLVED (₹ IN CRORE)	NUMBER OF COMPLAINTS	AMOUNT INVOLVED (₹ IN CRORE)
Financial year ended March 31, 2022	36	20.63

Financial year ended March 31, 2023	102	75.20
Financial year ended March 31, 2024	18	11.13
Nine months period ended December 31, 2024	52	322.75
TOTAL	208	429.71

There are a total of 208 cases filed by our Bank in relation to fraud matters before various police stations and CBI, in accordance with the RBI circulars and guidelines on fraud classification and reporting in the financial years ended March 31, 2022, March 31, 2023 and March 31, 2024, and Nine months period ended December 31, 2024. These cases are pending at various stages of adjudication.

B. Debt Recovery Proceedings

As on date of this Preliminary Placement Document, our Bank is involved in 3,038 debt recovery proceedings with the aggregate amount involved being ₹ 11,819.65 Crore of which 45 cases meet the Materiality Threshold with the aggregate amount involved being to ₹ 6,774.43 Crore which are currently pending before the national company law tribunal.

C. Insolvency Proceedings

As on date of the Preliminary Placement Draft, our Bank is involved in 57 insolvency proceedings with the aggregate amount involved being ₹ 2,387.54 Crore, of which there are 15 cases which meet the Materiality Threshold with the aggregate amount involved being ₹ 1,680.72 which are currently pending before various benches of the National Company Law Tribunal / National Company Appellate Law Tribunal

3. Litigation Involving our Directors

A. Criminal cases involving our Directors

As on the date of this Preliminary Placement Document, there are no criminal cases involving any our Directors.

B. Civil cases involving our Directors

As on the date of this Preliminary Placement Document, there are no civil cases above the Materiality Threshold, involving any our Directors.

C. Material Tax Proceedings involving our Directors

As on the date of this Preliminary Placement Document, there are no tax proceedings above the Materiality Threshold, involving any of our Directors.

D. Outstanding actions by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) against our Directors

As on the date of this Preliminary Placement Document, there are no tax proceedings above the Materiality Threshold, involving any of our Directors.

OUR STATUTORY AUDITORS

Our Bank's current statutory central auditors are M/s. S P Chopra & Co., Chartered Accountants, M/s. Gupta Sharma & Associates, Chartered Accountants and M/s. O P Totla & Co., Chartered Accountants, M/s NBS & Co., Chartered Accountants. Our Bank's financial statements are prepared in accordance with Indian GAAP under the guidelines issued by the ICAI, guidelines issued by the RBI from time to time and practices generally prevailing in the banking industry in India. The Bank's financial statements included in this Preliminary Placement Document were audited, as the case may be, by a rotation of auditors appointed by RBI.

Our audited financial statements as at and for Fiscals 2022, included in this Preliminary Placement Document were jointly audited by M/s. Ghiya & Co, Chartered Accountants, M/s. Shiv & Associates, Chartered Accountants, M/s. Chaturvedi & Co., Chartered Accountants, and M/s. Manohar Chowdhry & Associates., Chartered Accountants.

Our audited financial statements as at and for Fiscal 2023, included in this Preliminary Placement Document were jointly audited by M/s. Ghiya & Co, Chartered Accountants, M/s. Shiv & Associates, Chartered Accountants, M/s. Chaturvedi & Co, Chartered Accountants and M/s. Manohar Chowdhry & Associates, Chartered Accountants.

Our audited financial statements as at and for Fiscals 2024, included in this Preliminary Placement Document were jointly audited by M/s. Chaturvedi & Co., Chartered Accountants, M/s. Manohar Chowdhry & Associates, Chartered Accountants, M/s. S.P. Chopra & Co, Chartered Accountants and M/s. Gupta Sharma & Associates., Chartered Accountants.

Our unaudited reviewed financial results, which comprises of the sheet as of December 31, 2023 and the related profit & loss account for the nine-month period ended December 31, 2023 and selected explanatory notes thereon, subjected to a limited review were jointly audited by M/s. Chaturvedi & Co., Chartered Accountants, M/s. Manohar Chowdhry & Associates, Chartered Accountants, M/s. S.P. Chopra & Co, Chartered Accountants and M/s. Gupta Sharma & Associates., Chartered Accountants.,

Our unaudited reviewed financial results, which comprises of the balance sheet as of December 31, 2024 and the related profit & loss account for the nine-month period ended December 31, 2024 and selected explanatory notes thereon, subjected to a limited review were jointly audited by M/s. S.P. Chopra & Co, Chartered Accountants, M/s. Gupta Sharma & Associates., Chartered Accountants., M/s OP Totla & Co, Chartered Accountants, and M/s. NBS & Co., Chartered Accountants.

GENERAL INFORMATION

1. Our Bank was originally incorporated on June 24, 1908, as 'The Punjab & Sind Bank Limited'. Subsequently, on April 15, 1980, our Bank was nationalized by the Government of India under The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 and accordingly, the name of our Bank was changed to 'Punjab & Sind Bank'.

2. The Head Office of our Bank is located at 21, Rajendra Place, New Delhi-110008 and Corporate office of our Bank is located at NBCC Office Complex, Block 3, East Kidwai Nagar, New Delhi – 110023, India

3. The Issue was authorized and approved by our Board of Directors by resolution dated February 28, 2024 and approved by our Shareholders, pursuant to a resolution passed at the Extra Ordinary General Meeting held on May 31, 2024.

4. The Equity Shares are listed on the BSE and NSE.

5. The website of the Bank is https://punjabandsindbank.co.in/

6. We have obtained all consents, approvals and authorizations required in connection with this Issue including the Reserve Bank of India recommendation letters dated April 02, 2024 and Government of India Letter dated January 09, 2025 in respect of offering our equity share.

7. The Bank's outstanding Equity Shares are listed on BSE and NSE. We have received the in-principle approvals from the Stock Exchanges under regulation 28(1)(a) of the Listing Regulations each on March 24, 2025. We will apply for final listing and trading approvals of our Equity Shares issued pursuant to the Issue on the stock Exchanges .

8. As on the date of this Preliminary Placement Document, M/s. S P Chopra & Co, Chartered Accountants, Gupta Sharma & Associates, Chartered Accountants, M/s. O P Totla & Co, Chartered Accountants and M/s. NBS & Co., Chartered Accountants are the statutory auditors of our Bank.

9. Except as disclosed in this Preliminary Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue.

10. The Floor Price for the Issue is ₹ 40.38 per Equity Share calculated in accordance with Regulation 176 of the SEBI ICDR Regulations and is certified by the Auditors to the Issue. Our Board may consider offering a discount of not more than 5.00% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations.

11. Our Bank and the BRLMs accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website would be doing so at his or her own risk.

FINANCIAL STATEMENTS

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Unaudited financial results of the Bank for the Nine months period ended December 31, 2024 along with the limited review report.	F1-F20
Unaudited financial results of the Bank for the Nine months period ended December 31, 2023 along with the limited review report	F21-F39
Audited Financial Statements for Fiscal 2024	F40-F103
Audited Financial Statements for Fiscal 2023	F104-F157
Audited Financial Statements for Fiscal 2022	F157-F213

S. P. Chopra & Co., Chartered Accountants, 31-F, Connaught Place, Radial Road no.7, New Delhi-110001	**Gupta Sharma & Associates**, Chartered Accountants, 142,Sector 3,Trikuta Nagar, Jammu - 180012
O P Totla & Co., Chartered Accountants, 302, Alankar Point, Geeta Bhawan Square, Indore – 452001 (MP)	**NBS & Co.,** Chartered Accountants, 14/2, Western India House, Sir P.M. Road, Fort, Mumbai - 400001

Independent Auditor's Limited Review Report on Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2024 of 'Punjab & Sind Bank' Pursuant to the Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors
Punjab & Sind Bank
New Delhi

1. We have reviewed the accompanying **statement of unaudited financial results** ('the Statement') of **Punjab & Sind Bank** ("the Bank") for the **quarter and nine months ended December 31, 2024**, being submitted by the Bank pursuant to the requirement of Regulations 33 and 52 read with Regulation 63(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulations'). Our responsibility is to issue a report on these financial results based on our review. The disclosures relating to "Pillar 3 under Basel III Capital Regulations", "Leverage Ratio", "Liquidity Coverage Ratio" and "Net Stable Funding Ratio", as have been disclosed on Bank's website and in respect of which a link has been provided in the aforesaid Statement have not been reviewed by us. We have initialed the Statement for identification purposes only.

2. This statement, which is the responsibility of the Bank's Management and approved by the Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", prescribed by the Institute of Chartered Accountants of India (ICAI), the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statement based on our review.

S.P. CHOPRA & CO. NEW DELHI CHARTERED ACCOUNTANTS
GUPTA SHARMA & ASSOCIATES JAMMU CHARTERED ACCOUNTANTS
O.P. TOTLA & CO. INDORE CHARTERED ACCOUNTANTS
NBS & CO. MUMBAI CHARTERED ACCOUNTANTS

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. These financial results include the relevant returns of 20 branches and Treasury Division reviewed by us, 350 branches reviewed by concurrent auditors and un-reviewed returns of 1,214 branches. The financial results also include the relevant returns of various head office departments reviewed by us. In the conduct of our review, we have also relied upon the review reports submitted by external concurrent auditors (including the retired employees of the Bank). These review reports cover 75.99% including 56.96% of which has been covered by us of the advance portfolio (excluding the advances of asset recovery branches and food credit) and 66.92%, including 23.86% of which has been covered by us, of gross non-performing assets (excluding the non-performing assets of assets recovery branches) of the Bank as on December 31, 2024. Apart from these review reports, in the conduct of our review, we have also relied upon various information, reports and returns received from the un-reviewed branches/other offices of the Bank and generated through centralized database at Bank/s Head and Zonal offices.

5. Based on our review conducted as above, subject to the limitations as mentioned in Para 3 and 4 above, nothing has come to our attention that causes us to believe that the accompanying statements of unaudited financial results read together with notes thereon, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulations 33 and 52 read with Regulation 63(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

6. **Emphasis of Matter**

   We draw attention to Note No. 18 to the financial results, regarding amortization of estimated additional liability on account of revision in family pension amounting to Rs. 236.84 crores. As stated therein, the Bank has charged amount of Rs. 12.00 crores and Rs. 36.00 crores to the Profit & Loss account for the current quarter and nine months ended December 31, 2024 respectively and the unamortized expense amounting to Rs. 58.73 crores has been carried forwarded in terms of RBI Circular No. RBI/ 2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 04, 2021.

   Our conclusion is not modified in respect of the above matter.

S.P. CHOPRA & CO. NEW DELHI CHARTERED ACCOUNTANTS

GUPTA SHARMA & ASSOCIATES JAMMU CHARTERED ACCOUNTANTS

O.P. TOTLA & CO. INDORE CHARTERED ACCOUNTANTS

NBS & CO. MUMBAI CHARTERED ACCOUNTANTS

7. **Other Matter**

We draw attention to the fact that corresponding figures for the quarter and nine months ended December 31, 2023, quarter ended September 30, 2024 and year ended March 31, 2024 are based on previously issued financial results / statements of the Bank, that were reviewed / audited by the predecessor auditors M/s. Chaturvedi & Co. LLP and M/s Manohar Chowdhry & Associates, along with two present auditors M/s. S. P. Chopra & Co and M/s Gupta Sharma & Associates, who had expressed an unmodified conclusion / opinion on those financial results / statements.

Our conclusion is not modified in respect of the above matter.

For **S. P. Chopra & Co.**
Chartered Accountants
FRN: 000346N

(CA. Pawan. K. Gupta)
Partner
M. No. 092529
UDIN: 25092529BMNZJZ9123

For **Gupta Sharma & Associates**
Chartered Accountants
FRN: 001466N

(CA. Vinay Saraf)
Partner
M. No. 087262
UDIN: 25087262BMKQLP8231

For **O P Totla & Co.**
Chartered Accountants
FRN: 000734C

(CA. Naveen Kumar Somani)
Partner
M. No. 429100
UDIN: 25429100BMKSOI4420

For **NBS & Co.**
Chartered Accountants
FRN: 110100W

(CA. Pradeep Shetty)
Partner
M. No. 046940
UDIN: 25046940BMLMZP6219

Date : January 15, 2025
Place : New Delhi

PUNJAB & SIND BANK

Reviewed Unaudited Financial Results for the Quarter/ Nine Months ended 31st December, 2024

(Rupees in lacs)

Sl. No.	Particulars	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31.12.2024	30.09.2024	31.12.2023	31.12.2024	31.12.2023	31.03.2024
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	**INTEREST EARNED (a+b+c+d)**	**293114**	**273895**	**249103**	**832236**	**721271**	**969398**
	a) Interest/ discount on advances/bills	210439	189333	178451	582724	518344	695124
	b) Income on Investments	80141	79890	68271	241326	196179	265603
	c) Interest on Balances with RBI & Other Inter Bank Funds	618	378	633	1243	1624	2203
	d) Others	1916	3794	1748	6943	5124	6468
2	Other Income	33823	35891	36168	89089	80852	122147
3	**TOTAL INCOME (1+2)**	**326937**	**309786**	**285271**	**921325**	**802123**	**1091545**
4	Interest Expended	199238	186610	175175	566072	506099	685294
5	Operating Expenses (i)+(ii)	79301	77381	82397	229400	216565	293157
	i) Employees Cost	49275	49330	54767	144629	143126	194420
	ii) Other Operating Expenses	30026	28051	27630	84771	73439	98737
6	**TOTAL EXPENDITURE (4+5) (excluding Provisions & Contingencies)**	**278539**	**263991**	**257572**	**795472**	**722664**	**978451**
7	**Operating Profit before Provisions & Contingencies (3-6)**	**48398**	**45795**	**27699**	**125853**	**79459**	**113094**
8	Provisions (other than tax) and Contingencies	10933	15064	9629	36335	8440	19396
	Of Which Provisions for Non-Performing Assets	9629	9150	(31991)	(14835)	(29018)	(17880)
9	Exceptional Items	0	0	0	0	0	0
10	**Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8-9)**	**37465**	**30731**	**18070**	**89518**	**71019**	**93698**
11	Tax Expense	9269	6772	6639	19213	25412	34156
12	**Net Profit (+)/ Loss (-) from Ordinary Activities after tax (10-11)**	**28196**	**23959**	**11431**	**70305**	**45607**	**59542**
13	Extraordinary items (net of tax expense)	0	0	0	0	0	0
14	**Net Profit (+)/ Loss (-) for the period (12-13)**	**28196**	**23959**	**11431**	**70305**	**45607**	**59542**
15	Paid-up Equity Share Capital (Face Value Rs.10/-)	677779	677779	677779	677779	677779	677779
16	Reserves excluding Revaluation Reserve (as per Balance Sheet of previous accounting year)						768925
17	Analytical Ratios						
	(I). Percentage of shares held by Government of India	98.25	98.25	98.25	98.25	98.25	98.25
	(ii) Capital Adequacy Ratio (Basel III)	15.95	16.89	16.13	15.95	16.13	17.16
	a). CET 1 Ratio	14.04	14.55	13.75	14.04	13.75	14.74
	b). Additional Tier 1 Ratio	0	0	0	0	0	0
	(iii) Earning per share (of Rs.10/- each) (Not Annualised) (Rs.)						
	(a) Basic and diluted EPS before Extraordinary items (net of tax expense) for the period, for the year to date and for the previous year (not annualized)	0.42	0.35	0.17	1.04	0.67	0.88
	(b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)	0.42	0.35	0.17	1.04	0.67	0.88
	(iv) NPA Ratios						
	(a) Amount of Gross Non-Performing Assets	367581	383542	475923	367581	475923	466535
	(b) Amount of Net Non-Performing Assets	116886	129394	144377	116886	144377	135046
	(c) % of Gross NPAs	3.83	4.21	5.70	3.83	5.70	5.43
	(d) % of Net NPAs	1.25	1.46	1.80	1.25	1.80	1.63
	(v) Return on Assets (Annualised)	0.73	0.65	0.31	0.63	0.42	0.41
	(vi) Outstanding redeemable Preference shares (quantity and value)	Nil	Nil	Nil	Nil	Nil	Nil
	(vii) Capital redemption reserve /debenture redemption reserve	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	(viii) Net worth*	923441	892067	745351	923441	745351	783578
	(ix) Paid up Debt Capital/Outstanding Debt**	609675	263716	199848	609675	199848	243385
	(x) Debt Equity Ratio** (Borrowings/Net worth)	0.66	0.30	0.27	0.66	0.27	0.31
	(xi) Total Debts to Total Assets (Borrowings/Total Assets)	0.04	0.02	0.01	0.04	0.01	0.02
	(xii) Operating Margin % (Operating Profit/Total Income)	14.80	14.78	9.71	13.66	9.91	10.36
	(xiii) Net Profit Margin % (Net Profit after tax/Total Income)	8.62	7.73	4.01	7.63	5.69	5.45

S.P. CHOPRA & CO. NEW DELHI CHARTERED ACCOUNTANTS

GUPTA SHARMA & ASSOCIATES JAMMU CHARTERED ACCOUNTANTS

O.P. TOTLA & CO. INDORE CHARTERED ACCOUNTANTS

NBS & CO. MUMBAI CHARTERED ACCOUNTANTS

Sl. No.	Particulars	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED 31.03.2024 Audited
		31.12.2024	30.09.2024	31.12.2023	31.12.2024	31.12.2023	
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	
18	Public Shareholding:						
	No. of Shares	118735354	118735354	118735354	118735354	118735354	118735354
	Percentage of Shareholding	1.75	1.75	1.75	1.75	1.75	1.75
19	Promoters and promoter group Share holding						
	(a) Pledged/ Encumbered						
	Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	Percentage of Shares (as a % of the total share capital of the Bank)	Nil	Nil	Nil	Nil	Nil	Nil
	(b) Non-encumbered						
	Number of shares	6659051093	6659051093	6659051093	6659051093	6659051093	6659051093
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00
	Percentage of Shares (as a % of the total share capital of the Bank)	98.25	98.25	98.25	98.25	98.25	98.25

* After considering the impact of valuing the Non-Interest bearing Recapitalization Bonds at Fair Value for the Quarter / Nine Months ended 31.12.2023 and Year ended 31.03.2024.

**Total debts represent total borrowings of the Bank. Borrowings represent debts due for more than one year

Note: Disclosure of Interest service coverage ratio and Debt service coverage ratio is not applicable to Bank.

Segment Reporting:

A: BUSINESS SEGMENT:

For the purpose of segment reporting in terms of AS-17 of ICAI and as prescribed in RBI guidelines, the business of the Bank has been classified into four segments i.e. a) Treasury Operations b) Corporate/wholesale Banking, c) Retail Banking and d) Other Banking Operations. Further, Retail Banking Segment has been sub-divided into Digital Banking and Other Retail Banking Segment. Segmental Revenue, Results, Assets & Liabilities in respect of Corporate / Wholesale and Retail Banking segment have been bifurcated on the basis of exposure to these segments. Assets and Liabilities, wherever directly related to segments have been accordingly allocated to segments and wherever not directly related have been allocated on the basis of pro-rata segment revenue.

(Rupees in Lacs)

Particulars	Quarter Ended			Nine Months ended		Year ended
	31.12.2024 (Reviewed)	30.09.2024 (Reviewed)	31.12.2023 (Reviewed)	31.12.2024 (Reviewed)	31.12.2023 (Reviewed)	31.03.2024 (Audited)
1. Segment Revenue						
a) Treasury	86998	94600	62239	266331	195349	266742
b) Corporate/ Wholesale Banking	163108	96177	119142	353960	293491	396780
c) Retail Banking	76217	118220	103123	299046	311356	425175
- Digital Banking	7	7	6	20	11	17
- Other Retail Banking	76210	118213	103117	299026	311345	425158
d) Other Banking Operations	614	789	767	1988	1927	2848
Total	**326937**	**309786**	**285271**	**921325**	**802123**	**1091545**
2. Segment Result						
a) Treasury	17021	30044	6952	66252	40179	55336
b) Corporate/ Wholesale Banking	26064	13962	24549	55500	48140	68349
c) Retail Banking	12522	17270	22893	46890	51069	73240
- Digital Banking	(39)	(40)	(28)	(104)	(93)	(136)
- Other Retail Banking	12561	17310	22921	46994	51162	73376
d) Other Banking Operations	614	788	767	1988	1927	2848
Total	**56221**	**62064**	**55161**	**170630**	**141315**	**199773**
3. Unallocated Expenses	7823	16269	27462	44777	61856	86679
4. Operating Profit	**48398**	**45795**	**27699**	**125853**	**79459**	**113094**
5. Provisions & Contingencies	10933	15064	9629	36335	8440	19396
6. Income Tax	9269	6772	6639	19213	25412	34156
7. Extra Ordinary Items	0	0	0	0	0	0
8. Net Profit	**28196**	**23959**	**11431**	**70305**	**45607**	**59542**

S.P. CHOPRA & CO. NEW DELHI CHARTERED ACCOUNTANTS

GUPTA SHARMA & ASSOCIATES JAMMU CHARTERED ACCOUNTANTS

O.P. TOTLA & CO. INDORE CHARTERED ACCOUNTANTS

NBS & CO. MUMBAI CHARTERED ACCOUNTANTS

Particulars	Quarter Ended			Nine Months ended		Year ended
	31.12.2024 (Reviewed)	30.09.2024 (Reviewed)	31.12.2023 (Reviewed)	31.12.2024 (Reviewed)	31.12.2023 (Reviewed)	31.03.2024 (Audited)
Other Information:						
9. Segment Assets						
a) Treasury	4681941	4560760	5061632	4681941	5061632	5036082
b) Corporate/ Wholesale Banking	5758232	4605539	4433748	5758232	4433748	4538604
c) Retail Banking	4864876	5377192	4703642	4864876	4703642	4863409
- Digital Banking	251	234	168	251.00	168	158
- Other Retail Banking	4864625	5376958	4703474	4864625	4703474	4863251
d) Other Banking Operations	0	0	0	0	0	0
e) Unallocated Assets	165719	284483	327119	165719	327119	327558
Total Assets	**15470768**	**14827974**	**14526141**	**15470768**	**14526141**	**14765653**
10. Segment Liabilities						
a) Treasury	4369336	4278813	4632093	4369336	4632093	4606925
b) Corporate/ Wholesale Banking	5373766	4320825	4057493	5373766	4057493	4151841
c) Retail Banking	4540057	5044775	4304483	4540057	4304483	4448967
- Digital Banking	355	302	261	355	261	294
- Other Retail Banking	4539702	5044473	4304222	4539702	4304222	4448673
d) Other Banking Operations	0	0	0	0	0	0
e) Unallocated Liabilities	9122	25886	8347	9122	8347	4577
Total Liabilities	**14292281**	**13670299**	**13002416**	**14292281**	**13002416**	**13212310**
Capital Employed						
a) Treasury	312605	281947	429539	312605	429539	429157
b) Corporate/ Wholesale Banking	384466	284714	376255	384466	376255	386763
c) Retail Banking	324819	332417	399159	324819	399159	414442
- Digital Banking	(104)	(68)	(93)	(104)	(93)	(136)
- Other Retail Banking	324923	332485	399252	324923	399252	414578
d) Other Banking Operations	0	0	0	0	0	0
e) Unallocated Liabilities	156597	258597	318772	156597	318772	322981
Total Capital Employed	**1178487**	**1157675**	**1523725**	**1178487**	**1523725**	**1553343**

B: GEOGRAPHIC SEGMENT:
Since the Bank does not have any overseas branch, reporting under Geographic Segment is not applicable.

STATEMENT OF ASSETS AND LIABILITIES AS ON 31st DECEMBER, 2024

(Rs. in Lacs)

Particulars	AS ON 31.12.2024 (Reviewed)	AS ON 31.12.2023 (Reviewed)	AS ON 31.03.2024 (Audited)
CAPITAL & LIABILITIES			
Capital	677779	677779	677779
Reserves & Surplus	500707	845946	875564
Deposits	12739721	11835534	11940955
Borrowings	1261191	881053	977086
Other Liabilities & Provisions	291370	285829	294269
Total	**15470768**	**14526141**	**14765653**
ASSETS			
Cash & Balance with Reserve Bank of India	626929	621481	731246
Balance with Banks & Money at call and short notice	82186	47140	7055
Investments	4607160	4988128	4959916
Advances	9348803	8032478	8273638
Fixed Assets	169140	156407	175578
Other Assets	636550	680507	618220
Total	**15470768**	**14526141**	**14765653**

S.P. CHOPRA & CO. NEW DELHI CHARTERED ACCOUNTANTS
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NBS & CO. MUMBAI CHARTERED ACCOUNTANTS

NOTES FORMING PART OF THE UNAUDITED FINANCIAL RESULTS OF THE BANK FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2024:

1. The above financial results have been reviewed and approved by the Board of Directors of the Bank in their meeting held on 15th January, 2025. The same have been subjected to "Limited Review" by the Statutory Central Auditors of the Bank and are in line with the guidelines issued by the Reserve Bank of India and as per the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended).

2. The above financial results for the quarter and nine months ended 31st December, 2024 have been prepared in accordance with Accounting Standard (AS) – 25 on Interim Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI), following the same accounting policies and practices as those followed in the Annual Financial Statements for the year ended 31st March, 2024 except for the classification and valuation of investments which is as per the Master Direction No. RBI/DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24 on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 dated 12th September, 2023 issued by Reserve Bank of India and applicable from 01st April, 2024. While hitherto, the investment portfolio was classified under the Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) categories, the revised norms/framework bring in a principle-based classification of investment portfolio and a symmetric treatment of fair value gains and losses. In accordance with the revised framework and the Bank's Board Approved Policy, the Bank has classified its investment portfolio as on 01st April, 2024 under the categories of Held to Maturity (HTM), Available for Sale (AFS) and Fair Value Through Profit and Loss (FVTPL) with Held for Trading (HFT) as a sub-category of FVTPL and from that date, measures and values the investment portfolio under the revised framework. On transition to the framework on 01st April, 2024, the net difference of Rs.4,249.54 crore (debit), net of tax impact, between the revised carrying value and the previous carrying value of the investment portfolio has been adjusted / debited in the General Reserve in accordance with this framework. Also, the balances in Investment Reserve Account (IRA) as of 31st March, 2024 amounting to Rs.33.32 crore has been transferred to the Revenue/ General Reserve since Bank meets the minimum regulatory requirements of IFR. Further, there is increase in income on investments by Rs.113.17 crores and Rs.342.59 crores during the quarter and nine months ended 31st December, 2024 respectively and by Rs.115.34 crores during the quarter ended 30th September, 2024, and decrease in AFS Reserve by Rs.73.84 crores during the current quarter ended 31st December, 2024, increase in AFS Reserve by Rs.83.07 crores during the previous quarter ended 30th September, 2024 and net increase in AFS Reserve by Rs.26.91 crores during the nine months ended 31st December, 2024.

3. The financial results have been arrived at after considering provisions for Non-Performing Assets, Non-Performing Investments, Standard Assets (including Stress sector), Restructured Assets, provision for exposure to entities with Unhedged Foreign Currency exposure, Amortization of premium relating to Investment under 'Held to Maturity' category, Depreciation on Investments and on Fixed Assets, Employee Benefits, Income tax including Deferred Tax on the basis of extant guidelines issued by Reserve Bank of India and applicable accounting standards issued by the Institute of Chartered Accountants of India.

4. Provision for Depreciation on Fixed assets, Employee Benefits, Income Tax (Including Deferred Tax) and other usual and necessary provisions have been made on estimated basis, which are subject to adjustment, if any at the year end.

5. The Government of India, vide the Taxation Laws (Amendment) Act, 2019, inserted section 115BAA in the Income Tax Act 1961 w.e.f. 01st April, 2019. The Bank has evaluated the options available under section 115BAA of the Income Tax Act, 1961 and opted to continue to recognize the Taxes on Income as per the earlier provisions.

6. Review of Deferred Tax Assets has been carried out based on Bank's management estimate of possible tax benefits against timing difference in accordance with Accounting Standard – 22 "Accounting for Taxes on income" issued by The Institute of Chartered Accountants of India and Net Deferred Tax Assets of Rs.1,428.11 crore is recognized as at 31st December, 2024 (Rs.1,658.28 crore as at 31st December, 2023).

7. As per the Reserve Bank of India directions for initiating Insolvency Process- Provisioning Norms, vide letter No. DBR. No. BP:15199/21.04.048/2016-17 dated 23rd June, 2017, and DBR.No.BP.1907/21.04.048/2017-18 dated 28th August, 2017, the Bank is holding the provisioning of Rs.435.70 crore as on 31st December, 2024 (31st December 2023 - Rs.230.25 crore) as against the balance outstanding of Rs.435.70 crore as on 31st December, 2024 (31st December 2023 – Rs.230.25 crore) in respect of NPA borrowal accounts referred in aforesaid circular.

8. In accordance with the RBI Circular. No. DBR.No.BP.BC.18/21.04.048/2018-19 dated 01st January, 2019 DOR.No.BP.BC.34/21.4.048/2019-20 dated 11th February, 2020 and DOR.NO.BP.BC/4/21.04.048/2020-21 dated 06th August, 2020 on "Micro, Small and Medium enterprises (MSMEs) sector – Restructuring of Advances", the details of MSME restructured accounts are as under:

As on	No. of Accounts Restructured	Amount (Rs. in crore)	Provision held (Rs. in crore)
31st December, 2024	3455	182.98	69.64
30th September, 2024	3639	198.13	58.55
31st March, 2024	4061	236.96	54.10
31st December, 2023	4626	278.51	57.75

9. In accordance with the RBI Cir. No. DOR.STR.REC.11/21.04.048/2021-22 dated 05.05.2021 on "Resolution Framework – 2.0: Resolution of Covid – 19 related stress of Individuals and Small Business", RBI Cir. No. DOR.STR.REC.12/21.04.048/2021-22 dated 05.05.2021 and RBI Cir. No. DOR.STR.REC.21/21.04.048/2021-22 dated 04.06.2021 on "Resolution Framework 2.0 – Resolution of Covid – 19 related stress of Micro, Small and Medium Enterprises (MSMEs)", the number of borrower accounts where modification were sanctioned and implemented and the aggregate exposure to such borrowers are as under:-

As on	No. of Accounts Restructured	Amount (Rs. in crore)	Provision held (Rs. in crore)
31st December, 2024	5795	661.83	107.64
30th September, 2024	6085	700.61	107.96
31st March, 2024	6642	786.84	120.40
31st December, 2023	7060	852.11	117.72

10. The Bank is carrying a provision of Rs.8.75 crore as on 31st December, 2024 being 5% of outstanding food credit availed by the State Government of Punjab as per the RBI letter no. DBR (BP) No. 7201. 21.04.132 /2017-18 dated 08.02.2018 issued to SBI, the lead bank.

11. The Bank holds an additional standard asset provision in respect of 01 borrower's accounts, in terms of RBI Circular DBR No. BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 on "Prudential Framework for Resolution of Stressed Assets" amounting to Rs.23.57 crore. The details are as under:-

(Rs. in crore)

Amount of Loans Impacted by RBI Circular (A)	Amount of Loans to be classified as NPA (B)	Amount of Loans as on 31.12.2024, out of (B) classified as NPA (C)	Addl. Provision required for loans covered under RBI Circular (D)	Provision out of (D) made as on 31.12.2024 (E)
66.59	-	-	23.57	23.57

12. (i) In accordance with RBI circular no.DOR.STR.REC.51/21.04.048/2021-22 dated 24th September, 2021; in respect of the details of loans transferred/acquired during the period ended 31st December, 2024 are given below:

(a) The Bank has not transferred and acquired any Special Mention Account (SMA) during the quarter and nine months ended 31st December, 2024.

(b) Details of transferred and acquired NPA accounts during the quarter and nine months ended 31st December, 2024:

(Rs. in crores)

Details of stressed loans (NPA) transferred during 2024-25			
	To ARCs	To permitted transferees	To other transferees (please specify)
No: of accounts	1	NIL	NIL
Aggregate principal outstanding of loans transferred	40.13	NIL	NIL
Weighted average residual tenor of the loans transferred	NA	NIL	NIL
Net book value of loans transferred (at the time of transfer)	40.13	NIL	NIL
Aggregate consideration	21.88	NIL	NIL
Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL	NIL

Details of loans acquired during the year		
From SCBs, RRBs, Co-operative banks, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)		**From ARCs**
Aggregate principal outstanding of loans acquired	NIL	NIL
Aggregate consideration paid	NIL	NIL
Weighted average residual tenor of loans acquired	NIL	NIL

(ii) Details of Standard assets acquired through assignment/ Novation and Loan Participation

Co-Lending:

(Rs. in crores)

Particulars	**Quarter ended 31.12.2024**	**Period ended 31.12.2024 (Cumulative)**
No. of accounts purchased	1508	16309
Aggregate Outstanding (amount in crore)	358.69	3122.44
Weighted average maturity (in months)	176.67	175.76
Weighted average holding period (in months)	1.13	11.99
Retention of beneficial economic interest	MSME- 20% HL- 25%	MSME- 20% HL- 25%
Coverage of tangible security coverage (%)	198.00	190.60

Pool Buy-out:

(Rs. in crores)

Particulars	**Corporate**	**Agri**	**Retail**	**MSME**
Mode of Acquisition	Direct Assignment (as on 31-12-2024)			
Aggregate Principal outstanding of loans acquired (in crore)	-	-	2,873.43	288.79
Weighted Average Residual Maturity (in years)	-	-	16.41	14.85
Weighted Average Holding Period by Originator (in years)	-	-	3.25	1.56
Tangible Security Coverage (%)	-	-	184.08	166.05
Rating wise distribution of Loans acquired by Value	-	-	-	-

The loans acquired are not rated as these are to non-corporate borrowers.

(iii) The distribution of the Security Receipts (SRs) held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies are given below:

(Rs. in crores)

Recovery Rating Band	Book Value as on 31.12.2024	Book Value as on 30.09.2024	Book Value as on 31.03.2024	Book Value as on 31.12.2023
RR1+	Nil	Nil	Nil	Nil
RR1	Nil	Nil	21.37	22.96
RR2	Nil	Nil	Nil	Nil
RR3	Nil	Nil	Nil	Nil
RR4	Nil	Nil	Nil	Nil
RR5	Nil	Nil	Nil	Nil
Rating Withdrawn	Nil	Nil	Nil	73.67
Unrated	Nil	Nil	68.06	Nil
Total	**Nil**	**Nil**	**89.43**	**96.63**

13. In terms of RBI circular-RBI/2015-16/376/DBR no.BP.BC.92/21.04.048/2015-16 dated 18th April, 2016 details of Fraud and Provision are as below:-

During the quarter and nine months ended 31st December, 2024, Bank has reported Nil cases of Non-Borrowal frauds and 10 cases of Borrowal frauds to Reserve Bank of India. The total amount reported to Reserve Bank of India for the quarter and nine months ended 31st December, 2024 is Rs.264.79 crore, out of which Rs.264.79 crore is extent of Loss to the Bank. Bank has made full provision for the same.

(Rs. in crore)

Particulars	**Quarter ended on 31.12.2024**	**Nine Months ended on 31.12.2024**	**Quarter ended on 30.09.2024**	**Year ended on 31.03.2024**	**Quarter ended on 31.12.2023**
Number of frauds reported	10	240	101	79	65
Amount involved in fraud	264.79	835.96	93.30	42.42	0.33
Amount of provision made for such frauds	264.79	544.43	92.87	34.46	0

14. In terms of Reserve Bank of India (RBI) circular, Banks are required to make Pillar 3 disclosures including Leverage ratio, Liquidity coverage ratio and Net Stable funding Ratio (NSFR) under the Basel III capital regulations. These Disclosures will be made available on the Bank's website: https://punjabandsindbank.co.in. The Disclosures have not been subjected to review by Statutory Central Auditors of the Bank.

15. The Bank has estimated the liability towards Unhedged Foreign Currency Exposure in terms of RBI (Unhedged Foreign Currency Exposure) Directions, 2022 vide circular DOR.MRG.REC.76/00-00-007/2022-23 dated 11th October, 2022 and is holding a provision of Rs.0.07 crore as on 31st December, 2024 (30th September, 2024 – Rs.0.33 crore, 31st March, 2024 – Rs.0.38 crore and 31st December, 2023 – Rs.0.30 crore).

16. The Bank has funded exposure of Rs.123.84 crore in 02 borrower's accounts which are under litigation and respective adjudicating authorities have granted stay on downgrading. The Bank has made adequate provisions for the accounts.

17. The Provision Coverage Ratio (Including T.W.O) as at 31st December, 2024 works out to 89.53% (30th September, 2024 – 88.56%, 31st March, 2024 – 88.69% and 31st December, 2023 – 88.16%).

S.P. CHOPRA & CO. NEW DELHI CHARTERED ACCOUNTANTS

GUPTA SHARMA & ASSOCIATES JAMMU CHARTERED ACCOUNTANTS

O.P. TOTLA & CO. INDORE CHARTERED ACCOUNTANTS

NBS & CO. MUMBAI CHARTERED ACCOUNTANTS

18. The estimated additional Pension liability on account of revision in family pension was Rs.236.84 crore. RBI vide its Circular RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated 4th October, 2021, has permitted all member Banks of Indian Banks Association to amortize the said additional liability over a period not exceeding five years beginning with the financial year ending 31st March, 2022, subject to a minimum of 1/5th of the total amount being charged every year. The Bank is amortizing the said liability over a period, not exceeding 5 years commencing from the financial year ended 31st March, 2022, subject to a minimum of Rs.47.37 crore every year. Balance unamortized amount as on 31st March, 2024 was Rs.94.73 crore. Accordingly, the Bank has charged 1/4th amount of Rs.47.37 crore per quarter to the Profit and Loss Account i.e. Rs.12.00 crore for the previous quarter ended 30th September, 2024, Rs 12.00 crore and Rs.36.00 crore for the current quarter and nine months ended 31st December, 2024 respectively and the balance unamortized amount of Rs.58.73 crore has been carried forward. Had the Bank charged the entire additional liability to the Profit and Loss Account, the net profit (after tax) for the quarter and nine months ended 31st December, 2024 would have been lower by Rs.38.21 crore.

19. In terms of RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated 07th April, 2022 on establishment of Digital Banking Units (DBUs) and reporting of Digital Banking Segment as a Sub- segment of Retail Banking Segment and as per Accounting Standard 17 "Segment Reporting", Bank has reported Digital Banking Segment as a sub – segment of Retail Banking Segment.

20. Details of Investors complaints received and disposed-off during the quarter and nine months ended 31st December, 2024:

Beginning	Received	Disposed off	Lying unresolved
0	1	1	0

21. During the quarter, Bank has raised Rs.3,000 crore by way of issue of Long Term Infrastructure Bonds on private placement basis

22. The Bank has purchased Priority Sector lending Certificate (PSLC) - Agriculture of Rs.200 crore and Rs.1,095 crores during the quarter and nine months ended 31st December, 2024 respectively and Priority Sector lending Certificate (PSLC) - Small & Marginal Farmers of Rs.800 crore during the quarter / nine months ended 31st December 2024.

23. As per the Accounting Policy till 31st March, 2024, the recovery in non-performing assets (other than the cases covered under special schemes introduced by RBI, Strategic Debt Restructuring, Flexible Structuring of Long-Term Project Loans, Change in Ownership of Borrowing Entities, Outside Strategic Debt Restructuring Scheme where subsequently the account turns NPA) was appropriated first towards principal and thereafter towards interest and charges. To ensure better financial presentation and in consonance with industry practice, the Bank during the quarter ended 30th September, 2024 has changed the said practice retrospectively from the beginning of the current year i.e. from 01st April, 2024 and accordingly has appropriated the recovery in the non-performing assets (NPA) first towards Charges, Costs etc., thereafter towards Interest irregularities /accrued Interest and then towards the principal. The same has resulted in an increase in interest income by Rs.14.27 crore and Rs.31.85 crore for the quarter and nine months ended 31st December, 2024 respectively and increase in NPA and provision by Rs 31.85 crore and Rs 15.23 crore respectively as at 31st December, 2024.

24. The Bank does not have any subsidiary/associate/joint venture as on 31st December, 2024, as such consolidated financial statements are not applicable to the Bank.

25.The figures of previous period have been regrouped and reclassified wherever considered necessary in order to make them comparable with the figures of the current period.

Arnab Goswamy
CHIEF FINANCIAL OFFICER

Rajeev
EXECUTIVE DIRECTOR

Ravi Mehra
EXECUTIVE DIRECTOR

Swarup Kumar Saha
MANAGING DIRECTOR & CEO

As per our Limited Review Report of even date attached

S. P. CHOPRA & CO. Chartered Accountants FRN: 000346N UDIN: 25092529BMNZ[illegible]9123 **(CA. Pawan K. Gupta)** Partner M. No. 092529	**GUPTA SHARMA & ASSOCIATES** Chartered Accountants FRN: 001466N UDIN: 25087262BM[illegible]P8231 **(CA. Vinay Saraf)** Partner M. No. 087262
O. P. TOTLA & CO. Chartered Accountants FRN: 000734C UDIN: 25429100BMKSO[illegible] **(CA. Naveen Kumar Somani)** Partner M. No. 429100	**NBS & CO.** Chartered Accountants FRN: 110100W UDIN: 25046940BMLMZP6219 **(CA. Pradeep Shetty)** Partner M. No. 046940

Dated: January 15, 2025
Place: New Delhi

पंजाब एण्ड सिंध बैंक
(भारत सरकार का उपक्रम)
प्र.का.लेखा एवं लेखा परीक्षा विभाग
ईमेल: ho.accts@psb.co.in

ੴ ਸ੍ਰੀ ਵਾਹਿਗੁਰੂ ਜੀ ਕੀ ਫ਼ਤਹਿ

Punjab & Sind Bank
(A Government Of India Undertaking)
H.O. Accounts & Audit Deptt.
E-mail: ho.accts@psb.co.in

STATEMENT OF DEVIATION / VARIATION IN UTILISATION OF FUNDS

Name of listed entity	Punjab & Sind Bank
Mode of raising funds	~~Public Issues/Rights Issues/Preferential Issues/QIP/Others~~
Date of Raising Funds	NA for Q3 FY 2024-25
Amount raised	NIL for Q3 FY 2024-25
Report filed for Quarter ended	December 31, 2024
Monitoring Agency	NA for Q3 FY 2024-25
Monitoring Agency name, if applicable	NA for Q3 FY 2024-25
If there is deviation / variation in the use of funds raised	NA for Q3 FY 2024-25
If yes, whether the same is pursuant to change in terms of a contract or objects,which was approved by the shareholders	NA
If Yes, date of shareholder approval	NA
Explanation for the deviation/ variation	NA
Comments of the Audit Committee after review	NIL
Comments of the auditors, if any	NIL
Objects for which funds have been raised and where there has been a deviation, in the following table	NA

Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilized	Amount of Deviation/ Variation for the quarter according to applicable object	Remarks if any
NA	NA	NA	NA	NA	NA	NA

For Punjab & Sind Bank

(Arnab Goswamy)
Chief Financial Officer

PUNJAB & SIND BANK H.O. Accounts & Audit Deptt. (Shares Cell) (शेयर कक्ष) EAST KIDWAI NAGAR, NEW DELHI

Place: New Delhi
Dated: 15.01.2025

PUNJAB & SIND BANK

A. Statement of utilization of issue proceeds:

Name of the Issuer	ISIN	Mode of Fund Raising (Public issues/ Private placement)	Type of instrument	Date of raising funds	Amount Raised	Funds utilized	Any deviation (Yes/ No)	If 8 is Yes, then specify the purpose of for which the funds were utilized	Remarks, if any
1	2	3	4	5	6	7	8	9	10
Punjab & Sind Bank	INE608A08058	Private Placement	Long Term (Infra) Bonds	20-12-2024	3000	Yes	No	NA	NA

B. Statement of deviation/ variation in use of Issue proceeds:

Name of listed entity	Punjab & Sind Bank
Mode of Fund Raising	Private Placement
Type of Instrument	Non-Convertible Securities
Date of Raising Funds	As above
Amount raised	As above
Report filed for Quarter ended	December 31, 2024
Is there a Deviation / Variation in use of funds raised?	No
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	Not Applicable
If yes, details of the approval so required?	Not Applicable
Date of approval	Not Applicable
Explanation for the Deviation / Variation	Not Applicable
Comments of the Audit Committee after review	Not Applicable
Comments of the auditors, if any	Not Applicable
Objects for which funds have been raised and where there has been a deviation, in the following table	Not Applicable

Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilized	Amount of Deviation / Variation for the half year according to applicable object (INR Crore and in %)	Remarks if any
NA	NA	NA	NA	NA	NA	NA

Deviation could mean:
(a) Deviation in the objects or purposes for which the funds have been raised
(b) Deviation in the amount of funds actually utilized as against what was originally disclosed.

For Punjab & Sind Bank

(Arnab Goswamy)
Chief Financial Officer

Place: New Delhi
Dated: 15.01.2025

PUNJAB & SIND BANK H.O. Accounts & Audit Deptt. (Shares Cell) (शेयर कक्ष) EAST KIDWAI NAGAR, NEW DELHI

S. P. CHOPRA & CO.
Chartered Accountants

Unit No. 1505, Astralis Supernova,
Sector-94, Noida, UP, 201301
Tel: 91-11-23313495-6
GSTN : 09AACFS2450C1ZK
ICAI Regn.No.000346N
Web Site: www.spchopra.in
E-mail: spc1949@spchopra.in

Certificate on maintenance of security cover and compliance with the covenants as per the Offer Document/Information Memorandum pursuant to Regulation 54 (2) & (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To The Board of Directors of Punjab & Sind Bank,

1. ***Introduction***

As required by Regulation 54 (2) & (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Guidelines"), **Punjab & Sind Bank** ("the Bank") desires a certificate regarding maintenance of security cover as on December 31, 2024, including compliance with the general covenants of such Offer Document/Information Memorandum in respect of listed non-convertible debt securities issued by the Bank.

As at December 31, 2024, Bank has outstanding listed non-convertible debt securities which are unsecured in nature amounting to Rs.4237.30 Cr as detailed below:

ISIN	Private Placement / Public Issue	Secured / Unsecured	Issued Amount (Rs Crore)
INE608A08017	Private Placement	Unsecured	500.00
INE608A08033	Private Placement	Unsecured	237.30
INE608A08041	Private Placement	Unsecured	500.00
INE608A08058	Private Placement	Unsecured	3000.00
Total			4237.30

2. ***Management's Responsibility***

The Management of the Bank is responsible for:

a. ensuring that maintenance of the security cover available is more than the cover required as per Offer Document / Information Memorandum in respect of listed non-convertible debt securities which are secured;

b. accurate computation of security cover available for listed non-convertible debt securities which are secured based on Unaudited financial results of the Bank as on December 31, 2024;

c. compliance with the covenants of the Offer Document/Information Memorandum in respect of listed non-convertible debt securities.

S.P. CHOPRA & CO. ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

d. preparation and maintenance of proper accounting and other records and design, implementation and maintenance of adequate internal procedures / systems / processes / controls relevant to the creation and maintenance of the aforesaid records.

This responsibility includes ensuring that the relevant records provided to us for our examination are correct and complete.

3. *Auditor's Responsibility*

Based on our examination of the relevant records provided by the Bank, our responsibility is to provide limited assurance that security cover available, has been maintained in accordance with Offer Document / Information Memorandum in respect of secured listed non-convertible debt securities.

We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' (Revised 2016) ("the Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. Further, our scope of work did not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Bank, taken as whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof for the purpose of this certificate. Accordingly, we do not express such an opinion.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Service Engagements.

A limited assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria mentioned above. The procedures selected depend on Auditor's judgement, including the assessment of the risks associated with reporting criteria.

The procedures performed in a limited assurance engagement varies in nature and timing from, and are less in extent than for, a reasonable assurance. Consequently, the level of assurance obtained in a limited assurance is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

4. *Conclusion*

Based on our examination and as per the information and explanation given to us, Bank has made the compliance of the covenants/terms of the issue of the listed debt securities (NCD's of Rs.4237.30 cr as at December 31, 2024). Further, as these bonds are unsecured the attached **Annexure-1** is NIL.

5. *Restriction/Purpose on use*

The Security cover certificate is being issued in consonance with SEBI Regulations and shall have no effect on the seniority of such instruments and all other terms and conditions

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applicable for the issue of the bonds as specified by RBI Master Circular No DBR.No.BP.BC.1/21.06.202/2015-16 dated July 1, 2015 for Basel III compliant bonds / RBI Master Circular No DBR.No.BP.BC.4/21.06.001/2015-16 dated July 1, 2015 for Basel II compliant bonds as amended from time to time, and the terms of the issue have been complied by the Bank.

This Certificate has been issued at the specific request of the Bank pursuant to the requirements of above-mentioned SEBI Guidelines. It should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For S. P. Chopra & Co.
Chartered Accountants
Firm Regn. No. 000346N

S. P. CHOPRA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(Pawan K. Gupta)
Partner
M. No. 092529
UDIN: 25092529BMNZKA4689

Place: New Delhi
Date: 15.01.2025

Annexure I

Column A	Column B	Column C[i]	Column D[ii]	Column E[iii]	Column F[iv]	Column G[v]	Column H[vi]	Column I[vii]	Column J	Column K	Column L	Column M	Column N	Column O
Particulars		Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
	Description of asset for which this certificate relate	Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets[viii]	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=K+L+M+N)
												Relating to Column F		
		Book Value	Book Value	Yes/ No	Book Value	Book Value								
ASSETS														
Property, Plant and Equipment														
Capital Work-in- Progress														
Right of Use Assets														
Goodwill														
Intangible Assets														
Intangible Assets under Development														
Investments														

NOT APPLICABLE

NOT APPLICABLE

Loans														
Inventories														
Trade Receivables														
Cash and Cash Equivalents														
Bank Balances other than Cash and Cash Equivalents														
Others														
Total														
LIABILITIES														
Debtsecurities to which this certificate pertains														
Other debt sharing pari-passu charge with above debt														
Other Debt														
Subordinated debt		not to be filled												
Borrowings														
Bank														
Debt Securities														
Others														
Trade payables														

PUNJAB & SIND BANK H.O. Accounts & Audit Deptt. (Shares Cell) (शेयर कक्ष) EAST KIDWAI NAGAR, NEW DELHI

O.P. CHOPRA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Lease Liabilities														
Provisions														
Others														
Total														
Cover on Book Value														
Cover on Market Value[ix]														
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio									

NOT APPLICABLE

[i] This column shall include book value of assets having exclusive charge and outstanding book value of debt for which this certificate is issued.

[ii] This column shall include book value of assets having exclusive charge and outstanding book value of all corresponding debt other than column C.

[iii] This column shall include debt for which this certificate is issued having any pari passu charge - Mention Yes, else No.

[iv] This column shall include a) book value of assets having pari-passu charge b) outstanding book value of debt for which this certificate is issued and c). other debt sharing pari- passu charge along with debt for which certificate is issued.

[v] This column shall include book value of all other assets having pari passu charge and outstanding book value of corresponding debt.

[vi] This column shall include all those assets which are not charged and shall include all unsecured borrowings including subordinated debt and shall include only those assets which are paid-for.

[vii] In order to match the liability amount with financials, it is necessary to eliminate the debt which has been counted more than once (included under exclusive charge column as also under pari passu). On the assets side, there shall not be elimination as there is no overlap.

[viii] Assets which are considered at Market Value like Land, Building, Residential/ Commercial Real Estate to be stated at Market Value. Other assets having charge to be stated at book value/Carrying Value.

[ix] The market value shall be calculated as per the total value of assets mentioned in Column O.

Chaturvedi & Co.	Manohar Chowdhry & Associates	S. P. Chopra & Co.,	Gupta Sharma & Associates,
Chartered Accountants Park Centre, 24, Park Street, Kolkata - 700016	Chartered Accountants 27, Subramaniam Street, Abiramapuram, Chennai – 600018, Tamil Nadu	Chartered Accountants, 31-F, Connaught Place, Radial Road no.7, New Delhi-110001	Chartered Accountants, 142,Sector 3,Trikuta Nagar, Jammu-180012

Independent Auditor's Limited Review Report on Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2023 of Punjab & Sind Bank Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To
The Board of Directors
Punjab & Sind Bank
New Delhi

1. We have reviewed the accompanying statement of unaudited financial results ('the statement') of **Punjab & Sind Bank** ("the Bank") for the quarter and nine months ended December 31, 2023, being submitted by the Bank pursuant to the requirement of Regulations 33 and 52 of SEBI (Listing obligation and Disclosure Requirement) Regulation, 2015, as amended ('the Regulations'). This statement is the responsibility of the Bank's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review. The disclosures relating to "Pillar 3 under Basel Ill Capital Regulation", "Leverage Ratio" and "Liquidity Coverage Ratio", as have been disclosed on Bank's website and in respect of which a link has been provided in the aforesaid Statements have not been reviewed by us.

2. This statement, which is the responsibility of the Bank's Management and approved by the Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", prescribed by the Institute of Chartered Accountants of India (ICAI), the relevant provisions of the Banking Regulation Act,1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. These financial results include the relevant returns of 20 branches and Treasury Division reviewed by us, 380 branches reviewed by concurrent auditors and un-reviewed returns of 1161 branches. The financial results also include the relevant returns of various head office departments reviewed by us. In the conduct of our review we have also relied upon the review reports submitted by external concurrent auditors (including the retired employees of the Bank). These review reports cover 73.72 %, including 53.73 % of which has been covered by us, of the advance portfolio (excluding the advances of asset recovery branches and food credit) and 69.85 %, including 58.42 % of which has been covered by us, of gross non-performing assets (excluding the non-performing assets of assets recovery branches) of the Bank as on December 31, 2023. Apart from these review reports, in the conduct of our review, we have also relied upon various information, reports and returns received from the un-reviewed branches/other offices of the Bank and generated through centralized database at Bank/s Head and Zonal offices.

5. Based on our review conducted as above, subject to the limitation in scope as mentioned in Para 4 above, nothing has come to our attention that causes us to believe that the accompanying statements of unaudited financial results read together with notes thereon, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

6. **Emphasis of Matter**

We draw attention to Note No. 21 to the financial results, regarding amortization of estimated additional liability on account of revision in family pension

CHATURVEDI & CO. KOLKATA CHARTERED ACCOUNTANTS

Manohar Chowdhry & Associates Chennai Chartered Accountants

S.P. CHOPRA & CO. NEW DELHI CHARTERED ACCOUNTANTS

GUPTA SHARMA & ASSOCIATES JAMMU Chartered Accountants

amounting to Rs. 236.84 crores. As stated therein, the Bank has charged an amount of Rs 12.00 crores and Rs. 36.00 crores to the Profit and Loss account for the quarter and nine months ended December 31, 2023 respectively and the unamortized expense amounting to Rs 106.10 crores has been carried forwarded in terms of RBI Circular No. RBI/ 2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 04, 2021. Our conclusion is not modified in respect of the said matter.

7. **Other Matter**

We draw attention to the fact that corresponding figures for the quarter and nine months ended December 31, 2022, quarter ended September 30, 2023 and year ended March 31, 2023 are based on previously issued financial results / statements of the Bank, that were reviewed by the predecessor auditors M/s. Ghiya & Co. and M/s Shiv & Associates, along with two present auditors M/s. Chaturvedi & Co. and M/s Manohar Chowdhry & Associates, who had expressed an unmodified conclusion / opinion on those financial results / statements. Our conclusion is not modified in respect of the said matter.

Chaturvedi & Co. Chartered Accountants FRN: 302137E UDIN: 24012705BKFYMK1826 Place: New Delhi **(CA Satish Chandra Chaturvedi)** Partner M.No. 012705	**Manohar Chowdhry & Associates** Chartered Accountants FRN: 001997S UDIN: 24225084BKDZRP1086 Place: New Delhi **(CA P. Venkataraju)** Partner M.No.225084
S. P. Chopra & Co. Chartered Accountants FRN: 000346N UDIN: 24092529BKCRYM2493 Place: New Delhi **(CA Pawan K Gupta)** Partner M.No.092529	**Gupta Sharma & Associates** Chartered Accountants FRN: 001466N UDIN: 24087262BKEBQA5165 Place: New Delhi **(CA Vinay Saraf)** Partner M.No.087262

Date: January 31, 2024

PUNJAB & SIND BANK

Unaudited Financial Results for the Quarter / Nine Months ended 31st December, 2023

(Rupees in lacs)

Sl. No.	Particulars	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	**INTEREST EARNED (a+b+c+d)**	**249103**	**240589**	**210744**	**721271**	**588779**	**799273**
	a).Interest/ discount on advances/bills	178451	172118	143429	518344	401144	550244
	b) Income on Investments	68271	66266	62132	196179	176820	235934
	c) Interest on Balances with RBI & Other Inter Bank Funds	633	506	902	1624	2558	3071
	d) Others	1748	1699	4281	5124	8257	10024
2	Other Income	36168	26826	13763	80852	39292	93996
3	**TOTAL INCOME (1+2)**	**285271**	**267415**	**224507**	**802123**	**628071**	**893269**
4	Interest Expended	175175	173101	130244	506099	359819	501935
5	Operating Expenses (i)+(ii)	82397	68288	59830	216565	176859	246340
	i) Employees Cost	54767	43119	38891	143126	108669	154442
	ii) Other Operating Expenses	27630	25169	20939	73439	68190	91898
6	**TOTAL EXPENDITURE (4+5) (excluding Provisions & Contingencies)**	**257572**	**241389**	**190074**	**722664**	**536678**	**748275**
7	**Operating Profit before Provisions & Contingencies (3-6)**	**27699**	**26026**	**34433**	**79459**	**91393**	**144994**
8	Provisions (other than tax) and Contingencies	9629	-3499	-20746	8440	-11278	-16990
	Of Which Provisions for Non-Performing Assets	-31991	-3674	-27127	-29018	-18092	-47106
9	Exceptional Items	0	0	0	0	0	0
10	**Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8-9)**	**18070**	**29525**	**55179**	**71019**	**102671**	**161984**
11	Tax Expense	6639	10616	17855	25412	17067	30681
12	Net Profit (+)/ Loss (-) from Ordinary Activities after tax (10-11)	11431	18909	37324	45607	85604	131303
13	Extraordinary items (net of tax expense)	0	0	0	0	0	0
14	**Net Profit (+)/ Loss (-) for the period (12-13)**	**11431**	**18909**	**37324**	**45607**	**85604**	**131303**
15	Paid-up Equity Share Capital (Face Value Rs.10/-)	677779	677779	677779	677779	677779	677779
16	Reserves excluding Revaluation Reserve (as per Balance Sheet of previous accounting year)						741850
17	Analytical Ratios						
	(i). Percentage of shares held by Government of India	98.25	98.25	98.25	98.25	98.25	98.25
	(ii) Capital Adequacy Ratio (Basel III) (%)	16.13	17.23	15.57	16.13	15.57	17.10
	a). CET 1 Ratio	13.75	14.53	12.79	13.75	12.79	14.32
	b). Additional Tier 1 Ratio	0.00	0	0.00	0.00	0.00	0.00
	(iii) Earning per share (of Rs.10/- each) (Not Annualised) (Rs.)						
	(a) Basic and diluted EPS before Extraordinary items (net of tax expense) for the period, for the year to date and for the previous year (not annualized)	0.17	0.28	0.55	0.67	1.26	1.94
	(b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)	0.17	0.28	0.55	0.67	1.26	1.94
	(iv) (a) Amount of Gross Non-Performing Assets	475923	510641	649991	475923	649991	564821
	(b) Amount of Net Non-Performing Assets	144377	147326	146914	144377	146914	141150
	(c) % of Gross NPAs	5.70	6.23	8.36	5.70	8.36	6.97
	(d) % of Net NPAs	1.80	1.88	2.02	1.80	2.02	1.84
	(v) Return on Assets (Annualised) (%)	0.31	0.52	1.11	0.42	0.86	0.98
	(vi) Outstanding redeemable Preference shares (quantity and value)	Nil	Nil	Nil	Nil	Nil	Nil
	(vii) Capital redemption reserve / debenture redemption reserve	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	(viii) Net worth*	745351	723120	607141	745351	607141	678594
	(ix) Paid up Debt Capital/Outstanding Debt**	199848	192042	192784	199848	192784	202708
	(x) Debt Equity Ratio** (Borrowings/Net worth)	0.27	0.27	0.32	0.27	0.32	0.30
	(xi) Total Debts to Total Assets (Borrowings/Total Assets)	0.01	0.01	0.01	0.01	0.01	0.01
	(xii) Operating Margin % (Operating Profit/Total Income)	9.71	9.73	15.34	9.91	14.55	16.23
	(xiii) Net Profit Margin % (Net Profit after tax/Total Income)	4.01	7.07	16.62	5.69	13.63	14.70

PUNJAB & SIND BANK Accounts & Audit Deptt. East Kidwai Nagar, New Delhi

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Manohar Chowdhry & Associates Chennai Chartered Accountants

S.P. CHOPRA & CO. NEW DELHI CHARTERED ACCOUNTANTS

GUPTA SHARMA & ASSOCIATES JAMMU Chartered Accountants

Unaudited Financial Results for the Quarter / Nine Months ended 31st December, 2023

Sl. No.	Particulars	QUARTER ENDED 31.12.2023 Reviewed	30.09.2023 Reviewed	31.12.2022 Reviewed	NINE MONTHS ENDED 31.12.2023 Reviewed	31.12.2022 Reviewed	YEAR ENDED 31.03.2023 Audited
18	Public Shareholding:						
	No. of Shares	118735354	118735354	118735354	118735354	118735354	118735354
	Percentage of Shareholding	1.75	1.75	1.75	1.75	1.75	1.75
19	Promoters and promoter group Share holding						
	(a) Pledged/ Encumbered						
	Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	Percentage of Shares (as a % of the total share capital of the Bank)	Nil	Nil	Nil	Nil	Nil	Nil
	(b) Non-encumbered						
	Number of shares	6659051093	6659051093	6659051093	6659051093	6659051093	6659051093
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00
	Percentage of Shares (as a % of the total share capital of the Bank)	98.25	98.25	98.25	98.25	98.25	98.25

* After considering the impact of valuing the Non-Interest bearing Recapitalization Bonds at Fair Value

**Total debts represent total borrowings of the Bank. Borrowings represent debts due for more than one year

Note: Disclosure of Interest service coverage ratio and Debt service coverage ratio is not applicable to Bank.

Segment Reporting:

A: BUSINESS SEGMENT:

For the purpose of segment reporting in terms of AS-17 of ICAI and as prescribed in RBI guidelines, the business of the Bank has been classified into four segments i.e. a) Treasury Operations b) Corporate/wholesale Banking, c) Retail Banking and d) Other Banking Operations. Further, Retail Banking Segment has been sub-divided into Digital Banking and Other Retail Banking Segment. Segmental Revenue, Results, Assets & Liabilities in respect of Corporate / Wholesale and Retail Banking segment have been bifurcated on the basis of exposure to these segments. Assets and Liabilities, wherever directly related to segments have been accordingly allocated to segments and wherever not directly related have been allocated on the basis of pro-rata segment revenue.

(Rupees in Lacs)

Particulars	Quarter Ended 31.12.2023 (Reviewed)	30.09.2023 (Reviewed)	31.12.2022 (Reviewed)	Nine Months Ended 31.12.23 (Reviewed)	31.12.22 (Reviewed)	Year ended 31.03.2023 (Audited)
1. Segment Revenue						
a) Treasury	62239	66305	64687	195349	174675	234516
b) Corporate/ Wholesale Banking	119142	82488	77518	293491	219571	307145
c) Retail Banking	103123	117954	81628	311356	232156	349141
- Digital Banking	6	5	0	11	0	0
- Other Retail Banking	103117	117949	81628	311345	232156	349141
d) Other Banking Operations	767	668	674	1927	1669	2467
Total	**285271**	**267415**	**224507**	**802123**	**628071**	**893269**
2. Segment Result						
a) Treasury	6952	12469	22832	40179	60145	75902
b) Corporate/ Wholesale Banking	24549	12466	11586	48140	29578	55368
c) Retail Banking	22893	17243	12207	51069	31273	62939
- Digital Banking	-28	-32	-12	-93	-12	-50
- Other Retail Banking	22921	17275	12219	51162	31285	62989
d) Other Banking Operations	767	668	674	1927	1669	2467
Total	**55161**	**42846**	**47299**	**141315**	**122665**	**196676**
3. Unallocated Expenses	27462	16820	12866	61856	31272	51682
4. Operating Profit	**27699**	**26026**	**34433**	**79459**	**91393**	**144994**
5. Provisions & Contingencies	9629	-3499	-20746	8440	-11278	-16990
6. Income Tax	6639	10616	17855	25412	17067	30681
7. Extra Ordinary Items	0	0	0	0	0	0
8. Net Profit	**11431**	**18909**	**37324**	**45607**	**85604**	**131303**

Particulars	Quarter Ended			Nine Months ended		Year ended
	31.12.2023 (Reviewed)	30.09.2023 (Reviewed)	31.12.2022 (Reviewed)	31.12.2023 (Reviewed)	31.12.2022 (Reviewed)	31.03.2023 (Audited)
Other Information:						
9. Segment Assets						
a) Treasury	5061632	4946963	4679900	5061632	4679900	4547684
b) Corporate/ Wholesale Banking	4433748	4076347	4137814	4433748	4137814	4139498
c) Retail Banking	4703642	4868576	4374990	4703642	4374990	4705484
- Digital Banking	168	153	4	168	4	77
- Other Retail Banking	4703474	4868423	4374986	4703474	4374986	4705407
d) Other Banking Operations	0	0	0	0	0	0
e) Unallocated Assets	327119	323528	331232	327119	331232	252786
Total Assets	**14526141**	**14215414**	**13523936**	**14526141**	**13523936**	**13645452**
10. Segment Liabilities						
a) Treasury	4632093	4521215	4274311	4632093	4274311	4115964
b) Corporate/ Wholesale Banking	4057493	3725526	3779206	4057493	3779206	3746528
c) Retail Banking	4304483	4449574	3995826	4304483	3995826	4258784
- Digital Banking	261	218	16	261	16	128
- Other Retail Banking	4304222	4449356	3995810	4304222	3995810	4258656
d) Other Banking Operations	0	0	0	0	0	0
e) Unallocated Liabilities	8347	6806	9441	8347	9441	13326
Total Liabilities	**13002416**	**12703121**	**12058784**	**13002416**	**12058784**	**12134602**
Capital Employed						
a) Treasury	429539	425748	405589	429539	405589	431720
b) Corporate/ Wholesale Banking	376255	350821	358608	376255	358608	392970
c) Retail Banking	399159	419002	379164	399159	379164	446700
- Digital Banking	-93	-65	-12	-93	-12	-51
- Other Retail Banking	399252	419067	379176	399252	379176	446751
d) Other Banking Operations	0	0	0	0	0	0
e) Unallocated Liabilities	318772	316722	321791	318772	321791	239460
Total Capital Employed	**1523725**	**1512293**	**1465152**	**1523725**	**1465152**	**1510850**

B: GEOGRAPHIC SEGMENT:
Since the Bank does not have any overseas branch, reporting under Geographic Segment is not applicable.

STATEMENT OF ASSETS AND LIABILITIES AS ON 31st DECEMBER, 2023

(Rs. in Lacs)

Particulars	AS ON 31.12.2023 (Reviewed)	AS ON 31.12.2022 (Reviewed)	AS ON 31.03.2023 (Audited)
CAPITAL & LIABILITIES			
Capital	677779	677779	677779
Reserves & Surplus	845946	787373	833072
Deposits	11835534	10949719	10966549
Borrowings	881053	877982	901838
Other Liabilities	285829	231083	266214
Total	**14526141**	**13523936**	**13645452**
ASSETS			
Cash & Balance with Reserve Bank of India	621481	726894	622540
Balance with Banks & Money at call and short notice	47140	29104	7132
Investments	4988128	4612763	4483842
Advances	8032478	7278398	7681943
Fixed Assets	156407	151852	151942
Other Assets	680507	724925	698053
Total	**14526141**	**13523936**	**13645452**

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NOTES FORMING PART OF THE UNAUDITED FINANCIAL RESULTS OF THE BANK FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2023:

1. The above financial results have been reviewed by the Audit Committee of Board and approved by the Board of Directors of the Bank in their respective meetings held on 31st January 2024. The same have been subjected to "Limited Review" by the Statutory Central Auditors of the Bank in line with the guidelines issued by the Reserve Bank of India and as per the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended).

2. The above financial results for the quarter and nine months ended 31st December 2023 have been prepared in accordance with Accounting Standard (AS) – 25 on Interim Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI), following the same accounting policies and practices as those followed in the Annual Financial Statements for the year ended 31st March, 2023.

3. The financial results have been arrived at after considering provisions for Non-Performing Assets, Non-Performing Investments, Standard Assets (including Stress sector), Restructured Assets, provision for exposure to entities with Unhedged Foreign Currency exposure, Amortization of premium relating to Investment under 'Held to Maturity' category, Depreciation on Investments and on Fixed Assets, Employee Benefits, Income tax including Deferred Tax on the basis of extant guidelines issued by Reserve Bank of India and applicable accounting standards issued by the Institute of Chartered Accountants of India.

4. Provision for Depreciation on Fixed assets, Employee Benefits, Income Tax (Including Deferred Tax) and other usual and necessary provisions have been made on estimated basis, which are subject to adjustment, if any at the year end.

5. The Government of India, vide the Taxation Laws (Amendment) Act, 2019, inserted section 115BAA in the Income Tax Act 1961 w.e.f. April 1, 2019. The Bank has evaluated the options available under section 115BAA of the Income Tax Act, 1961 and opted to continue to recognize the Taxes on Income for quarter and nine months ended 31st December 2023 as per the earlier provisions.

6. Review of Deferred Tax Assets has been carried out based on Bank management's estimate of possible tax benefits against timing difference in accordance with Accounting Standard – 22 "Accounting for Taxes on income" issued by The Institute of Chartered Accountants of India and accordingly Deferred Tax Assets (Net) of Rs 1658.28 crore is recognized as at 31st December 2023 (Rs 1980.38 crore as at 31st December 2022).

7. As per the Reserve Bank of India directions for initiating Insolvency Process- Provisioning Norms, vide letter No. DBR. No. BP:15199/21.04.048/2016-17 dated June 23, 2017, and DBR.No.BP.1907/21.04.048/2017-18 dated August 28, 2017, the bank is holding the provisioning of Rs 230.25 crore as on 31st December 2023 (31st December 2022-Rs 279.77 crore) as against the balance outstanding of Rs 230.25 crore as on 31st December 2023 (31st December 2022– Rs 279.77 crore) in respect of NPA borrowal accounts referred in aforesaid circular.

8. In accordance with the RBI Circular. No. DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019 DOR.No.BP.BC.34/21.4.048/2019-20 dated February 11, 2020 and DOR.NO.BP.BC/4/21.04.048/2020-21 dated August 06, 2020 on "Micro, Small and Medium enterprises (MSMEs) sector – Restructuring of Advances", the details of MSME restructured accounts are as under:

(Rs. in crore)

No. of Accounts Restructured	Amount as on 31.12.2023	Provision held
4626	278.51	57.75

9. In accordance with the RBI Cir. No. DOR.STR.REC.11/21.04.048/2021-22 dated 05.05.2021 on "Resolution Framework – 2.0: Resolution of Covid – 19 related stress of Individuals and Small Business" and RBI Cir. No. DOR.STR.REC.21/21.04.048/2021-22 dated 04.06.2021 on "Resolution Framework 2.0 – Resolution of Covid – 19

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related stress of Micro, Small and Medium Enterprises (MSMEs)", the number of borrower accounts where modification were sanctioned and implemented and the aggregate exposure to such borrowers are as under:-

(Rs in crore)

No. of Accounts Restructured	Amount as on 31.12.2023	Provision held
7060	852.11	117.72

10. The Bank is carrying a provision of Rs 9.44 crore as at 31st December 2023 being 5% of outstanding food credit availed by the State Government of Punjab as per the RBI letter no. DBR (BP) No. 7201. 21.04.132 /2017-18 dated 08.02.2018 issued to SBI, the lead bank.

11. The Bank holds an additional standard asset provision in respect of one borrower's account, in terms of RBI Circular DBR No. BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 on "Prudential Framework for Resolution of Stressed Assets" amounting to Rs 26.81 crore. The details are as under:-

(Rs. in crore)

Amount of Loans Impacted by RBI Circular (A)	Amount of Loans to be classified as NPA (B)	Amount of Loans as on 31.12.2023, out of (B) classified as NPA (C)	Addl. Provision required for loans covered under RBI Circular (D)	Provision out of (D) made by 31.12.2023 (E)
75.75	-	-	26.81	26.81

12. (i) In accordance with RBI circular no.DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021; in respect of the details of loans transferred/acquired during the period ended 31st December 2023 are given below:

(a) The bank has not transferred and acquired NPA and Special Mention Account (SMA) during the quarter and nine months ended 31st December 2023.

(b) Details of Standard assets acquired through assignment/ Novation and Loan Participation **(Co-Lending)**:

Particulars	Quarter ended 31.12.2023	Quarter ended 30.09.2023	Period ended 31.12.2023 (Cumulative)	FY ended 31.03.2023 (Cumulative)
No. of accounts purchased	1411	1988	8556	3931
Aggregate Outstanding (Rs. in.crore)	264.54	400.98	1783.81	964.56
Weighted average maturity (in months)	137.87	177.46	164.58	158
Weighted average holding period (in months)	0.56	1.19	7.95	5.16
Retention of beneficial economic interest	MSME:-20% HL:- 25%	MSME:-20% HL:- 25%	MSME:-20% HL:- 25%	MSME:-20% HL:- 25%
Coverage of tangible security coverage (%)	172.66	195.43	158.24	147.40

The loans acquired are not rated as these are to non-corporate borrowers.

(c) Details of Standard assets acquired through assignment/ Novation and Loan Participation **(Pool Buy-out)**:

Particulars	Quarter ended 31.12.2023
No. of accounts purchased	NIL
Aggregate Loan outstanding (Rs. in.crore)	
Weighted average maturity (in months)	
Weighted average holding period (in months)	
Retention of beneficial economic interest	
Coverage of tangible security coverage (%)	

(ii) The distribution of the Security Receipts (SRs) held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on 31st December 2023:

(Rs. in crore)

Recovery Rating Band	Book Value as on 31.12.2023	Book Value as on 31.12.2022
RR1+	Nil	Nil
RR1	22.96	26.94
RR2	Nil	Nil
RR3	Nil	Nil
RR4	Nil	Nil
RR5	Nil	Nil
Rating Withdrawn/Unrated	73.67	Nil
Total	**96.63**	**26.94**

One new Security Receipt is added in the SLR portfolio during the period April 2023 to December 2023, 100% provision has been made on the Book Value of the same.

13. In terms of RBI circular-RBI/2015-16/376/DBR no.BP.BC.92/21.04.048/2015-16 dated 18.04.2016 details of Fraud and Provision are as below:-

During the Quarter ended 31st December 2023, Bank has reported 65 cases of Non-Borrowal frauds amounting to Rs. 32.75 Lakh to Reserve Bank of India. Out of these 65 Non borrowal fraud cases, 52 cases of Rs 23.54 lakh are UPI related frauds and 13 cases of Rs 9.21 Lakh are E-Com related frauds. Extent of Loss to the Bank is NIL in these 65 Non borrowal fraud cases, therefore No provision is required to be made by the Bank in this regard. No Borrowal accounts have been declared as fraud during the quarter ended 31st December 2023.

(Amount in Lakh)

Particulars	During quarter ended on 31.12.2023	During quarter ended on 31.12.2022
Number of frauds reported	65	17
Amount involved in fraud	32.75	9278.24
Amount of provision made for such frauds	0	6588.24#

The remaining provision of Rs 2690 lakh was made by the Bank during the Quarter ended 31st March 2023.

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14. In terms of RBI Guidelines RPCD.CO.RRB.BC.No.13/03.05.33/2009-10 dated August 4, 2009, Inter-Bank-Participation Certificate (IBPC) of Rs 2223.00 crore has been issued on risk sharing basis for maximum period of 180 days, thereby reducing the Bank's Total Advances as on 31st December 2023 to same extent.

15. In terms of Reserve Bank of India (RBI) circular, Banks are required to make Pillar 3 disclosures including Leverage ratio, Liquidity coverage ratio and Net Stable funding Ratio (NSFR) under the Basel III capital regulations. These Disclosures will be made available on the Bank's website: https://punjabandsindbank.co.in. These Disclosures have not been subjected to review by Statutory Central Auditors of the Bank.

16. The Bank has estimated the liability towards Unhedged Foreign Currency Exposure in terms of RBI (Unhedged Foreign Currency Exposure) Directions, 2022 vide circular DOR.MRG.REC.76/00-00-007/2022-23 dated October 11, 2022 and is holding a provision of Rs 0.30 crore as on 31st December 2023.

17. Pending settlement of the Bipartite agreement on wage revision (due from 1st November 2022), an adhoc provisioning of Rs 150.00 crore has been made by the bank during the quarter ended 31st December 2023 towards wage revision. The aggregate provision held by the Bank in this regard is Rs. 311.83 Crore as on 31st December 2023.

18. The bank has funded exposure of Rs 115.00 crore in two borrower's accounts which are under litigation and respective adjudicating authorities have granted stay on downgrading. The bank has made adequate provisions for the accounts.

19. The Provision Coverage Ratio (Including T.W.O) as at 31st December 2023 works out to 88.16% (31st December 2022-89.31%).

20. During quarter ended 31st December 2023, the Reserve Bank of India has imposed nil penalty on the bank.

21. The estimated additional Pension liability on account of revision in family pension was Rs 236.84 crore. RBI vide its Circular RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated 4th October 2021, had permitted all member Banks of Indian Banks Association to amortize the said additional liability over a period not exceeding five years beginning with the financial year ending 31st March 2022, subject to a minimum of 1/5th of the total amount being charged every year. The Bank is amortizing the said liability over a period, not exceeding 5 years commencing from the financial year ended 31st March 2022, subject to a minimum of Rs 47.37 crore every year. Balance unamortized amount as on 31st March 2023 was Rs.142.10 crore. Accordingly, the Bank has charged an amount of Rs.12 crore and Rs 36.00 crore to the Profit & Loss account during current quarter and nine months ended 31st December 2023 respectively and the balance unamortized amount of Rs 106.10 crore has been carried forward. Had the Bank charged the entire additional liability to the Profit and Loss Account, the net profit (after tax) for the quarter and nine months ended December 31, 2023 would have been lower by Rs.69.02 Lakhs.

22. In terms of RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022 on establishment of Digital Banking Units (DBUs) and reporting of Digital Banking Segment as a Sub- segment of Retail Banking Segment under Accounting Standard 17 "Segment Reporting", bank has reported Digital Banking Segment as a sub – segment of Retail Banking Segment.

23. The value of shifting/ sales from HTM category (excluding onetime transfer and sale under pre – announced Open Market Operations auctions and repurchase of Government securities by Government of India) during the quarter ended 31st December 2023 does not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

24. During the quarter ended 31st December 2023 bank has shifted Government securities amounting to Rs 790.00 crore Face Value (Rs 794.01 crore Book Value) from Held to Maturity to Available for Sale category, whereas no security has been transferred from Available for Sale to Held to Maturity category.

25. Bank has sold 1200 units under Priority Sector Lending certificates (PSLCs) to the tune of Rs 300.00 crore under Small & Marginal farmers and earned commission income of Rs 6.75 crore during nine months ended 31st December 2023.

26. Details of Investors complaints received and disposed-off during the quarter ended 31st December 2023:

Beginning	Received	Disposed off	Lying unresolved
0	0	0	0

27. The figures of previous period have been regrouped and reclassified wherever considered necessary in order to make them comparable with the figures of the current period.

Mahima Agarwal
CHIEF FINANCIAL OFFICER

Ravi Mehra
EXECUTIVE DIRECTOR

Dr. Ram Jass Yadav
EXECUTIVE DIRECTOR

Swarup Kumar Saha
MANAGING DIRECTOR & CEO

As per our Limited Review Report of even date

CHATURVEDI & CO. Chartered Accountants FRN: 302137E UDIN: 24012705BKFYMK1826 Place: New Delhi **(CA Satish Chandra Chaturvedi)** Partner M.No. 012705	**MANOHAR CHOWDHRY & ASSOCIATES** Chartered Accountants FRN: 001997S UDIN: 24225084BKDZRP1086 Place: New Delhi **(CA P. Venkataraju)** Partner M.No.225084
S. P. Chopra & Co. Chartered Accountants FRN: 000346N UDIN: 24092529BKCHNM2463 Place: New Delhi **(CA Pawan K Gupta)** Partner M.No.092529 31/1/2024	**Gupta Sharma & Associates** Chartered Accountants FRN: 001466N UDIN: 24087262BKEBQA5165 Place: New Delhi **(CA Vinay Saraf)** Partner M.No.087262

Dated: January 31, 2024

पंजाब एंड सिंध बैंक
(भारत सरकार काउपक्रम)
प्रलेखा और लेखा विभाग.का.
ईमेल-: ho.accts@psb.co.in

ੴ ਸ੍ਰੀ ਵਾਹਿਗੁਰੂ ਜੀ ਕੀ ਫ਼ਤਹਿ
Punjab & Sind Bank
(A Government Of India Undertaking)
H.O. Accounts & AuditDeptt.
E-mail:ho.accts@psb.co.in

STATEMENT OF DEVIATION / VARIATION IN UTILISATION OF FUNDS

Name of listed entity	Punjab & Sind Bank
Mode of raising funds	~~Public Issues/Rights Issues/Preferential Issues/QIP/Others~~
Date of Raising Funds	NA for Q3 FY 2023-24
Amount raised	NIL for Q3 FY 2023-24
Report filed for Quarter ended	December 31, 2023
Monitoring Agency	NA for Q3 FY 2023-24
Monitoring Agency name, if applicable	NA for Q3 FY 2023-24
If there is deviation / variation in the use of funds raised	NA for Q3 FY 2023-24
If yes, whether the same is pursuant to change in terms of a contract or objects,which was approved by the shareholders	NA
If Yes, date of shareholder approval	NA
Explanation for the deviation/ variation	NA
Comments of the Audit Committee after review	NIL
Comments of the auditors, if any	NIL
Objects for which funds have been raised and where there has been a deviation, in the following table	NA

Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilized	Amount of Deviation/ Variation for the quarter according to applicable object	Remarks if any
NA	NA	NA	NA	NA	NA	NA

For Punjab & Sind Bank

(Mahima Agarwal)
Chief Financial Officer

Place: New Delhi
Dated: 31-01-2024

पंजाब एंड सिंध बैंक
(भारत सरकार काउपक्रम)
प्रलेखा और लेखा विभाग.का.
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ੴ ਸ੍ਰੀ ਵਾਹਿਗੁਰੂ ਜੀ ਕੀ ਫ਼ਤਹਿ Punjab & Sind Bank
(A Government Of India Undertaking)
H.O. Accounts & AuditDeptt.
E-mail:ho.accts@psb.co.in

PUNJAB & SIND BANK

A. Statement of utilization of issue proceeds:

Name of the Issuer	ISIN	Mode of Fund Raising (Public issues/ Private placement)	Type of instrument	Date of raising funds	Amount Raised	Funds utilized	Any deviation (Yes/ No)	If 8 is Yes, then specify the purpose of for which the funds were utilized	Remarks, if any
1	2	3	4	5	6	7	8	9	10
Punjab & Sind Bank	INE608A08017	Private Placement	Basel III compliant Tier II Bonds	19-Oct-16	500.00	Yes	No	NA	NA
	INE608A08033			27-Jun-19	237.30			NA	NA
	INE608A08041			4-Nov-19	500.00			NA	NA

B. Statement of deviation/ variation in use of Issue proceeds:

Name of listed entity	Punjab & Sind Bank
Mode of Fund Raising	Private Placement
Type of Instrument	Non-Convertible Bonds / Debentures
Date of Raising Funds	As above
Amount raised	As above
Report filed for Quarter ended	December 31, 2023
Is there a Deviation / Variation in use of funds raised?	No
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	Not Applicable
If yes, details of the approval so required?	Not Applicable
Date of approval	Not Applicable
Explanation for the Deviation / Variation	Not Applicable
Comments of the Audit Committee after review	Not Applicable
Comments of the auditors, if any	Not Applicable
Objects for which funds have been raised and where there has been a deviation, in the following table	Not Applicable

Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilized	Amount of Deviation / Variation for the half year according to applicable object (INR Crore and in %)	Remarks if any
NA	NA	NA	NA	NA	NA	NA

Deviation could mean:
(a) Deviation in the objects or purposes for which the funds have been raised
(b) Deviation in the amount of funds actually utilized as against what was originally disclosed.

For Punjab & Sind Bank

(Mahima Agarwal)
Chief Financial Officer

Place: New Delhi
Date: 31-01-2024

S. P. CHOPRA & CO.
Chartered Accountants

Unit No. 1505, Astralis Supernova,
Sector-94, Noida, UP, 201301
Tel: 91-11-23313495-6
GSTN : 09AACFS2450C1ZK
ICAI Regn.No.000346N
Web Site: www.spchopra.in
E-mail: spc1949@spchopra.in

Certificate on maintenance of security cover and compliance with the covenants as per the Offer Document/Information Memorandum pursuant to Regulation 56(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To The Board of Directors of Punjab & Sind Bank,

1. ***Introduction***

As required by Regulation 56(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "SEBI Guidelines"), **Punjab & Sind Bank** ("the Bank") desires a certificate regarding maintenance of security cover as on December 31, 2023, including compliance with the general covenants of such Offer Document/Information Memorandum in respect of listed non-convertible debt securities issued by the Bank.

As at December 31, 2023, Bank has outstanding listed non-convertible debt securities viz. Tier-II Bonds which are unsecured in nature amounting to Rs.1237.30 Cr as at 31-12-2023 as detailed below:

ISIN	Private Placement / Public Issue	Secured / Unsecured	Issued Amount (Rs Crore)
INE608A08017	Private Placement	Unsecured	500.00
INE608A08033	Private Placement	Unsecured	237.30
INE608A08041	Private Placement	Unsecured	500.00
Total			1237.30

2. ***Management's Responsibility***

The Management of the Bank is responsible for:

a. ensuring that maintenance of the security cover available is more than the cover required as per Offer Document / Information Memorandum in respect of listed non-convertible debt securities which are secured;

b. accurate computation of security cover available for listed non-convertible debt securities which are secured based on Unaudited financial results of the Bank as on December 31, 2023;

c. compliance with the covenants of the Offer Document/Information Memorandum in respect of listed non-convertible debt securities.

d. preparation and maintenance of proper accounting and other records and design, implementation and maintenance of adequate internal procedures / systems / processes / controls relevant to the creation and maintenance of the aforesaid records.

This responsibility includes ensuring that the relevant records provided to us for our examination are correct and complete.

3. ***Auditor's Responsibility***

Based on our examination of the relevant records provided by the Bank, our responsibility is to provide limited assurance that security cover available, has been maintained in accordance with Offer Document / Information Memorandum in respect of secured listed non-convertible debt securities.

We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' (Revised 2016) ("the Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. Further, our scope of work did not involve performing audit tests for the purpose of expressing an opinion on the

S.P. CHOPRA & CO. NEW DELHI CHARTERED ACCOUNTANTS

fairness or accuracy of any of the financial information or the financial statements of the Bank, taken as whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof for the purpose of this certificate. Accordingly, we do not express such an opinion.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Service Engagements.

A limited assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria mentioned above. The procedures selected depend on Auditor's judgement, including the assessment of the risks associated with reporting criteria.

The procedures performed in a limited assurance engagement varies in nature and timing from, and are less in extent than for, a reasonable assurance. Consequently, the level of assurance obtained in a limited assurance is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

4. *Conclusion*

Based on our examination and as per the information and explanation given to us, Bank has made the compliance of the covenants/terms of the issue of the listed debt securities (NCD's of Rs.1237.30 cr as at 31-12-2023). Further, as these bonds are unsecured the attached **Annexure-1** is NIL.

5. *Restriction/Purpose on use*

The Security cover certificate is being issued in consonance with SEBI Regulations and shall have no effect on the seniority of such instruments and all other terms and conditions applicable for the issue of the bonds as specified by RBI Master Circular No DBR.No.BP.BC.1/21.06.202/2015-16 dated July 1, 2015 for Basel III compliant bonds / RBI Master Circular No DBR.No.BP.BC.4/21.06.001/2015-16 dated July 1, 2015 for Basel II compliant Bonds as amended from time to time, and the terms of the issue.

This Certificate has been issued at the specific request of the Bank pursuant to the requirements of above-mentioned SEBI Guidelines. It should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For S. P. Chopra & Co.
Chartered Accountants
Firm Regn. No. 000346N

S. P. CHOPRA & CO. NEW DELHI CHARTERED ACCOUNTANTS

(Pawan K. Gupta)
Partner
M. No. 092529
UDIN: 24092529BKCYNN5013

Place: New Delhi
Date: 31.01.2024

Annexure I

Column A	Column B	Column C [i]	Column D [ii]	Column E [iii]	Column F [iv]	Column G [v]	Column H [vi]	Column I [vii]	Column J	Column K	Column L	Column M	Column N	Column O
Particulars		Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
	Description of asset for which this certificate relate	Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets [viii]	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=K+L+M+N)
												Relating to Column F		
		Book Value	Book Value	Yes/ No	Book Value	Book Value								
ASSETS														
Property, Plant and Equipment														
Capital Work-in- Progress														
Right of Use Assets														
Goodwill														
Intangible Assets														
Intangible Assets under Development														
Investments														

NOT APPLICABLE

S.P. CHOPRA & CO. ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

Loans														
Inventories														
Trade Receivables														
Cash and Cash Equivalents														
Bank Balances other than Cash and Cash Equivalents														
Others														
Total														
LIABILITIES														
Debtsecurities to which this certificate pertains														
Other debt sharingpari-passu charge with above debt														
Other Debt														
Subordinated debt		not to be filled												
Borrowings														
Bank														
Debt Securities														
Others														
Trade payables														

NOT APPLICABLE

S.P. CHOPRA & CO. NEW DELHI CHARTERED ACCOUNTANTS

NOT APPLICABLE

Lease Liabilities														
Provisions														
Others														
Total														
Cover on Book Value														
Cover on Market Value[ix]														
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio									

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[i] This column shall include book value of assets having exclusive charge and outstanding book value of debt for which this certificate is issued.

[ii] This column shall include book value of assets having exclusive charge and outstanding book value of all corresponding debt other than column C.

[iii] This column shall include debt for which this certificate is issued having any pari passu charge - Mention Yes, else No.

[iv] This column shall include a) book value of assets having pari-passu charge b) outstanding book value of debt for which this certificate is issued and c). other debt sharing pari- passu charge along with debt for which certificate is issued.

[v] This column shall include book value of all other assets having pari passu charge and outstanding book value of corresponding debt.

[vi] This column shall include all those assets which are not charged and shall include all unsecured borrowings including subordinated debt and shall include only those assets which are paid-for.

[vii] In order to match the liability amount with financials, it is necessary to eliminate the debt which has been counted more than once (included under exclusive charge column as also under pari passu). On the assets side, there shall not be elimination as there is no overlap.

[viii] Assets which are considered at Market Value like Land, Building, Residential/ Commercial Real Estate to be stated at Market Value. Other assets having charge to be stated at book value/Carrying Value.

[ix] The market value shall be calculated as per the total value of assets mentioned in Column O.

S.P. CHOPRA & CO. ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

PUNJAB & SIND BANK

Head Office: 21, Rajendra Place, New Delhi - 110008

Corporate Office: NBCC Office Complex, Block 3, East Kidwai Nagar, New Delhi - 110023

Audited Financial Results for the Quarter & Year ended 31st March, 2024

(Rupees in lacs)

Sl. No.	Particulars	QUARTER ENDED 31.03.2024 Audited	QUARTER ENDED 31.12.2023 Reviewed	QUARTER ENDED 31.03.2023 Audited	YEAR ENDED 31.03.2024 Audited	YEAR ENDED 31.03.2023 Audited
1	**INTEREST EARNED (a+b+c+d)**	**248127**	**249103**	**210494**	**969398**	**799273**
	a).Interest/ discount on advances/bills	176780	178451	149100	695124	550244
	b) Income on Investments	69424	68271	59114	265603	235934
	c) Interest on Balances with RBI & Other Inter Bank Funds	579	633	513	2203	3071
	d) Others	1344	1748	1767	6468	10024
2	Other Income	41295	36168	54704	122147	93996
3	**TOTAL INCOME (1+2)**	**289422**	**285271**	**265198**	**1091545**	**893269**
4	Interest Expended	179195	175175	142116	685294	501935
5	Operating Expenses (i)+(ii)	76592	82397	69481	293157	246340
	i) Employees Cost	51294	54767	45773	194420	154442
	ii) Other Operating Expenses	25298	27630	23708	98737	91898
6	**TOTAL EXPENDITURE (4+5) (excluding Provisions & Contingencies)**	**255787**	**257572**	**211597**	**978451**	**748275**
7	**Operating Profit before Provisions & Contingencies (3-6)**	**33635**	**27699**	**53601**	**113094**	**144994**
8	Provisions (other than tax) and Contingencies	10956	9629	-5712	19396	-16990
	Of Which Provisions for Non-Performing Assets	11138	-31991	-29014	-17880	-47106
9	Exceptional Items	0	0	0	0	0
10	**Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8-9)**	**22679**	**18070**	**59313**	**93698**	**161984**
11	Tax Expense	8744	6639	13614	34156	30681
12	Net Profit (+)/ Loss (-) from Ordinary Activities after tax (10-11)	13935	11431	45699	59542	131303
13	Extraordinary items (net of tax expense)	0	0	0	0	0
14	**Net Profit (+)/ Loss (-) for the period (12-13)**	**13935**	**11431**	**45699**	**59542**	**131303**
15	Paid-up Equity Share Capital (Face Value Rs.10/-)	677779	677779	677779	677779	677779
16	Reserves excluding Revaluation Reserve (as per Balance Sheet of previous accounting year)	768925		741850	768925	741850
17	Analytical Ratios					
	(i) Percentage of shares held by Government of India	98.25	98.25	98.25	98.25	98.25
	(ii) Capital Adequacy Ratio (Basel III)	17.16	16.13	17.10	17.16	17.10
	a) CET 1 Ratio	14.74	13.75	14.32	14.74	14.32
	b) Additional Tier 1 Ratio	0.00	0.00	0.00	0.00	0.00
	(iii) Earning per share (of Rs.10/- each) (Not Annualised) (Rs.)					
	(a) Basic and diluted EPS before Extraordinary items (net of tax expense) for the period, for the year to date and for the previous year (not annualized)	0.21	0.17	0.67	0.88	1.94
	(b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)	0.21	0.17	0.67	0.88	1.94
	(iv) (a) Amount of Gross Non-Performing Assets	466535	475923	564821	466535	564821
	(b) Amount of Net Non-Performing Assets	135046	144377	141150	135046	141150
	(c) % of Gross NPAs	5.43	5.70	6.97	5.43	6.97
	(d) % of Net NPAs	1.63	1.80	1.84	1.63	1.84
	(v) Return on Assets (Annualised)	0.38	0.31	1.33	0.41	0.98
	(vi) Outstanding redeemable Preference shares (quantity and value)	Nil	Nil	Nil	Nil	Nil
	(vii) Capital redemption reserve /debenture redemption reserve	N.A.	N.A.	N.A.	N.A.	N.A.
	(viii) Net worth*	783578	745351	678594	783578	678594
	(ix) Paid up Debt Capital/Outstanding Debt**	243385	199848	202708	243385	202708
	(x) Debt Equity Ratio** (Borrowings/Net worth)	0.31	0.27	0.30	0.31	0.30
	(xi) Total Debts to Total Assets (Borrowings/Total Assets)	0.02	0.01	0.01	0.02	0.01
	(xii) Operating Margin % (Operating Profit/Total Income)	11.62	9.71	20.21	10.36	16.23
	(xiii) Net Profit Margin % (Net Profit after tax/Total Income)	4.81	4.01	17.23	5.45	14.70

Chaturvedi & Co.	Manohar Chowdhry & Associates	S. P. Chopra & Co.,	Gupta Sharma & Associates,
Chartered Accountants Park Centre, 24, Park Street, Kolkata - 700016	Chartered Accountants 27, Subramaniam Street, Abiramapuram, Chennai – 600018, Tamilnadu	Chartered Accountants, 31-F, Connaught Place, Radial Road no.7, New Delhi-110001	Chartered Accountants, Ground Floor, 142 Sector 3, Trikuta Nagar, Jammu-180012

Independent Auditor's Report on Audited Financial results for Quarter and Year ended 31st March, 2024 of Punjab & Sind Bank Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To
The Board of Directors,
Punjab & Sind Bank,
New Delhi

Report on the Audit of the Financial Results

Opinion

1. We have audited the accompanying Statement of Financial Results of Punjab & Sind Bank ("the Bank") for the quarter and year ended 31st March, 2024 ("Statement / Financial Results") attached herewith, being submitted by the Bank pursuant to the requirement of Regulations 33 and 52 read with Regulation 62(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), except for the disclosures relating to Pillar 3 disclosure as at 31st March, 2024, including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III Capital Regulations issued by Reserve Bank of India ("RBI") as have been disclosed on the Bank's website and in respect of which a link has been provided in the Financial Results (Note no 12) and have not been audited by us.

   The Statement Includes returns of 20 branches and treasury division audited by us and 664 branches and 42 offices / Processing Centers audited by Statutory Branch Auditors. The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors as referred to in paragraph no. 7 below, these financial results:

   a. are presented in accordance with the requirements of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at 31st March, 2024, including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Financial Results and have not been audited by us; and

b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, the relevant provisions of Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India of the net profit and other financial information for the quarter and year ended 31st March, 2024.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Board of Directors' Responsibility for the Financial Results

4. These Financial Results have been prepared from the related audited Annual Financial Statements. The Bank's Board of Directors are responsible for the preparation of these Financial Results that give a true and fair view of the net profit and other financial information in accordance with the recognition and measurement principles issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, RBI Guidelines and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Banking Regulation Act, 1949 for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the Financial Results, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

   The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

5. Our objectives are to obtain reasonable assurance about whether the Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Results.

6. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

CHATURVEDI & CO. KOLKATA CHARTERED ACCOUNTANTS

Chowdhry & Associates Chartered Accountants

S.P. CHOPRA & CO. NEW DELHI CHARTERED ACCOUNTANTS

GUPTA SHARMA & ASSOCIATES Chartered Accountants fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. As required by the Reserve Bank of India letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended), we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatement in the Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Results may be influenced. We consider quantitative materiality and qualitative factors in: (i) planning the scope of our audit work and evaluating the results of our work: and (ii) to evaluate the effects of any identified misstatements in the Financial Results

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

7. These Financial Results incorporate the relevant returns of 664 Branches and 42 Offices/ Processing Centers audited by Statutory Branch Auditors specially appointed for this purpose. The branches / offices audited by other auditors cover advances of Rs. 28,285.97 crores, deposits of Rs. 60,795.20 crores, non-performing assets of Rs. 2,337.49 crores as at 31st March, 2024 and total revenue of Rs. 1,003.61 crores for the year ended 31st March, 2024. The financial results / statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

8. In conduct of our audit, we have taken note of the unaudited returns in respect of 880 branches certified by the respective branch's management. These unaudited branches cover 13.02 % of advances, 29.45% of deposits, 5.86% of non-performing assets as on 31st March, 2024 and 24.63% of revenue for the year ended 31st March, 2024.

CHATURVEDI & CO. KOLKATA CHARTERED ACCOUNTANTS

Manohar Chowdhry & Associates Chennai Chartered Accountants

S.P. CHOPRA & CO. NEW DELHI CHARTERED ACCOUNTANTS

GUPTA SHARMA & ASSOCIATES JAMMU Chartered Accountants

9. We report that the figures for the quarter ended 31st March, 2024 represent the derived figures between the audited figures in respect of the financial year ended 31st March, 2024 and the published unaudited year to date figures up to 31st December, 2023 being the date of the end of the third quarter of the current financial year, which were subjected to limited review.

10. We draw attention to the fact that corresponding figures for the quarter and year ended 31st March, 2023 are based on previously issued financial results / statements of the Bank, that were audited by two predecessor auditors along with two present auditors, who had expressed an unmodified opinion on those financial results / statements dated 2nd May, 2023.

Our opinion on the financial results is not modified in respect of above matters.

For **Manohar Chowdhry & Associates**
Chartered Accountants
FRN: 001997S

P. Venkatraju

(CA. P. Venkatraju)
Partner
M. No. 225084
UDIN: 24225084BKDZRW9176

For **Chaturvedi & Co.**
Chartered Accountants
FRN: 302137E

(CA. Satish Chandra Chaturvedi)
Partner
M. No. 012705
UDIN: 24012705BKFYMR8992

For **S. P. Chopra & Co.**
Chartered Accountants
FRN: 000346N

(CA. Pawan K. Gupta)
Partner
M. No. 092529
UDIN: 24092529BKCYON7406

For **Gupta Sharma & Associates**
Chartered Accountants
FRN: 001466N

Dhananjay Sharma

(CA. Dhananjay Sharma)
Partner
M. No. 531165
UDIN: 24531165BKEFGA8947

Date : 10th May, 2024
Place : New Delhi

Audited Financial Results for the Quarter/ Year ended 31st March, 2024

Sl. No.	Particulars	QUARTER ENDED			YEAR ENDED 31.03.2024 Audited	YEAR ENDED 31.03.2023 Audited
		31.03.2024 Audited	31.12.2023 Reviewed	31.03.2023 Audited		
18	Public Shareholding:					
	No. of Shares	118735354	118735354	118735354	118735354	118735354
	Percentage of Shareholding	1.75	1.75	1.75	1.75	1.75
19	Promoters and promoter group Share holding					
	(a) Pledged/ Encumbered					
	Number of shares	Nil	Nil	Nil	Nil	Nil
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil
	Percentage of Shares (as a % of the total share capital of the Bank)	Nil	Nil	Nil	Nil	Nil
	(b) Non-encumbered					
	Number of shares	6659051093	6659051093	6659051093	6659051093	6659051093
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00
	Percentage of Shares (as a % of the total share capital of the Bank)	98.25	98.25	98.25	98.25	98.25

* After considering the impact of valuing the Non-Interest bearing Recapitalization Bonds at Fair Value.

**Total debts represents total borrowings of the Bank. Borrowings represents debts due for more than one year.

Note: Disclosure of Interest service coverage ratio and Debt service coverage ratio is not applicable to bank.

Segment Reporting:

A: BUSINESS SEGMENT:

For the purpose of segment reporting in terms of AS-17 of ICAI and as prescribed in RBI guidelines, the business of the Bank has been classified into four segments i.e. a) Treasury Operations b) Corporate/wholesale Banking, c) Retail Banking and d) Other Banking Operations. Further, Retail Banking Segment has been sub-divided into Digital Banking and Other Retail Banking Segment. Segmental Revenue, Results, Assets & Liabilities in respect of Corporate / Wholesale and Retail Banking segment have been bifurcated on the basis of exposure to these segments. Assets and Liabilities, wherever directly related to segments have been accordingly allocated to segments and wherever not directly related have been allocated on the basis of pro-rata segment revenue.

(Rupees in Lacs)

Particulars	Quarter Ended			Year ended	
	31.03.2024 (Audited)	31.12.2023 (Reviewed)	31.03.2023 (Audited)	31.03.2024 (Audited)	31.03.2023 (Audited)
1. Segment Revenue					
a) Treasury	71393	62239	59841	266742	234516
b) Corporate/ Wholesale Banking	103289	119142	87574	396780	307145
c) Retail Banking	113819	103123	116985	425175	349141
- Digital Banking	6	6	0	17	0
- Other Retail Banking	113813	103117	116985	425158	349141
d) Other Banking Operations	921	767	798	2848	2467
Total	**289422**	**285271**	**265198**	**1091545**	**893269**
2. Segment Result					
a) Treasury	15157	6952	15757	55336	75902
b) Corporate/ Wholesale Banking	20209	24549	25790	68349	55368
c) Retail Banking	22171	22893	31666	73240	62939
- Digital Banking	-43	-28	-38	-136	-50
- Other Retail Banking	22214	22921	31704	73376	62989
d) Other Banking Operations	921	767	798	2848	2467
Total	**58458**	**55161**	**74011**	**199773**	**196676**
3. Unallocated Expenses	24821	27462	20410	86679	51682
4. Operating Profit	**33635**	**27699**	**53601**	**113094**	**144994**
5. Provisions & Contingencies	10956	9629	-5712	19396	-16990
6. Income Tax	8744	6639	13614	34156	30681
7. Extra Ordinary Items	0	0	0	0	0
8. Net Profit	**13935**	**11431**	**45699**	**59542**	**131303**

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Particulars	Quarter Ended			Year ended	
	31.03.2024 (Audited)	31.12.2023 (Reviewed)	31.03.2023 (Audited)	31.03.2024 (Audited)	31.03.2023 (Audited)
Other Information:					
9. Segment Assets					
a) Treasury	5036082	5061632	4547684	5036082	4547684
b) Corporate/ Wholesale Banking	4538604	4433748	4139498	4538604	4139498
c) Retail Banking	4863409	4703642	4705484	4863409	4705484
- Digital Banking	158	168	77	158	77
- Other Retail Banking	4863251	4703474	4705407	4863251	4705407
d) Other Banking Operations	0	0	0	0	0
e) Unallocated Assets	327558	327119	252786	327558	252786
Total Assets	**14765653**	**14526141**	**13645452**	**14765653**	**13645452**
10. Segment Liabilities					
a) Treasury	4606925	4632093	4115964	4606925	4115964
b) Corporate/ Wholesale Banking	4151841	4057493	3746528	4151841	3746528
c) Retail Banking	4448967	4304483	4258784	4448967	4258784
- Digital Banking	294	261	128	294	128
- Other Retail Banking	4448673	4304222	4258656	4448673	4258656
d) Other Banking Operations	0	0	0	0	0
e) Unallocated Liabilities	4577	8347	13326	4577	13326
Total Liabilities	**13212310**	**13002416**	**12134602**	**13212310**	**12134602**
Capital Employed					
a) Treasury	429157	429539	431720	429157	431720
b) Corporate/ Wholesale Banking	386763	376255	392970	386763	392970
c) Retail Banking	414442	399159	446700	414442	446700
- Digital Banking	-136	-93	-51	-136	-51
- Other Retail Banking	414578	399252	446751	414578	446751
d) Other Banking Operations	0	0	0	0	0
e) Unallocated Liabilities	322981	318772	239460	322981	239460
Total Capital Employed	**1553343**	**1523725**	**1510850**	**1553343**	**1510850**

B: GEOGRAPHIC SEGMENT:

Since the Bank does not have any overseas branch, reporting under Geographic Segment is not applicable.

STATEMENT OF ASSETS AND LIABILITIES AS ON 31ST MARCH, 2024

(Rs. in Lacs)

Particulars	AS ON	
	31.03.2024	31.03.2023
CAPITAL & LIABILITIES		
Capital	677779	677779
Reserves & Surplus	875564	833072
Deposits	11940955	10966549
Borrowings	977086	901838
Other Liabilities and Provisions	294269	266214
Total	**14765653**	**13645452**
ASSETS		
Cash & balance with Reserve Bank of India	731246	622540
Balance with banks & money at call and short notice	7055	7132
Investments	4959916	4483842
Advances	8273638	7681943
Fixed Assets	175578	151942
Other Assets	618220	698053
Total	**14765653**	**13645452**

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NOTES FORMING PART OF THE AUDITED FINANCIAL RESULTS OF THE BANK FOR QUARTER AND YEAR ENDED MARCH 31, 2024:

1. The above financial results have been reviewed by the Audit Committee of Board and approved by the Board of Directors of the Bank in their respective meeting held on 10.05.2024. The same have been subjected to "Audit" by the Statutory Central Auditors of the Bank and are in line with the guidelines issued by the Reserve Bank of India and as per the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended).

2. The financial results have been arrived at after considering provisions for Non-Performing Assets, Non-Performing Investments, Standard Assets (including Stress sector), Restructured Assets, provision for exposure to entities with Unhedged Foreign Currency exposure, Amortization of premium relating to Investment under 'Held to Maturity' category, Depreciation on Investments and on Fixed Assets, Employee Benefits, Income tax including Deferred Tax on the basis of extant guidelines issued by Reserve Bank of India and applicable accounting standards issued by the Institute of Chartered Accountants of India. Provisions for employee benefits pertaining to pension, gratuity, leave encashment, and other retirement benefits have been made based on the actuarial valuation in terms of Accounting Standard-15 "Employee Benefits". Other usual and necessary provisions have been made on estimated basis.

3. As per the Reserve Bank of India directions for initiating Insolvency Process- Provisioning Norms, vide letter No. DBR. No. BP:15199/21.04.048/2016-17 dated June 23, 2017, and DBR.No.BP.1907/21.04.048/2017-18 dated August 28, 2017, the bank is holding the provisioning of Rs 230.05 crore (31st March, 2023- Rs 265.44 crore) as against the balance outstanding of Rs 230.05 crore (31st March, 2023 – Rs 265.44 crore) as on 31st March, 2024 in respect of NPA borrowal accounts referred in aforesaid circular.

4. In accordance with the RBI Circular. No. DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019 DOR.No.BP.BC.34/21.4.048/2019-20 dated February 11, 2020 and DOR.NO.BP.BC/4/21.04.048/2020-21 dated August 06, 2020 on "Micro, Small and Medium enterprises (MSMEs) sector – Restructuring of Advances", the details of MSME restructured accounts are as under:

(Rs. in crore)

No. of Accounts Restructured	Amount as on 31.03.2024	Provision held
4061	236.96	54.10

5. In accordance with the RBI Cir. No. DOR.STR.REC.11/21.04.048/2021-22 dated 05.05.2021 on "Resolution Framework – 2.0: Resolution of Covid – 19 related stress of Individuals and Small Business" and RBI Cir. No. DOR.STR.REC.21/21.04.048/2021-22 dated 04.06.2021 on "Resolution Framework 2.0 – Resolution of Covid – 19 related stress of Micro, Small and Medium Enterprises (MSMEs)", the number of borrower accounts where modification were sanctioned and implemented and the aggregate exposure to such borrowers are as under:-

(Rs in crore)

No. of Accounts Restructured	Amount as on 31.03.2024	Provision held
6642	786.84	120.40

6. The Bank is carrying a provision of Rs 9.21 crore as at 31st March 2024 being 5% of outstanding food credit availed by the State Government of Punjab as per the RBI letter no. DBR (BP) No. 7201. 21.04.132 /2017-18 dated 08.02.2018 issued to SBI, the lead bank.

7. i) Details of resolution plan implemented under the Resolution Framework for COVID-19 related stress as per RBI Circular dated August 6, 2020 (RF 1.0) and May 05,2021 (RF 2.0)are given below:-

For Half Year ended 31.03.2024

(Rs. in crores)

Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of the previous half year (30.09.2023) (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) Amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of this half year (31.03.2024)
(i) Personal loans	816.32	33.46	0	52.72	748.90
(ii) Corporate persons#	803.53	26.56	0	60.08	712.26
Of Which MSME	426.27	26.24	0	36.03	320.76
(iii) Others	33.50	0.87	0	1.64	31.44
Total	1653.35	60.89	0	114.44	1492.60
#as defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					

For Half Year ended 30.09.2023

(Rs. in crores)

Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the half year ended 31.03.2023 (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) Amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of this half year (30.09.2023)
(i) Personal loans	916.20	44.25	0	58.60	817.28
(ii) Corporate persons#	1041.82	141.35	0	119.07	802.57
Of Which MSME	534.56	57.61	0	68.99	426.27
(iii) Others	33.34	0.69	0	1.79	33.50
Total	1991.36	186.29	0	179.46	1653.35
#as defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					

8. The Bank holds an additional standard asset provision in respect of 1 borrower's account, in terms of RBI Circular DBR No. BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 on "Prudential Framework for Resolution of Stressed Assets" amounting to Rs 24.48 crore. The details are as under:-

(Rs. in crore)

Amount of Loans Impacted by RBI Circular (A)	Amount of Loans to be classified as NPA (B)	Amount of Loans as on 31.03.2024, out of (B) classified as NPA (C)	Addl. Provision required for loans covered under RBI Circular (D)	Provision out of (D) made by 31.03.2024 (E)
69.16	-	-	24.48	24.48

9. (i) In accordance with RBI circular no.DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021; in respect of the details of loans transferred/acquired during the year ended 31st March 2024 are given below:

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(a) The bank has not transferred and acquired Special Mention Account (SMA) during the quarter / year ended 31st March 2024. (31st March 2023 – Nil)

(b) The bank has transferred following Non Performing Assets (NPAs) during the quarter/ year ended 31st March 2024. (31st march 2023 – Nil)

(All amounts in Rs. Crore)	**To ARCs**	**To permitted transferees**	**To other permitted transferees**
No of accounts	1	-	-
Aggregate principal outstanding of loans transferred	14.83	-	-
Weighted average residual tenor of the loans transferred	NIL	-	-
Net book value of loans transferred (at the time of transfer)	0	-	-
Aggregate consideration	1.67*	-	-
Additional consideration realized in respect of accounts transferred in earlier years	NIL	-	-
Quantum of excess Provision reversed to the Profit & Loss account on account of sale of stressed loans	-	-	-

*Cash component of Rs 0.25 Crore received till 31.03.2024. However, Security Receipt amounting to Rs1.42 Crore is yet to be received.

Details of stressed loans (NPA & SMA) transferred during 2023-24			
(All amounts in Rs. Crore)	To ARCs	To permitted transferees	To other transferees (please specify)
No: of accounts	3	NIL	NIL
Aggregate principal outstanding of loans transferred	186.30	NIL	NIL
Weighted average residual tenor of the loans transferred	NA	NIL	NIL
Net book value of loans transferred (at the time of transfer)	186.30	NIL	NIL
Aggregate consideration	134.23	NIL	NIL
Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL	NIL

Details of loans acquired during the year		
From SCBs, RRBs, Co-operative banks, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)		**From ARCs**
Aggregate principal outstanding of loans acquired	NIL	NIL
Aggregate consideration paid	NIL	NIL
Weighted average residual tenor of loans acquired	NIL	NIL

(c) Details of loans not in default acquired through assignment are given below:

Particulars	**Amounts in Crore**
Aggregate amount of loans acquired	-
Weighted average residual maturity (in months)	-
Weighted average holding period by originator (in months)	-
Retention of beneficial economic interest by the originator	-
Tangible security coverage	-

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(d) Details of Standard assets acquired through assignment/ Novation and Loan Participation **(Co-Lending)**:

(Rs. in crore)

Pariculars	Quarter ended 31.03.2024	Year ended 31.03.2024	Year ended 31.03.2023
No. of accounts purchased during the year	3219	11505	3931
Aggregate outstanding	631.96	2293.46	964.56
Weighted average maturity (in months)	167.94	166.82	158
Weighted average holding period (in months)	0.80	8.27	5.16
Retention of beneficial economic interest	MSME- 20% HL- 25%	MSME- 20% HL- 25%	MSME- 20% HL- 25%
Coverage of tangible security coverage	175.01	186.19	147.40

The loans acquired are not rated as these are to non-corporate borrowers.

(e) Details of Standard assets acquired through assignment/ Novation and Loan Participation **(Pool Buy-out)**:

Pariculars	Quarter ended 31.03.2024	Year ended 31.03.2024	Year ended 31.03.2023
No. of accounts purchased		Nil	
Aggregate Loan outstanding (Rs. in.crore)			
Weighted average maturity (in months)			
Weighted average holding period (in months)			
Retention of beneficial economic interest			
Coverage of tangible security coverage (%)			

(ii) The distribution of the Security Receipts (SRs) held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on 31st March 2024:

(Rs. in crore)

Recovery Rating Band	31.03.2024 (Book Value)	31.03.2023 (Book Value)
RR1+	Nil	Nil
RR1	21.37	26.23
RR2	Nil	Nil
RR3	Nil	Nil
RR4	Nil	Nil
RR5	Nil	Nil
Rating Withdrawn	Nil	Nil
Unrated	68.06	Nil
Total	**89.43**	**26.23**

The Bank has provided 100% provision against the mentioned security Receipts.

10. In terms of RBI circular-RBI/2015-16/376/DBR no.BP.BC.92/21.04.048/2015-16 dated 18.04.2016 details of Fraud and Provision are as below:-

During the Quarter ended 31st March 2024, Bank has reported 61 cases of Non-Borrowal frauds and 18 cases of Borrowal frauds to Reserve Bank of India. The total amount reported to Reserve Bank of India for the quarter ended 31st March 2024 is Rs 42.42 crore, Out of which Rs 34.46 crore is extent of Loss to the Bank. Bank has made full provision for the same.

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(Rs. in crore)

Particulars	During quarter ended on 31.03.2024	During quarter ended on 31.03.2023
Number of frauds reported	79	67
Amount involved in fraud	42.42	9.65
Amount of provision made for such frauds	34.46	9.55

11. In terms of Reserve Bank of India (RBI) circular, Banks are required to make Pillar 3 disclosures including Leverage ratio, Liquidity coverage ratio and Net Stable funding Ratio (NSFR) under the Basel III capital regulations. These Disclosures will be made available on the Bank's website: https://punjabandsindbank.co.in. These Disclosures have not been subjected to audit by Statutory Central Auditors of the Bank.

12. The Bank has estimated the liability towards Unhedged Foreign Currency Exposure in terms of RBI (Unhedged Foreign Currency Exposure) Directions, 2022 vide circular DOR.MRG.REC.76/00-00-007/2022-23 dated October 11, 2022 and is holding a provision of Rs 0.38 crore as on 31st March 2024.

13. The Bank has made a total provision of Rs 334.50 crore towards wage revision w.e.f 1st November 2022 as per provision of 12th bipartite wage settlement and 9th joint note dated 8th March 2024.

14. The bank has funded exposure of Rs 119.28 crore in two borrower's accounts which are under litigation and respective adjudicating authorities have granted stay on downgrading. The bank has made adequate provisions for the accounts.

15. The Provision Coverage Ratio (Including T.W.O) as at 31st March 2024 works out to 88.69% (31st March 2023 – 89.06%).

16. During the year ended 31st March 2024, the Reserve Bank of India has imposed penalties of Rs 2.00 crore (Rs 1.00 crore for the quarter ended 31st March 2024) on the bank. The same has been paid for as on 31st March 2024.

17. The estimated additional Pension liability on account of revision in family pension was Rs 236.84 crore. RBI vide its Circular RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated 4th October 2021, had permitted all member Banks of Indian Banks Association to amortize the said additional liability over a period not exceeding five years beginning with the financial year ending 31st March 2022, subject to a minimum of 1/5th of the total amount being charged every year. The Bank is amortizing the said liability over a period, not exceeding 5 years commencing from the financial year ended 31st March 2022, subject to a minimum of Rs 47.37 crore every year. Balance unamortized amount as on 31st March 2023 was Rs.142.10 crore. Accordingly, the Bank has charged an amount of Rs.11.37 crore and Rs.47.37 crore to the Profit & Loss account during current quarter and year ended 31st March 2024 respectively and the balance unamortized amount of Rs.94.73 crore has been carried forward. Had the Bank charged the entire additional liability to the Profit and Loss Account, the net profit (after tax) for the quarter and year ended 31st March 2024 would have been lower by Rs.61.63 crores.

18. As per RBI Master Direction No DOR.ACC.REC.No.45/21.04.018/2021-22 dated 30.08.2021 (updated on 15.11.2021 on financial statements – presentation and disclosure, divergence in the asset classification and provisioning, Banks should disclose divergences in the asset classification and provisioning, Banks should disclose divergence, if either or both of the following conditions are satisfied:

(a) the additional provisioning for NPAs assessed by RBI exceeds 10 percent of the reported profit before provisions and contingencies for the reference period, and (b) the additional Gross NPAs identified by RBI as part of its supervisory process exceed 15 percent of the published incremental Gross NPAs for the reference period.

Divergences are within threshold limits in the Bank as specified above. Hence, no disclosure is required with respect to RBI's annual supervisory process for FY 2022-23.

19. The value of shifting/ sales from HTM category (excluding onetime shifting at the beginning of year and sale under pre – announced Open Market Operations auctions) during the year does not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

20. During the year ended 31st March 2024 bank has shifted Government securities amounting to Rs 790.00 crore Face Value (Rs 794.01 crore Book Value) from Held to Maturity to Available for Sale category, whereas no security has been transferred from Available for Sale to Held to Maturity category. Gain on shifting of securities from HTM to AFS was not booked upfront and gain/loss was recognized on sale of such securities during the year.

21. Pursuant to the RBI circular dated 19th December 2023, in respect of investment in Alternate Investment Fund (AIF), Rs 0.50 crore provision is required during the quarter/ year ended 31st March 2024 and the same has been provided.

22. Bank has sold 1200 units under Priority Sector Lending certificates (PSLCs) to the tune of Rs 300.00 crore under Small & Marginal farmers and earned commission income of Rs 6.75 crore during year ended 31st March 2024.

   Further, Bank has purchased 20440 units (12000 units in Agriculture and 8440 units in small & Marginal Farmers) under Agriculture and Small & Marginal farmers and incurred cost of Rs 23.23 crore (Rs 8.99 crore in Agriculture and Rs 14.24 crore in Small & Marginal farmers) during year ended 31st March 2024.

23. The Board of Directors has recommended a dividend of Rs 0.20 per equity share (2 %) for the year ended on 31st March 2024 subject to requisite approvals.

24. Details of Investors complaints received and disposed-off during the quarter ended 31st March 2024:

Beginning	Received	Disposed off	Lying unresolved
0	0	0	0

25. The figures for the quarter ended 31st March 2024 and the corresponding previous quarter (i.e. quarter ended 31st March 2023) are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to 31st December.

26. The figures of previous period have been regrouped and reclassified wherever considered necessary in order to make them comparable with the figures of the current period.

27. The financial results have been prepared following the same accounting policies and practices, as those followed in the financial statements for the year ended 31st March 2023.

Arnab Goswamy
CHIEF FINANCIAL OFFICER

Ravi Mehra
EXECUTIVE DIRECTOR

Swarup Kumar Saha
MANAGING DIRECTOR & CEO

Chaturvedi & Co. Chartered Accountants FRN: 302137E UDIN: 24012705BKFYMR8992 Place: New Delhi **(CA Satish Chandra Chaturvedi)** Partner M.No. 012705	**Manohar Chowdhry & Associates** Chartered Accountants FRN: 001997S UDIN: 24225084BKDZRW9176 Place: New Delhi **(CA P. Venkataraju)** Partner M.No.225084
S. P. Chopra & Co. Chartered Accountants FRN: 000346N UDIN: 24092529BKCYON7406 Place: New Delhi **(CA Pawan K Gupta)** Partner M.No.092529	**Gupta Sharma & Associates** Chartered Accountants FRN: 001466N UDIN:24531165BKEFGA8947 Place: New Delhi **(CA Dhananjay Sharma)** Partner M.No.531165

Dated: May 10, 2024
Place: New Delhi

PUNJAB & SIND BANK
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs in Lacs)

	2023-24	2022-23
A. Cash Flow from Operating Activities		
Net Profit as per Profit & Loss Account	59542	131303
Adjustments for:		
Provisions & Contingencies	53552	13691
Depreciation on Fixed Assets	15008	14833
Depreciation on Investments	0	0
Profit on sale of Assets	-44	-215
Interest on Bonds	10613	11659
Deferred Tax Liability	0	0
Corporate Social Responsibility Fund	-4	0
Operating Profit before working capital changes	138667	171271
Adjustments for:		
Increase / (Decrease) in Deposits	974406	752848
Increase / (Decrease) in Borrowings	75247	757475
Increase / (Decrease) in Other Liabilities	34579	19522
(Increase) / Decrease in Investments	-515817	-271422
(Increase)/ Decrease in Advances	-577871	-1287568
(Increase) / Decrease in Other Assets	79924	15650
Direct Taxes Paid (Net of refund)	-34247	-14940
Cash Flow from Operating Activities (A)	**174888**	**142836**
B. Cash Flow from Investing Activities		
Increase in Fixed Assets	-22907	-9031
Profit on sale of Assets	44	215
Cash Flow from Investing Activities (B)	**-22863**	**-8816**
C. Cash Flow from Financing Activities		
Redemption of Subordinated Bonds	0	-100000
Interest on Bonds	-10613	-11659
Dividend on Equity	-32533	-21011
Employees Welfare Trust	-250	-500
Cash Flow from Financing Activities (C)	**-43396**	**-133170**
Cash from Operating Activities	**174888**	**142836**
Cash from Investing Activities	**-22863**	**-8816**
Cash from Financing Activities	**-43396**	**-133170**
Increase in Cash & Cash Equivalents	**108629**	**850**
Cash and Bank Balances (Opening)	**629672**	**628822**
Cash and Bank Balances (Closing)	**738301**	**629672**

Arnab Goswamy
CHIEF FINANCIAL OFFICER

Ravi Mehra
EXECUTIVE DIRECTOR

Swarup Kumar Saha
MANAGING DIRECTOR & CEO

Chaturvedi & Co. Chartered Accountants FRN: 302137E UDIN: 24012705BKFYMR8992 Place: New Delhi **(CA Satish Chandra Chaturvedi)** Partner M.No. 012705	**Manohar Chowdhry & Associates** Chartered Accountants FRN: 001997S UDIN: 24225084BKDZRW9176 Place: New Delhi **(CA P. Venkataraju)** Partner M.No.225084
S. P. Chopra & Co. Chartered Accountants FRN: 000346N UDIN: 24092529BKCYON7406 Place: New Delhi **(CA Pawan K Gupta)** Partner M.No.092529	**Gupta Sharma & Associates** Chartered Accountants FRN: 001466N UDIN:24531165BKEFGA8947 Place: New Delhi **(CA Dhananjay Sharma)** Partner M.No.531165

Dated: May 10, 2024
Place: New Delhi

SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES

A. Background

Punjab & Sind Bank (PSB or the Bank) is a banking and financial services statutory body engaged in providing a wide range of products and services to individuals, commercial enterprises, large corporates, public bodies, and institutional customers. The Bank is governed by the Banking Regulation Act, 1949.

B. Basis of Preparation

The financial statements of Punjab & Sind Bank (the "Bank") have been prepared and presented under historical cost convention, on accrual basis of accounting, on going concern basis, and conform in all material aspects, unless otherwise stated, to Generally Accepted Accounting Principles (GAAP) in India, statutory provisions, regulatory norms prescribed and circulars, directions and guidelines issued by Reserve Bank of India (RBI) from time to time, Banking Regulation Act, 1949, Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) to the extent relevant and applicable to the Bank and prevailing practices in the Banking Industry in India.

C. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) as on date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to the estimates or difference between the actual result and estimates is recognized in the period in which the results are known / materialized, unless otherwise stated.

D. Significant Accounting Policies

1. Revenue Recognition

1.1 Income and expenditure are accounted for on accrual basis unless otherwise stated.

1.2 Income on Non-Performing Assets (NPAs) comprising of advances and investments is recognized on realization basis in accordance with the prudential norms prescribed by Reserve Bank of India.

1.3 Partial recovery in non-performing assets (other than stated in para 1.4) is appropriated first towards principal and thereafter towards interest and charges.

1.4 For cases covered under special schemes introduced by RBI viz. Scheme for Sustainable Structuring of Stressed Assets (S4A), Strategic Debt Restructuring, Flexible Structuring of Long-Term Project Loans (5/25), Change in Ownership of Borrowing Entities (Outside Strategic Debt Restructuring Scheme), where subsequently the account turns NPA, any recovery shall be first credited to Interest on Loans & Advances. Thereafter, the recovery shall be appropriated towards principal amount outstanding in the account. The accounting procedure shall be uniform and consistent in all accounts falling under above schemes.

1.5 Income on guarantees and letters of credit issued, locker rent, income from merchant banking transactions, money transfer services, dividend on shares, interest on refund of income tax, commission on credit card, interest on overdue bills, processing fee, Government business including distribution of pension and income from units of mutual fund products and income from ATM operations are accounted for on receipt basis.

1.6 Rebate on compromised accounts is accounted for at the time of full and final adjustment of the account.

1.7 Interest on overdue Term Deposits is provided at the rate of interest applicable to Savings Bank Accounts.

1.8 Bond Issue Expenses incurred in connection with raising Tier-II Capital are treated as Deferred Revenue Expenditure to be written off over a period of five years.

1.9 Share Issue Expenses are adjusted against the Share Premium Account

2. Investments

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation.

2.1 Classification:

The entire investment portfolio is classified into three categories, viz, "Held to Maturity (HTM)", "Held for Trading (HFT)" and "Available for Sale (AFS)" in line with the guidelines / directions of Reserve Bank of India.

For disclosure in the Balance sheet, the investments under the above classifications are classified as Investments in India and Outside India.

Investments in India are further categorized as under:

i. Government Securities
ii. Other approved securities
iii. Shares
iv. Debentures
v. Subsidiaries / Joint Ventures and
vi. Others

Investments Outside India are further categorized as under:

i. Government Securities
ii. Subsidiaries / Joint Ventures and
iii. Others

2.2 Basis of Classification:

i. Investments that the Bank intends to hold till maturity are classified as Held to Maturity.

ii. Investments that are held principally for resale within 90 Days from the date of purchase are classified as Held for Trading.

iii. Investments which are not classified in the above two categories, are classified as Available for Sale.

An investment is classified under the above categories at the time of its purchase. Shifting of investments from one category to another is done in conformity with the approval of the Board normally once in a year. Transfer of securities from one category to another is carried out at the lower of acquisition cost/ book value/ market value on the date of transfer. However, transfer of securities from HTM category to AFS category is carried out on book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.

2.3 Recording / Accounting of Investments:

The transactions in all the securities / investments are recorded on Settlement Date. Settlement Date accounting refers to (a) the recognition of an asset on the day it is received by the entity, and (b) the de-recognition of an asset and recognition of any gain or loss on disposal on the day it is delivered by the entity.

The cost is determined on weighted average cost method

Brokerage / commission received on subscription is reduced from the cost. Brokerage, commission, Securities Transaction Tax (STT) etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.

Interest accrued up to the date of acquisition / sale of securities i.e. broken period interest on debt instruments is excluded from the acquisition cost / sale consideration and is treated as interest expense / income.

2.4 Valuation:

Investments under 'Held to Maturity' (HTM) are stated at acquisition costs. The premium paid on acquisition if any, is amortized over the remaining period of maturity on a constant yield basis. Such amortization of premium is reflected in Interest Earned under the head "Income on Investments" as a deduction. In case, the acquisition cost is less than the redemption value, the difference being the unrealized gain, is ignored. Any diminution in value of investments in subsidiaries and joint venture, other than temporary in nature, is provided for each investment individually.

Investments under 'Available for sale' (AFS) and 'Held for Trading' (HFT) are individually revalued at market price or fair value determined as per the regulatory guidelines and the net depreciation if any, of each group/category is provided for and the net appreciation is ignored.

The 'market price / fair value' for the purpose of valuation of investments included in the 'Available for Sale' and 'Held for Trading' categories is the market price of the scrip as available from the trades/quotes on the stock exchanges, price list of RBI, prices declared by Primary Dealers Association of India (PDAI) jointly with the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

In respect of unquoted securities, the 'market price / fair value' is ascertained as under:

a.	Government Securities:	
	i. Central Government securities	At market prices/YTM as published by Fixed Income Money Market and Derivatives Association of India (FIMMDA) & Financial Benchmark India Pvt. Ltd (FBIL). At rates put out by FIMMDA/PDAI/FBIL
	ii. State Government securities.	On appropriate yield to maturity basis as per FIMMDA/ RBI guidelines.
b.	Securities guaranteed by Central / State Government, PSU Bonds (not in the nature of advances)	On appropriate yield to maturity basis as per FIMMDA/ RBI guidelines
c.	Equity Shares:	At Break-up Value (without considering revaluation reserve) based on the latest Balance Sheet, which are not older than one year on the date of valuation is considered. In cases where latest Balance Sheets are not available, the shares are valued at Re.1 per company.
d.	Preference shares	On appropriate yield to maturity basis not exceeding redemption value as per

		RBI/ FIMMDA guidelines.
e.	Bonds and debentures (not in the nature of advances)	On appropriate yield to maturity basis as per RBI/FIMMDA guidelines.
f.	Mutual Fund Units, Venture Capital Funds and Security Receipt	At re-purchase price or Net Assets Value
g.	Treasury Bills, Cash Management Bill, Commercial Papers, Certificate of Deposits, Recapitalization Bonds, Subsidiaries, Joint Ventures and Sponsored Institutions:	At carrying cost.
h.	Other Investments	At carrying cost less diminution in value.

2.5 Profit or loss on sale of investments in any category is taken to Profit and Loss account but, in case of profit on sale of investments in "Held to Maturity" category, an equivalent amount is appropriated to "Capital Reserve Account".

2.6 Non-Performing Investments (NPI)

Investments are subject to appropriate provisioning / de-recognition of income, in line with the prudential norms of Reserve Bank of India for NPI classification. The depreciation/provision in respect of non-performing securities is not set off against the appreciation in respect of the other performing securities.

If any credit facility availed by an entity is NPA in the books of the Bank, investment in any of the securities issued by the same entity would also be treated as NPI and vice versa. However, in respect of NPI preference share where the dividend is not paid, the corresponding credit facility is not treated as NPA.

2.7 In the event, depreciation booked on account of MTM in the 'AFS' or 'HFT' categories are found to be in excess of the required amount in any year, the excess is credited to the Profit & Loss Account and an equivalent amount is appropriated to an Investment Reserve Account in Schedule 2 – "Reserve & Surplus" under the head "Revenue and Other Reserves".

3. Loans / Advances and Provisions thereon:

3.1 Advances are classified as "Performing" and "Non-Performing" assets and provisions are made in accordance with prudential norms prescribed by the Reserve Bank of India.

3.2 Advances are classified into Standard, Sub-Standard, Doubtful and Loss assets, borrower wise.

3.3 Provisions for NPA are made as per the extant guidelines prescribed by RBI / the regulatory authorities, subject to minimum provisions as per RBI Directions as prescribed below:

Category of Assets	Provision norms
Sub-Standard	i. A general provision of 15% on the total outstanding. ii. Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realizable value of security is not more than 10% ab-initio) iii. Unsecured exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available-20%
Doubtful Assets	
- Secured Portion	i. Upto one year : 25% ii. One to three years : 40% iii. More than three years : 100%
- Unsecured Portion	100%
Loss Assets	100%

3.4 Advances are stated net of unrealized interest and provisions / technical write off made in respect of non-performing advances. Claims received from DICGC / CGTMSE / ECGC are not reduced from such advances till adjusted / technically written-off whereas part recovery in all NPA accounts is reduced from advances.

3.5 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are included under "Other Liabilities and Provisions" and are not considered for arriving at the Net NPAs.

3.6 For restructured / rescheduled advances, provisions are made in accordance with the guidelines issued by RBI.

3.7 The sale of NPA is accounted for as per guidelines prescribed by RBI, as under:

i). When the Bank sells its financial assets to Securitization Company (SC) / Reconstruction Company (RC), the same is removed from the books.

ii). If the sale is at a price below the net book value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit & Loss account of the year of sale.

iii). If the sale is for a value higher than the NBV, the excess provision is reversed in the year the amounts are received.

4. **Floating Provisions**

In accordance with the RBI guidelines, the Bank has a approved policy for creation and utilization of floating provisions separately for advances and investments. The quantum of floating provisions to be created is assessed, at the end of each financial year. The floating provisions would be utilized only for contingencies under extra ordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

5. **Fixed Assets**

5.1 Fixed Assets are stated at historical cost (except revalued premises which are stated at revalued amount) less accumulated depreciation / amortization. The appreciation on revaluation is credited to Revaluation Reserve and the incremental depreciation attributable to the revalued amount is debited to the Profit & Loss account and the equal amount is transferred from Revaluation Reserve to Revenue & Other Reserve. Cost of fixed assets include cost of purchase and relevant expenditure incurred thereon till the time it is put to use. Subsequent expenditure/s incurred on the assets are capitalized only when it increases the future benefits from such assets or their functioning capability.

5.2 Premises, where segregation is not possible between land and superstructure, are considered in the value of superstructure.

5.3 Land included under Premises taken on perpetual lease is considered as freehold and not depreciated.

6. **Depreciation on Fixed Assets**

6.1 Computers are fully depreciated at 33.33%, on straight-line method as per RBI guidelines.

6.2 Additions during the year are depreciated for the full year irrespective of its date of addition.

6.3 Depreciation on Fixed Assets (other than Computers) is charged on straight line method basis as per useful life of assets, considering residual value at 5% of original cost. The useful life and depreciation rate are given hereunder:

S. No.	Particulars	Useful life	Depreciation Rate
1	Premises	60	1.58%
2	Furniture and fixtures	10	9.50%
3	Plant & Machinery	15	6.33%
4	Vehicles	8	11.88%

6.4 Revalued premises are depreciated over the balance useful life of such premises.

6.5 No depreciation is provided on assets sold/disposed of during the year.

6.6 In respect of leasehold premises, the lease premium, if any, is amortized over the period of the lease.

7. Employment Benefits

7.1 Provident Fund and New Pension Scheme (which is applicable to employees who have joined Bank on or after 01.04.2010) are defined contribution schemes, as the Bank pays fixed contribution at predetermined rates. The obligation of the bank is limited to such fixed contribution. The contributions are charged to the Profit and Loss Account.

7.2 Gratuity, Pension and Leave Encashment liabilities are defined benefit obligations and are provided for on the basis of actuarial valuation made at the end of the financial year. These schemes are funded by the Bank and are managed by separate trusts. The short / excess of the liability as compared to the fund held by the respective trust is accounted for as liability / assets as at the at the end of the financial year.

7.3 Other long term Employee benefits such as Silver Jubliee Bonus and Retirement Gifts are provided for based on actuarial valuation.

7.4 Short term employee benefits are recognized as an expense in the Profit and Loss account of the year in which the related services are rendered.

8. Foreign Exchange Transactions

8.1 Monetary assets and liabilities, guarantees, acceptances, endorsements and other obligations are translated in Indian Rupee equivalent at the exchange rates prevailing as on the Balance Sheet date as per Foreign Exchange Dealers' Association of India (FEDAI) guidelines.

8.2 Non-monetary items other than fixed assets which are carried at historical cost are translated at exchange rate prevailing on the date of transaction.

8.3 Forward exchange contracts and bills are translated at the exchange rates prevailing on the date of commitment. Outstanding foreign exchange contracts and bills are translated as on the Balance Sheet date at the rates notified by FEDAI and the resultant gain / loss is taken to revenue.

8.4 Income and expenditure items are recorded at exchange rates prevailing on the date of the transaction.

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

Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/ losses are recognized in the Profit and Loss Account.

8.5 Contingent liabilities on account of acceptances, endorsements and other obligations including guarantees and letter of credits in foreign currencies are reported at the Balance Sheet date using the FEDAI closing spot rates, except the Bills for Collection which are accounted for at the notional rates at the time of lodgement.

9. Taxes on Income

Income tax expense is the aggregate amount of current tax, including Minimum Alternate Tax (MAT), wherever applicable and deferred tax.

Current tax is determined as the amount of tax payable for the year and accordingly provision for tax is made.

Deferred Tax Assets and Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only if there is virtual certainty of realisation of such assets in future.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that there will be payment of normal income tax during the period specified under the Income Tax Act, 1961.

10. Impairment of Assets

The carrying costs of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors an impairment loss is recognized wherever the carrying cost of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, if any, depreciation is provided on the revised carrying cost of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed, depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

11. SEGMENT REPORTING

The Bank recognizes the business segment as the primary reporting segment, in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India. As Bank has no overseas branch / operation, there is no geographical segment.

12. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In conformity with Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India, the Bank recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

13. LEASES

Lease payments including cost escalations for assets taken on operating lease are recognized in the Profit and Loss Account over the lease term considering the concept of materiality.

14. EARNINGS PER SHARE

The Bank reports basic and diluted earnings per equity share in accordance with the Accounting Standard 20 "Earnings Per Share" issued by the Institute of Chartered Accountants of India. Basic earnings per equity share has been computed by dividing net income by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

=----- End ----=

SCHEDULE 18

NOTES TOACCOUNTS

A) Balancing of Accounts and Reconciliation

i. In certain Branches, the balancing / reconciliation of control accounts with subsidiary ledgers is in progress.

ii. Initial matching of debit and credit outstanding of old entries in Inter Branch Account (IBR+DD), pertains prior to CBS System. Adjustments (including old outstanding entries) have been done up to 31.03.2024 and reconciliation is in progress.

iii. Reconciliation of Drafts payable, Debit Note Receivable/ Payable, RTGS/NEFT (Suspense) is in progress. Provisions have been made as per RBI norms. Reconciliation of Nostro accounts has been done as on 31.03.2024.

In the opinion of the management, the impact of the above para (i) to (iii), if any, on the Profit & Loss Account and Balance Sheet though not quantifiable, will not be material.

iv. In terms of Reserve Bank of India guidelines, segregation of Debit and Credit entries in Inter Branch Accounts pertaining to the period up to 30.09.2023 and remained outstanding as on 31.03.2024 has been done which has resulted in either net Debit in some heads or net credit in other heads. Provision has been made in respect of Net Debit Entries outstanding for period exceeding 6 months. Similar guidelines have been followed for imprest clearing Account also.

In Inter Branch Account there is net credit balance hence no provision is required to be made.

v. Credit entries outstanding in Blocked Unclaimed Deposit Account (New Blocked account) for the period 01.01.2014 to 31.03.2014 amounting to Rs 17121 have been transferred to DEAF account during the year ended March 2024.

Further, the department transfers unreconciled entries pertaining to more than 10 years to DEAF account on quarterly basis.

As on 31.03.2024, un-reconciled credit entries amounting to Rs. 20.02 lakh pertaining to the period from 01.04.2014 to 31.03.2016 are outstanding for more than 3 years and hence these entries were transferred to Blocked Unclaimed Deposit Account (New Blocked account).

B) Legal formalities are yet to be completed in respect of 2 Bank's properties having original value of Rs 2.87 crore and Revalued value (Gross) of Rs. 74.23 crore as on 31.03.2024. (Previous year 2 Bank's properties having original cost of Rs 2.87 crore and Revaluation amount of Rs. 62.98 crore).

1. Regulatory Capital

a) Composition of Regulatory Capital

(Rs. in crore)

Sr.No	Particulars	2023-24	2022-23
i)	Common Equity Tier 1 capital (CET 1)*	9251.94	7990.22
ii)	Additional Tier 1 capital*	0.00	0.00
iii)	Tier 1 capital (i + ii)	9251.94	7990.22
iv)	Tier 2 capital	1519.35	1553.09
v)	Total capital (Tier 1+Tier 2)	10771.28	9543.31
vi)	Total Risk Weighted Assets (RWAs)	62776.74	55815.43
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)* (%)	14.74	14.32
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs) (%)	14.74	14.32
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs) (%)	2.42	2.78
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs) (%)	17.16	17.10
xi)	Leverage Ratio* (%)	6.23	5.88
xii)	Percentage of the shareholding of Government of India (%)	98.25	98.25
xiii)	Amount of paid-up equity capital raised during the year	0.00	0.00

*Capital Adequacy Ratio (BASEL III) is arrived after considering the Net present value (NPV) of Non-Interest bearing Recapitalization Bonds infused as capital by the Govt. of India during FY 2020-21 & 2021-22. Further, the effect of proposed dividend has been reckoned in determining capital funds in the computation of capital adequacy ratio as at 31st March 2023 and 31st March 2024.

b) Draw down from Reserve

A sum of Rs Nil during financial year ended 31.03.2024 (Rs. NIL - PY 31.03.2023) has been drawn from the General Reserve on account of payment to the claimant of old entries.

2. Asset Liability Management

a) Maturity Pattern of Certain items of Assets and Liabilities as on 31.03.2024:

(Rs. in crore)

Maturity Pattern (Time Buckets)	Deposits	Loans & Advances	Investments	Borrowings	Foreign Currency	
					Assets	Liabilities
1 day	597.17	532.94	0.00	0.00	227.93	67.35
2 – 7 days	1210.89	812.32	321.63	6204.57	16.41	2.01
8 – 14 days	907.73	597.25	72.12	44.75	27.97	1.75
15 - 30 days	3172.88	2154.55	246.92	0.00	64.14	3.49
31 days to 2 months	7197.58	1404.36	399.14	121.61	46.20	12.92
Over 2 months & up to 3 months	7877.22	3544.48	626.80	105.46	101.16	4.57
Over 3 months & up to 6 months	19421.26	7423.02	671.14	294.49	27.74	33.40
Over 6 months & up to 1 year	31981.37	7768.26	1135.23	566.13	0.00	35.43
Over 1 year & up to 3 years	45683.19	31267.44	6261.11	1645.49	11.09	57.72
Over 3 years & up to 5 years	1022.79	10138.74	4864.32	51.06	0.00	0.94
Over 5 years	337.47	17093.02	35000.75	737.30	0.00	0.00
Total	**119409.55**	**82736.38**	**49599.16**	**9770.86**	**522.64**	**219.58**

Maturity Pattern of Certain items of Assets and Liabilities as on 31.03.2023:

(Rs. in crore)

Maturity Pattern (Time Buckets)	Deposits	Loans & Advances	Investments	Borrowings	Foreign Currency	
					Assets	Liabilities
1 day	535.12	1330.06	0.00	0.00	148.85	55.24
2 – 7 days	1122.99	298.51	343.89	5400.48	15.72	0.45
8 – 14 days	878.91	170.59	134.36	30.70	25.31	1.62
15 - 30 days	2765.89	1445.49	150.27	0.00	77.29	4.32
31 days to 2 months	5849.81	391.27	54.79	62.76	92.02	8.14
Over 2 months & up to 3 months	5523.99	2606.69	495.21	62.29	61.71	11.66
Over 3 months & up to 6 months	14224.20	1262.39	998.85	479.96	95.68	31.36
Over 6 months & up to 1 year	27076.45	5119.30	2342.77	924.41	0.00	63.74
Over 1 year & up to 3 years	26188.57	14854.80	4300.35	820.48	87.26	65.59
Over 3 years & up to 5 years	13246.72	15011.23	3985.93	500.00	0.00	10.72
Over 5 years	12252.85	34329.10	32032.00	737.30	0.00	0.00
Total	**109665.49**	**76819.43**	**44838.42**	**9018.38**	**603.84**	**252.84**

b) Liquidity Coverage Ratio

(Rs. in crore)

		30.06.2023		30.09.2023		31.12.2023		31.03.2024	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets		25829.09		28978.51		27412.09		27307.61
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which	75791.45	7531.06	77156.65	7667.57	79243.90	7877.48	79751.09	7928.69
(i)	Stable Deposits	961 65	48.08	961.92	48.10	938.32	46.92	928.52	46.43
(ii)	Less stable deposits	74829.80	7482.98	76194.73	7619.47	78305.58	7830.56	78822.57	7882.26
3	Unsecured wholesale funding of which	27239 66	13776.72	31107.46	17842 09	26335.38	14327.41	25392.65	13758.27
(i)	Operational Deposits (all counterparties)	0	0	0	0	0	0	0	0
(ii)	Non -operational deposits (all counterparties)	27239.66	13776.72	31107.46	17842.09	26335.38	14327.41	25392.65	13758.27
(iii)	Unsecured debt	0	0	0	0	0	0	0	0
4	Secured wholesale funding		0		0		0		0
5	Additional requirements, of which	3565.10	1259.80	2323.44	836.94	1306.65	638.60	1197.97	543.83
(i)	Outflows related to derivative exposures and other collateral requirements	314.39	314.39	93.62	93.62	228.43	228.43	159.50	159.50
(ii)	Outflows related to loss of funding on debt product	0	0	0	0	0	0	0	0
(iii)	Credit and liquidity facilities	3250.71	945.41	2229.82	743.32	1078.22	410.17	1038.47	384.33
6	Other contractual funding obligations	0	0	48.21	48.21	733.27	733.27	388.34	388.34
7	Other contingent funding obligations	9576.03	403.01	10596.25	454.93	11930.70	523.06	12205.28	534.37
8	Total Cash Outflows		22970.59		26849.74		24099.82		23153.50
Cash Inflows									
9	Secured lending (e.g. reverse repos)	17.29	0	9.10	0	0	0	17.24	0
10	Inflows from fully performing exposures	2084.90	1058.49	2152.91	1215.72	2747.48	1645.70	1499.65	934.02
11	Other Cash Inflows	392 28	392.28	185.34	178.28	279.43	272.59	440.11	435.43
12	Total Cash Inflows	2494.47	1450.77	2347.35	1394.00	3026.91	1918 29	1957.00	1369.45
13	TOTAL HQLA		25829.09		28978.51		27412.09		27307.61
14	Total Net Cash Outflows		21519.82		25455 74		22181.53		21784.05
15	Liquidity Coverage Ratio(%)		120.02%		113.84%		123.58%		125.36%

* Refer Note No.17

From this financial year the management has approved and followed a conservative methodology in confirmation of regulatory requirement i.e. considering total outstanding deposit balance for wholesale funding as outflow instead of wholesale deposit having residual maturity of 30 days. However, Bank has migrated from Finacle 7 to Finacle 10 in this year and due to some technical glitches, LCR computation was only available for 50 days in this quarter.

Liquidity Coverage Ratio

(Rs. in crore)

		30.06.2022		30.09.2022		31.12.2022		31.03.2023	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets		25769.72		27196.53		27472.22		25904.69
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which	66669.02	6640.02	67725.89	6745.31	69166.23	6889.39	70273.61	6999.76
(i)	Stable Deposits	537.71	26.89	545.70	27.29	544.74	27.24	551.90	27.59
(ii)	Less stable deposits	66131.31	6613.13	67180.19	6718.02	68621.48	6862.15	69721.72	6972.17
3	Unsecured wholesale funding of which	11738.22	5265.27	10996.55	5068.35	10408.13	5041.56	11244.88	5668.53
(i)	Operational Deposits (all counterparties)	0	0	0	0	0	0	0	0
(ii)	Non -operational deposits (all counterparties)	11738.22	5265.27	10996.55	5068.35	10408.13	5041.56	11244.88	5668.53
(iii)	Unsecured debt	0	0	0	0	0	0	0	0
4	Secured wholesale funding		0		0		0		0
5	Additional requirements, of which	0	977.08	0	819.93	0	900.31	0	1216.73
(i)	Outflows related to derivative exposures and other collateral requirements	839.66	839.66	696.96	696.96	777.59	777.59	1099.97	1099.97
(ii)	Outflows related to loss of funding on debt product	0	0	0	0	0	0	0	0
(iii)	Credit and liquidity facilities	2689.66	137.42	2356.93	122.97	2380.36	122.72	2258.67	116.76
6	Other contractual funding obligations	0	0	0	0	0	0	0	0
7	Other contingent funding obligations	10536.03	451.58	9948.91	428.88	10910.05	474.21	11069.85	476.28
8	Total Cash Outflows								
Cash Inflows									
9	Secured lending (e.g.reverse repos)	640.20	0	44.20	0	5.45	0	1.38	0
10	Inflows from fully performing exposures	1274.97	756.46	2108.82	1203.97	1874.98	1373.50	1638.55	981.82
11	Other Cash Inflows	538.57	537.49	748.66	748.66	602.47	598.58	816.22	816.22
12	Total Cash Inflows	2453.74	1293.95	2901.68	1952.63	2482.90	1972.08	2456.15	1798.04
13	TOTAL HQLA		25769.72		27196.53		27472.22		25904.69
14	Total Net Cash Outflows		12040.00		11109.84		11333.39		12563.26
15	Liquidity Coverage Ratio(%)		214.03%		244.80%		242.40%		206.19%

QUALITATIVE DISCLOSURE ON BANK's LIQUIDITY COVERAGE RATIO

Liquidity Coverage Ratio: The LCR standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be readily converted into cash at little/no loss of value to meet its liquidity needs for a 30-calendar daytime horizon under a liquidity stress scenario.

LCR has two components:

i. The value of the stock of High-Quality Liquid Assets (HQLA) as a Numerator.

ii. Total Net Cash Outflows: Total expected cash outflows minus Total expected cash inflows, in stress scenario, for the subsequent 30 calendar days as a denominator.

Definition of LCR:

Stock of high-quality liquid assets (HQLAs) ≥ 100% (w.e.f. 01.04.2021) Total net cash outflows over the next 30 calendar days.

The Liquidity Coverage Ratio arrived for the quarter ended March 2024 was 125.36% (on basis of simple averages of daily observations during the period 01-01-2024 to 31-03- 2024) against the regulatory requirement of 100%.

The main drivers of LCR of the bank are High Quality Liquid Assets (HQLAs) to meet liquidity needs of the bank at all times and basic funding from retail and small business customers.

Composition of High-Quality Liquid Assets (HQLA)

HQLAs comprise of Level 1 and Level 2 assets. Level 2 assets are further divided into Level 2A and Level 2B assets, keeping in view their marketability and price volatility. Total weighted value (average) of HQLA for the quarter ended March 2024 is Rs. 27307.61 crore.

Break-up of daily observation Average HQLA during quarter ended March 31, 2024, is given hereunder:

High Quality Liquid Assets (HQLAs)	Average % age contribution to HQLA
Level 1 Assets	
Cash in hand	**1.54%**
Excess CRR balance	**0.13%**
Government Securities in excess of minimum SLR requirement	**19.32%**
Government securities within the mandatory SLR requirement, to the extent allowed by RBI under MSF (presently to the extent of 2 per cent of NDTL)	**8.60%**
Marketable securities issued or guaranteed by foreign sovereigns having0% risk-weight under Basel II Standardized Approach	**0.00%**
Facility to avail Liquidity for Liquidity Coverage Ratio –FALLCR (presently to the extent of 16 per cent of NDTL)	**68.78%**
Total Level 1 Assets	**98.37%**
Total Level 2A Assets	**1.57%**
Total Level 2B Assets	**0.06%**
Total Stock of HQLAs	**100.00%**

PUNJAB & SIND BANK East Kidwai Nagar, New Delhi

CHATURVEDI & CO.

Chowdhry & Associates

S.P. CHOPRA & CO. NEW DELHI CHARTERED ACCOUNTANTS

GUPTA SHARMA & ASSOCIATES JAMMU Chartered Accountants

c) **Net Stable Funding Ratio (NSFR)**

(Rs. in crore)

Particulars	31-03-2023	30-06-2023	30-09-2023	31-12-2023	31-03-2024
Available Stable Funding (ASF)	98493.57	98714.32	101536.58	106676.41	104223.37
Required Stable Funding (RSF)	80049.78	84879.45	84324.28	87767.47	86928.39
NSFR% (ASF/RSF)	123.04%	116.30%	120.41%	121.54%	119.90%

(Rs. in crore)

Particulars	31-03-2022	30-06-2022	30-09-2022	31-12-2022	31-03-2023
Available Stable Funding (ASF)	96261.56	93492.14	97749.10	100527.57	98493.57
Required Stable Funding (RSF)	81705.99	78785.11	76863.97	78766.02	80049.78
NSFR% (ASF/RSF)	117.81%	118.67%	127.17%	127.63%	123.04%

Net Stable Funding ratio (NSFR) as on 31.03.2024 (Rs. in crore)

NSFR Disclosure Template						
Particulars		Un-weighted value by residual maturity				Weighted value
		No maturity*	< 6 months	6 months to <1yr	≥1yr	
Available Stable Funds						
1	Capital:(2+3)	14935.21	0.00	0.00	1237.30	16172.51
2	Regulatory capital	14935.21	0.00	0.00	1237.30	16172.51
3	Other capital instruments	0.00	0.00	0.00	0.00	0.00
4	Retail deposits and deposits from small business customers:(5+6)	35447.65	46777.12	74.20	286.57	74398.60
5	Stable deposits	557.89	301.57	0.02	0.10	816.60
6	Less stable deposits	34889.76	46475.55	74.18	286.47	73582.00
7	Wholesale funding:(8+9)	3254.43	27418.39	5347.29	798.48	12603.79
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	3254.43	27418.39	5347.29	798.48	12603.79
10	Other liabilities:(11+12)	0.00	6053.62	438.00	604.95	1048.48
11	NSFR derivative liabilities		0.00	0.00	0.00	
12	All other liabilities and equity not included in the above categories	0.00	6053.62	438.00	604.95	1048.48
13	**Total ASF(1+4+7+10)**					104223.37

Required Stable Funds						
14	Total NSFR high-quality liquid assets(HQLA)					1402.51
15	Deposits held at other financial institutions for operational purposes	0.00	0.00	0.00	0.00	0.00
16	Performing loans and securities:(17+18+19+21+23)	0.00	25099.71	10331.01	45263.28	53289.38
17	Performing loans to financial institutions secured by Level1 HQLA	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	0.00	505.34	0.00	252.67
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	0.00	24993.75	9781.75	38748.46	48582.12
20	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	0.00	3579.50	281.85	8709.10	7591.59
21	Performing residential mortgages, of which:	0.00	105.96	43.92	6514.82	4454.59
22	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	0.00	101.10	41.10	5789.75	3834.44
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	0.00	0.00	0.00	0.00
24	Other assets: (sum of rows 25 to 29)	10674.90	1365.05	427.73	22222.04	31333.36
25	Physical traded commodities, including gold	0.00	0.00	0.00	0.00	0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	546.41	0.00	0.00	0.00	464.45
27	NSFR derivative assets	0.00	200.64	0.00	0.00	200.64
28	NSFR derivative liabilities before deduction of variation margin posted	0.00	0.00	0.00	0.00	0.00
29	All other assets not included in the above categories	10128.49	1164.41	427.73	22222.04	30668.27
30	Off-balance sheet items	19654.67	0.00	0.00	0.00	903.14
31	Total RSF (14+15+16+24+30)	35942.30	29428.42	11776.42	91760.51	86928.39
32	Net Stable Funding Ratio (%)					119.90

Net Stable Funding ratio (NSFR) as on 31.03.2023 **(Rs. in crore)**

NSFR Disclosure Template						
Particulars		**Un-weighted value by residual maturity**				**Weighted value**
		No maturity*	**< 6 months**	**6 months to <1yr**	**≥1yr**	
Available Stable Funds						
1	Capital:(2+3)	13761.46	0	0	1237.30	1499876
2	Regulatory capital	13761.46	0	0	1237.30	1499876
3	Other capital instruments	.	.	.	.	.
4	Retail deposits and deposits from small business customers:(5+6)	35137.29	42865.02	0	0	70259.50
5	Stable deposits	519.92	669.41	0	0	1129.86
6	Less stable deposits	34617.37	42195.62	0	0	69129.64
7	Wholesale funding:(8+9)	1695.82	29969.40	1560.12	0	12414.63
8	Operational deposits	0	0	0	0	.
9	Other wholesale funding	1695.82	29969.40	1560.12	0	12414.63
10	Other liabilities:(11+12)	0	0	5712.81	820.48	820.48
11	NSFR derivative liabilities		0	309.21	0	
12	All other liabilities and equity not included in the above categories			5403.60	820.48	820.48
13	**Total ASF(1+4+7+10)**					98493.57

Required Stable Funds						
14	Total NSFR high-quality liquid assets (HQLA)	[redacted]				1206.74
15	Deposits held at other financial institutions for operational purposes	0	0	0	0	0
16	Performing loans and securities:(17+18+19+21+23)	0	20168.57	14359.83	53460.14	57148.33
17	Performing loans to financial institutions secured by Level1 HQLA	0	0	0	0	0
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	5622.72	13.64	0	850.23
19	Performing loans to non- financial corporate clients, loans to retail and small business customers and loans to sovereigns, central banks, and PSEs, of which:	0	14481.30	14271.52	33215.43	40072.30
20	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk				12686.10	8245.96
21	Performing residential mortgages, of which:		64.56	74.67	5797.42	3945.60
22	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk				5259.08	3418.40
23	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities				14447.29	12280.20
24	Other assets: (sum of rows 25 to 29)	387.04	0	1702.65	19699.29	20855.61
25	Physical traded commodities, including gold	0				
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				547.05	464.99
27	NSFR derivative assets					
28	NSFR derivative liabilities before deduction of variation margin posted					
29	All other assets not included in the above categories	387.04		1702.65	19152.25	20390.62
30	Off-balance sheet items				18338.79	839.16
31	Total RSF(14+15+16+24+30)	387.04	20168.57	16062.48	91498.22	80049.78
32	Net Stable Funding Ratio (%)					123.04

QUALITATIVE DISCLOSURE ON NET STABLE FUNDING RATIO

The NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. "Available stable funding" (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered for the NSFR, which extends to one year. The amount of stable funding required ("Required stable funding") (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet (OBS) exposures.

Minimum Requirement of NSFR should be equal to at least 100% on an ongoing basis.

$$NSFR = \frac{\text{Available Stable Funding [ASF]}}{\text{Required Stable Funding [RSF]}} \geq 100\,\%$$

The minimum NSFR requirement set out in the RBI guideline for the standalone Bank and for Group is 100% w.e.f 1st October 2021.

As on 31st March 2024, PSB maintained weighted Available Stable Funding (ASF) of Rs. 104223.38 crore against the weighted Required Stable Funding (RSF) of Rs. 86928.39 crore. The NSFR for the quarter ended March 31st, 2024, was at 119.90%.

Brief about NSFR of the Bank

The Available Stable Funding (ASF) mainly constitutes of the capital base, retail deposit base and funding from non-financial companies and long-term funding from institutional clients. After applying the relevant weights, the capital base remained around 15.52%, retail deposits (including deposit from small sized business customers) remained 71.38% and wholesale funding remained 12.09% of the total Available Stable Funding (ASF),

The Required Stable Funding mainly comprises lending to corporates, retail clients and financial institutions which contributed 61.30% of the total RSF after applying the relevant weights. The stock High Quality Liquid Assets, which majorly includes cash and reserve balances with the RBI, Govt. Debt issuances attracted no or low amount of stable funding due to their high quality and liquid characteristic. Accordingly, the HQLA and deposits held for operational purpose constituted only 1.61% of the required stable funding after applying the relevant weights. Other assets and Contingent Funding obligations, such as committed credit facilities, guarantees and letters of credit constituted 36.05% of the Required Stable Funding.

3. Investments

a) Composition of Investment Portfolio as on 31.03.2024

(Rs. in crore)

	Investments in India							Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	24608.57	0.00	0.00	11674.83	0.00	25.85	36309.25	0.00	0.00	0.00	0.00	36309.25
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	24608.57	0.00	0.00	11674.83	0.00	25.85	36309.25	0.00	0.00	0.00	0.00	36309.25
								0.00	0.00	0.00	0.00	
Available for Sale								0.00	0.00	0.00	0.00	
Gross	7607.46	0.00	362.66	5338.91	0.00	1049.33	14358.36	0.00	0.00	0.00	0.00	14358.36
Less: Provision for depreciation and NPI	96.21	0.00	201.70	679.59	0.00	90.95	1068.46	0.00	0.00	0.00	0.00	1068.46
Net	7511.25	0.00	160.96	4659.32	0.00	958.37	13289.90	0.00	0.00	0.00	0.00	13289.90
Held for Trading												
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments	32216.03	0.00	362.66	17013.74	0.00	1075.18	50667.61	0.00	0.00	0.00	0.00	50667.61
Less: Provision for non-performing investments	0.00	0.00	189.52	621.89	0.00	0.00	811.41	0.00	0.00	0.00	0.00	811.41
Less: Provision for depreciation and NPI	96.21	0.00	12.18	57.70	0.00	90.95	257.04	0.00	0.00	0.00	0.00	257.04
Net	**32119.82**	**0.00**	**160.96**	**16334.15**	**0.00**	**984.23**	**49599.16**	0.00	0.00	0.00	0.00	**49599.16**

Composition of Investment Portfolio as on 31.03.2023

(Rs. in crore)

	Investments in India							Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Totai investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	22222.91	0.00	0.00	11674.83	0.00	36.32	33934.06	0.00	0.00	0.00	0.00	33934.06
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	22222.91	0.00	0.00	11674.83	0.00	36.32	33934.06	0.00	0.00	0.00	0.00	33934.06
Available for Sale												
Gross	6753.77	0.00	367.34	4036.49	0.00	372.67	11530.27	0.00	0.00	0.00	0.00	11530.27
Less: Provision for depreciation and NPI	125.17	0.00	212.20	287.72	0.00	0.82	625.91	0.00	0.00	0.00	0.00	625.91
Net	6628.60	0.00	155.14	3748.77	0.00	371.85	10904.36	0.00	0.00	0.00	0.00	10904.36
Held for Trading												
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments	28976.68	0.00	367.34	15711.32	0.00	408.99	45464.33	0.00	0.00	0.00	0.00	45464.33
Less: Provision for non-performing investments	0.00	0.00	191.06	267.49	0.00	0.00	458.55	0.00	0.00	0.00	0.00	458.55
Less: Provision for depreciation and NPI	125.17	0.00	21.14	20.23	0.00	0.82	167.36	0.00	0.00	0.00	0.00	167.36
Net	**28851.51**	**0.00**	**155.14**	**15423.60**	**0.00**	**408.17**	**44838.42**	**0.00**	**0.00**	**0.00**	**0.00**	**44838.42**

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Rs. in crore)

	Particulars	2023-24	2022-23
i)	**Movement of provisions held towards depreciation on investments**		
	a) Opening balance	625.91	485.38
	b) Add: Provisions made during the year	710.73	306.07
	c) Less: Write off / write back of excess provisions during the year	268.18	165.54
	d) Closing balance	1068.46	625.91
ii)	**Movement of Investment Fluctuation Reserve**		
	a) Opening balance	218.09	186.42
	b) Add: Amount transferred during the year	47.71	31.67
	c) Less: Drawdown	0.00	0.00
	d) Closing balance	265.80	218.09
iii)	**Closing balance in IFR as a percentage of closing balance of investments* in AFS and HFT/Current category**	2%	2%

*Carrying value less net depreciation (ignoring net appreciation) i.e .the net amount reflected in the balance sheet.

Amount transferred to Investment Fluctuation Reserve during the year 2023-24 is Rs. 477108707.00

c) Sale and transfers to/from HTM category

i) During the year ended 31st March 2024 bank has shifted Government securities amounting to Rs 790.00 crore Face Value (Rs 794.01 crore Book Value) from Held to Maturity to Available for Sale category, whereas no security has been transferred from Available for Sale to Held to Maturity category. Gain on shifting of securities from HTM to AFS was not booked upfront and gain/loss was recognized on sale of such securities during the year.

ii) The value of shifting/ sales from HTM category (excluding onetime shifting at the beginning of year and sale under pre – announced Open Market Operations auctions) during the year does not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

d) Non-SLR investment portfolio

i) Non-performing non-SLR investments

(Rs. in crore)

Sr. No.	Particulars	2023-24	2022-23
a)	Opening balance	482.60	438.11
b)	Additions during the year since 1st April	512.37	192.32
c)	Reductions during the above period	164.81	147.83
d)	Closing balance	830.16	482.60
e)	Total provisions held	811.41	458.55

ii) Issuer composition of non-SLR investments

(Rs. in crore)

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
(1)	(2)	(3)		(4)		(5)		(6)		(7)	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
a)	PSUs	12711.55	12763.17	12451.38	12564.69	0.00	0.00	12451.38	12587.21	12399.82	12498.37
b)	FIs	2160.97	1263.07	14.70	14.60	0.00	0.00	14.70	46.66	283.05	235.40
c)	Banks	1019.00	625.48	0.00	0.00	0.00	0.00	0.00	23.32	400.57	123.88
d)	Private Corporates	2443.25	1771.62	1005.66	364.83	920.12	523.91	957.34	547.95	1153.30	365.04
e)	Subsidiaries/Joint Ventures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f)	Others	116.80	64.31	116.80	64.31	21.37	26.23	116.80	64.31	116.80	64.31
g)	Provision held towards depreciation (including NPA)	(972.24)	(500.74)	(795.69)	(269.19)	(896.25)	(479.69)	(932.06)	(476.76)	(831.52)	(301.12)
	Total	17479.33	15986.91	12792.85	12739.24	45.24	70.46	12608.16	12792.69	13522.02	12985.88

e) Repo transactions (in face value terms) for FY 2023-24

(Rs. in crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31, 2024
i) Securities sold under repo				
a) Government securities	360.00	1058.00	269.10	600.00
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-
ii) Securities purchased under reverse repo				
a) Government securities	12.00	1700.00	174.22	1700.00
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-

Repo transactions (in face value terms) FY 2022-23

(Rs. in crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31, 2023
i) Securities sold under repo				
a) Government securities	-	-	-	-
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-
ii) Securities purchased under reverse repo				
a) Government securities	1500.00	2754.00	171.55	0.00
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-

f) Government Security Lending (GSL) transactions for FY 2023-24

(Rs. in crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Total volume of transactions during the year	Outstanding as on March 31, 2024
Securities lent through GSL transactions	NIL				
Securities borrowed through GSL transactions					
Securities placed as collateral under GSL transactions					
Securities received as collateral under GSL transactions					

Government Security Lending (GSL) transactions for FY 2022-23

(Rs. in crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Total volume of transactions during the year	Outstanding as on March 31, 2023
Securities lent through GSL transactions	NIL				
Securities borrowed through GSL transactions					
Securities placed as collateral under GSL transactions					
Securities received as collateral under GSL transactions					

4. Asset quality

a)Classification of advances and provisions held

(Rs. in crore)

As on 31.03.2024						
	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	75333.52	893.21	2893.27	1861.73	5648.21	80981.73
Add: Additions during the year					971.19	
Less: Reductions during the year					1954.05	
Closing balance	81299.13	870.53	2849.46	945.36	4665.35	85964.47
Reductions in Gross NPAs due to:						

i) Up gradation	[redacted]	[redacted]	[redacted]	[redacted]	249.38	
ii) Recoveries (excluding recoveries from upgraded accounts)	[redacted]	[redacted]	[redacted]	[redacted]	908.71	
iii) Technical/ Prudential Write-offs	[redacted]	[redacted]	[redacted]	[redacted]	754.62	
iv) Write-offs other than those under (iii) above	[redacted]	[redacted]	[redacted]	[redacted]	41.34	
Provisions (Excluding Floating Provisions)						
Opening balance of provisions held	644.69	171.77	2126.28	1861.73	4159.78	4804.47
Add: Fresh provisions made during the year	[redacted]	[redacted]	[redacted]	[redacted]	636.16	
Less: Excess provision reversed/ Write-off loans	[redacted]	[redacted]	[redacted]	[redacted]	1569.57	
Closing balance of provisions held	571.08	185.72	2095.35	945.30	3226.37	3797.45
Net NPAs						
Opening Balance	[redacted]				1411.50	[redacted]
Add: Fresh additions during the year	[redacted]	[redacted]	[redacted]	[redacted]	723.54	[redacted]
Less: Reductions during the year	[redacted]	[redacted]	[redacted]	[redacted]	784.58	[redacted]
Closing Balance	[redacted]				1350.46	
Floating Provisions						
Opening Balance	NIL					
Add: Additional provisions made during the year						
Less: Amount drawn down during the year						
Closing balance of floating provisions						
Technical write-offs and the recoveries made there on						
Opening balance of Technical/ Prudential written-off accounts	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	7257.41
Add: Technical/ Prudential write-offs during the year	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	754.62
Less: Recoveries made from previously technical/ prudential written-off accounts during the year	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	736.15
Closing balance	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	7275.88

Classification of advances and provisions held

(Rs. in crore)

As on 31.03.2023	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	61822.26	833.13	5568.83	2162.86	8564.82	70387.08
Add: Additions during the year					908.46	
Less: Reductions during the year					3825.07	
Closing balance	75333.52	893.21	2893.27	1861.73	5648.21	80981.73
Reductions in Gross NPAs due to:						
i) Up gradation					235.28	
ii) Recoveries (excluding recoveries from upgraded accounts)					1306.50	
iii) Technical/ Prudential Write-offs					2127.64	
iv) Write-offs other than those under (iii) above					155.65	
Provisions (Excluding Floating Provisions)						
Opening balance of provisions held	711.70	226.65	4367.08	2162.50	6756.23	7467.93
Add: Fresh provisions made during the year					574.08	
Less: Excess provision reversed/ Write-off loans					3170.53	
Closing balance of provisions held	644.69	171.77	2126.28	1861.73	4159.78	4804.47
Net NPAs						
Opening Balance					1742.27	
Add: Fresh additions during the year					712.16	
Less: Reductions during the year					1042.93	
Closing Balance					1411.50	
Floating Provisions						
Opening Balance	NIL					
Add: Additional provisions made during the year						

Less: Amount drawn down during the year		
Closing balance of floating provisions		
Technical write-offs and the recoveries made there on		
Opening balance of Technical/ Prudential written-off accounts	[redacted]	5820.95
Add: Technical/ Prudential write-offs during the year	[redacted]	2127.64
Less: Recoveries made from previously technical/ prudential written-off accounts during the year	[redacted]	691.18
Closing balance	[redacted]	7257.41

Ratios (%)	2023-24	2022-23
Gross NPA to Gross Advances	5.43	6.97
Net NPA to Net Advances	1.63	1.84
Provision coverage ratio (With TWO)	88.69	89.06
Provision coverage ratio (Without TWO)	71.05	75.01

b) Sector-wise Advances and Gross NPAs

(Rs. in Crore)

Sr.No.	Sector	2023-24			2022-23		
		Outstanding Total Advances*	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector (%)	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector (%)
i)	**Priority Sector**	32635.81	2887.63	8.85	31285.60	2739.33	8.76
a)	Agriculture and allied activities	12523.73	1227.98	9.81	11787.44	1027.17	8.71
b)	Advances to industries sector eligible as priority sector lending	4596.64	438.30	9.54	4505.60	465.84	10.34
Of which, outstanding advances exceeds 10% of the outstanding total advances to that sector							
b.i)	Textiles	940.25	158.66	16.87	947.29	158.25	16.71
b.ii)	Engineering	513.81	65.10	12.67	529.89	62.03	11.71
b.iii)	Metal and Metal Products	584.04	24.95	4.27	505.80	24.14	4.77
c)	Services	11748.40	1007.19	8.57	10375.46	983.33	9.48
d)	Personal loans	3767.04	214.17	5.69	4617.10	262.99	5.70
	Subtotal (i)	**32635.81**	**2887.63**	**8.85**	**31285.60**	**2739.33**	**8.76**
ii)	**Non-priority Sector**	53328.66	1777.71	3.33	49696.12	2908.87	5.85
a)	Agriculture and allied activities	1.98	0.28	14.14	0.00	0.00	0.00
b)	Industry	18014.21	833.84	4.63	18275.59	1231.17	6.74
Of which, outstanding advances exceeds 10% of the outstanding total advances to that sector							

b.i)	Power & Energy	5485.45	42.51	0.77	5704.89	219.40	3.85
b.ii)	Social & Comm. Infra	3899.33	0.00	0.00	4596.03	0.02	0.00
b.iii)	Roads and Highways	3531.78	559.33	15.84	3264.07	733.05	22.46
c)	Services	23051.94	589.77	2.56	19600.56	1462.84	7.46
Of which, outstanding advances exceeds 10% of the outstanding total advances to that sector							
c.i)	NBFC	11832.60	510.94	4.32	14060.02	1150.91	8.19
d)	Personal loans	12260.53	353.82	2.89	11819.97	214.86	1.82
	Sub-total (ii)	53328.66	1777.71	3.33	**49696.12**	**2908.88**	**5.85**
	Total (I +ii)	**85964.47**	**4665.34**	**5.43**	**80981.72**	**5648.21**	**6.97**

*Outstanding total advance refers to Gross Advances.

c) Overseas assets, NPAs and revenue

(Rs. in Crore)

Particulars	2023-24	2022-23
Total Assets	55.36	55.52
Total NPAs	0.00	0.00
Total Revenue	1.14	5.73

d) Particulars of resolution plan and restructuring

The Bank holds an additional standard asset provision in respect of 1 borrower's account, in terms of RBI Circular DBR No. BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 on "Prudential Framework for Resolution of Stressed Assets" amounting to Rs 24.48 crore (Rs.50.51 crores PY 31.03.2023). The details are as under:-

(Rs. in crore)

Amount of Loans Impacted by RBI Circular (A)	Amount of Loans to be classified as NPA (B)	Amount of Loans as on 31.03.2024, out of (B) classified as NPA (C)	Addl. Provision required for loans covered under RBI Circular (D)	Provision out of (D) made by 31.03.2024 (E)
69.16	-	-	24.48	24.48

(Rs. in Crore)

Amount of Loans Impacted by RBI Circular (A)	Amount of Loans to be classified as NPA (B)	Amount of Loans as 31.03.2023, out of classified as NPA (C)	Addl. Provision required for loans covered under RBI Circular (D)	Provision out of already made 31.03.2023 (E)
142.68	-	-	50.51	50.51

e) Divergence in asset classification and provisioning

As per RBI Master Direction No DOR.ACC.REC.No.45/21.04.018/2021-22 dated 30.08.2021 (updated on 15.11.2021, further updated on 25.10.2023 as per financial statements – presentation and disclosure , divergence in the asset classification and provisioning, Banks should disclose divergences in the asset classification and provisioning, Banks should disclose divergence, if either or both of the following conditions are satisfied:

(a) the additional provisioning for NPAs assessed by RBI as part of its supervisory process exceeds 5 percent of the reported profit before provisions and contingencies for the reference period, and (b) the additional Gross NPAs identified by RBI as part of its supervisory process exceed 5 percent of the reported incremental Gross NPAs for the reference period.

Divergences are within threshold limits in the Bank as specified above. Hence, no disclosure is required with respect to RBI's annual supervisory process for FY 2022-23.

f) Disclosure of transfer of loan exposures

(i) In accordance with RBI circular no.DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021; in respect of the details of loans transferred/acquired during the year ended 31st March 2024 are given below:

(a) The bank has not transferred and acquired Special Mention Account (SMA) during the quarter / year ended 31st March 2024. (31st March 2023 – Nil)

(b) The bank has transferred following Non Performing Assets (NPAs) during the quarter/ year ended 31st March 2024. (31st march 2023 – Nil)

Details of NPI transferred during 2023-24			
(All amounts in Rs. Crore)	**To ARCs**	**To permitted transferees**	**To other permitted transferees**
No of accounts	1	-	-
Aggregate principal outstanding of loans transferred	14.83	-	-
Weighted average residual tenor of the loans transferred	NIL	-	-
Net book value of loans transferred (at the time of transfer)	0	-	-
Aggregate consideration	1.67*	-	-
Additional consideration realized in respect of accounts transferred in earlier years	NIL	-	-
Quantum of excess Provision reversed to the Profit & Loss account on account of sale of stressed loans	-	-	-

*Cash component of Rs 0.25 Crore received till 31.03.2024. However, Security Receipt amounting to Rs1.42 Crore is yet to be received.

Details of stressed loans (NPA) transferred during 2023-24			
(All amounts in Rs. Crore)	**To ARCs**	**To permitted transferees**	**To other transferees (please specify)**
No: of accounts	3	NIL	NIL
Aggregate principal outstanding of loans transferred	186.30	NIL	NIL
Weighted average residual tenor of the loans transferred	NA	NIL	NIL
Net book value of loans transferred (at the time of transfer)	186.30	NIL	NIL
Aggregate consideration	134.23	NIL	NIL
Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL	NIL

Details of loans acquired during the year		
	From SCBs, RRBs, Co-operative banks, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	**From ARCs**
Aggregate principal outstanding of loans acquired	NIL	NIL
Aggregate consideration paid	NIL	NIL
Weighted average residual tenor of loans acquired	NIL	NIL

(c) Details of loans not in default acquired through assignment are given below:

Particulars	**Amounts in Crore**
Aggregate amount of loans acquired	-
Weighted average residual maturity (in months)	-
Weighted average holding period by originator (in months)	-
Retention of beneficial economic interest by the originator	-
Tangible security coverage	-

(d) Details of Standard assets acquired through assignment/ Novation and Loan Participation **(Co-Lending)**:

(Rs. in crore)

Particulars	Quarter ended 31.03.2024	Year ended 31.03.2024	Year ended 31.03.2023
No. of accounts purchased during the year	3219	11505	3931
Aggregate outstanding	631.96	2293.46	964.56
Weighted average maturity (in months)	167.94	166.82	158
Weighted average holding period (in months)	0.80	8.27	5.16
Retention of beneficial economic interest	MSME- 20% HL- 25%	MSME- 20% HL- 25%	MSME- 20% HL- 25%
Coverage of tangible security coverage	175.01	186.19	147.40

The loans acquired are not rated as these are to non-corporate borrowers.

(e) Details of Standard assets acquired through assignment/ Novation and Loan Participation **(Pool Buy-out)**:

Particulars	Quarter ended 31.03.2024	Year ended 31.03.2024	Year ended 31.03.2023
No. of accounts purchased	NIL		
Aggregate Loan outstanding (Rs. in.crore)			
Weighted average maturity (in months)			
Weighted average holding period (in months)			
Retention of beneficial economic interest			
Coverage of tangible security coverage (%)			

(ii) The distribution of the Security Receipts (SRs) held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on 31st March 2024:

(Rs. in crore)

Recovery Rating Band	31.03.2024 (Book Value)	31.03.2023 (Book Value)
RR1+	Nil	Nil
RR1	21.37	26.23
RR2	Nil	Nil
RR3	Nil	Nil
RR4	Nil	Nil
RR5	Nil	Nil
Rating Withdrawn	Nil	Nil
Unrated	68.06	Nil
Total	**89.43**	**26.23**

The bank has provided 100% provision against the mentioned Security receipts as on 31.03.2024.

g) Fraud accounts

(Rs. in crore)

Particulars	2023-24	2022-23
Number of frauds reported (Nos.)	245	132
Amount involved in fraud	43.55	1363.22
Amount of provision made for such frauds	34.67	1137.14
Amount of Unamortised provision debited from 'other reserves' as at the end of the year	0.00	0.00

PUNJAB & SIND BANK East Kidwai Nagar, New Delhi
CHATURVEDI & CO. KOLKATA CHARTERED ACCOUNTANTS
Chaudhry & Associates Chartered Accountants
S.P. CHOPRA & CO. NEW DELHI CHARTERED ACCOUNTANTS
GUPTA SHARMA & ASSOCIATES JAMMU Chartered Accountants

h) Disclosure under Resolution Framework for COVID-19-related Stress

i) Details of resolution plan implemented under the Resolution Framework for COVID-19 related stress as per RBI Circular dated August 6, 2020 (RF 1.0) and May 05,2021 (RF 2.0)are given below:-

For Half Year ended 31.03.2024

(Rs. in crores)

Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of the previous half year (30.09.2023) (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) Amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of this half year (31.03.2024)
Personal loans	816.32	33.46	0.00	52.72	748.90
Corporate persons#	803.53	26.56	0.00	60.08	712.26
Of Which MSME	426.27	26.24	0.00	36.03	320.76
Others	33.50	0.87	0.00	1.64	31.44
Total	1653.35	60.89	0.00	114.44	1492.60
#as defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					

For Half Year ended 30.09.2023

(Rs. in crores)

Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the half year ended 31.03.2023 (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) Amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of this half year (30.09.2023)
(i) Personal loans	916.20	44.25	0.00	58.60	817.28
(ii) Corporate persons#	1041.82	141.35	0.00	119.07	802.57
Of Which MSME	534.56	57.61	0.00	68.99	426.27
(iii) Others	33.34	0.69	0.00	1.79	33.50
Total	1991.36	186.29	0.00	179.46	1653.35
#as defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					

For Half Year ended 31.03.2023

(Rs. in crores)

Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of the previous half year (30.09.2022) (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) Amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of this half year (31.03.2023)
(i) Personal loans	1003.24	43.86	0.00	60.93	916.20
(ii) Corporate persons#	1105.94	25.25	0.00	65.84	1041.82
Of Which MSME	599.41	25.25	0.00	52.36	534.56
(iii) Others	39.19	2.84	0.00	2.59	33.34
Total	2148.37	71.95	0.00	129.36	1991.36
#as defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					

For Half Year ended 30.09.2022

(Rs. in crores)

Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the half year ended 31.03.2022 (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) Amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of this half year (30.09.2022)
(i) Personal loans	1101.15	67.29	0.00	69.81	1003.24
(Ii) Corporate persons#	1735.18	65.84	0.00	564.36	1105.94
Of Which MSME	709.89	65.84	0.00	49.79	599.41
(iii) Others	46.40	2.84	0.00	4.17	39.19
Total	2882.73	135.97	0.00	638.34	2148.37
#as defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					

5. Exposures:

a) **Exposure to Real Estate Sector**

(Rs. in crore)

Category			2023-24	2022-23
i) Direct Exposure				
(a)	Residential Mortgage			
i.	Lending fully secured by mortgages of residential property that is or will be occupied by the borrower or that is rented		9114.95	8129.80
ii.	Individual housing loans eligible for inclusion in priority sector advances		3764.41	3875.73
(b)	Commercial Real Estate			
	Lending secured by mortgages of commercial real estates (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc)		479.17	814.68
(c)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures		-	-
	a.	Residential	-	-
	b.	Commercial Real Estate	-	-
ii) Indirect Exposure			4496.58*	6182.73*
Fund based and Non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)				
Total Exposure to Real Estate Sector			14090.70	15127.21

* Includes Rs781.04 crore (Previous year Rs. 869.92 crore) by way of Investment in NHB & Housing Finance Companies

PUNJAB & SIND BANK

CHATURVEDI & CO. KOLKATA CHARTERED ACCOUNTANTS

S.P. CHOPRA & CO. NEW DELHI CHARTERED ACCOUNTANTS

JAMMU

b) Exposure to Capital Market

(Rs.in crore)

	Particulars	2023-24	2022-23
1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	705.62	397.04
2	Advances against shares/ bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	0.00	0.60
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances;	-	-
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
6	Loans sanctioned to corporates against the security of shares/ bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
7	Bridge loans to companies against expected equity flows/ issues;	-	-
8	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
9	Financing to stockbrokers for margin trading;	-	-
10	All exposures to Venture Capital Funds (both registered and unregistered)	27.37	38.07
Total Exposure to Capital Market		732.99	435.71

c) Risk Category wise Country Exposure

ECGC Classification	Risk category	Exposure (net) as at 31.03.2024	Provision held as at 31.03.2024	Exposure (net) as at 31.03.2023	Provision held as at 31.032023
A1	Insignificant	131.50	NIL	236.97	NIL
A2	Low risk	17.51	NIL	19.89	NIL
B1	Moderately Low risk	57.79	NIL	0.00	NIL
B2	Moderate Risk	0	NIL	0.70	NIL
C1	Moderately high risk	0	NIL	0.00	NIL
C2	High Risk	0	NIL	0.00	NIL
D	Very High Risk	0	NIL	0.00	NIL

The net country-wise funded exposure of the Bank in respect of Foreign Exchange Transactions in respect of each country is within 1% of the Total Assets of the Bank. Hence, no provision is required as per RBI guidelines.

d) Unsecured Advances

(Rs. in crore)

Particulars	2023-24	2022-23
Total unsecured advances of the bank	7964.12	6578.70
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. have been taken	0.00	0.00
Estimated Value of such intangible	0.00	0.00

e) Factoring Exposures: Nil FY 2023-24 (Nil – PY 2022-23)

f) Intra-Group Exposures

(Rs. in crore)

S. No.	Particulars	2023-24		2022-23	
		Sanctioned Loan/limit	Balance O/s	Sanctioned Loan/limit	Balance O/s
(a)	Total amount of intra-group exposures	NIL	NIL	NIL	NIL
(b)	Total amount of top-20 intra-group exposures	NIL	NIL	NIL	NIL
(c)	Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	NIL	NIL	NIL	NIL
(d)	Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	NIL	NIL	NIL	NIL

g) Un-hedged Foreign Currency Exposure

The Bank has estimated the liability towards Unhedged Foreign Currency Exposure in terms of RBI (Unhedged Foreign Currency Exposure) Directions, 2022 vide circular DOR.MRG.REC.76/00-00-007/2022-23 dated October 11, 2022 and is holding a provision of Rs 0.38 crore as on 31st March 2024. (Rs.0.04 crore as on 31.03.2023)

6. Concentration to Deposits, Advances, Exposures and NPAs

a) Concentration of Deposits

(Rs. in crore)

Particulars	2023-24	2022-23
Total Deposits of twenty largest depositors	9825.34	13491.58
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank (%)	8.23	12.30

b) Concentration of Advances

(Rs. in crore)

Particulars	2023-24	2022-23
Total Advances to twenty largest borrowers	21201.80	20677.61
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank (%)	23.60	25.53

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c) Concentration of Exposures*

(Rs. in crore)

Particulars	2023-24	2022-23
Total Exposure to twenty largest borrowers/ customers	21112.86	20946.94
Percentage of Exposure to the twenty largest borrowers/ customers to Total Exposure of the bank on borrowers/ customers (%)	17.51	22.24

*Exposure to Central Govt and Central Govt guaranteed have been excluded.

d) Concentration of NPAs

(Rs. in crore)

Particulars	2023-24	2022-23
Total Exposure to the top twenty NPA Accounts	1444.41	2521.29
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs. (%)	30.96	44.64

7. Derivatives

Bank under derivatives only deals in merchant forward contract and the value of outstanding Forward contract is Rs 496.05 crore.

a) Forward rate agreement/Interest rate swap

(Rs. in crore)

Sr. No	Particulars	2023-24	2022-23
i)	The notional principal of swap agreements	NIL	NIL
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	NIL	NIL
iii)	Collateral required by the bank upon entering into swaps	NIL	NIL
iv)	Concentration of credit risk arising from the swaps	NIL	NIL
v)	The fair value of the swap book	NIL	NIL

b) Exchange traded interest rate derivatives

(Rs. in crore)

Sr. No	Particulars	2023-24	2022-23
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)	NIL	NIL
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March (instrument wise)	NIL	NIL
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	NIL	NIL
iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not' highly effective' (instrument wise)	NIL	NIL

c) Disclosures on risk exposure in derivatives

Bank has not entered into derivative transactions in respect of Forward rate agreement/Interest Rate Swap/ Exchange Traded Interest Rate Derivatives during the year 2023-24. Accordingly, qualitative and quantitative disclosures under RBI guidelines with respect to derivative transactions are not required.

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(Rs. in crore)

Sr.No	Particular	2023-24		2022-23	
		Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
a)	Derivatives (Notional Principal Amount)	-	-	-	-
	i) For hedging	-	-	-	-
	ii) For trading	-	-	-	-
b)	Marked to Market Positions	-	-	-	-
	i) Asset(+)	-	-	-	-
	ii) Liability(-)	-	-	-	-
c)	Credit Exposure	-	-	-	-
d)	Likely impact of one percentage change in interest rate(100*PV01)	-	-	-	-
	i) on hedging derivatives	-	-	-	-
	ii) on trading derivatives	-	-	-	-
e)	Maximum and Minimumof100*PV01 observed during the year	-	-	-	-
	i) on hedging	-	-	-	-
	ii) on trading	-	-	-	-

d) Credit default swaps

Bank has not entered into any Credit Default Swaps during the year 2023-24.

8. Disclosures relating to securitization

(Numbers/Rs in crore)

Sr. No	Particulars				2023-24	2022-23
1.	No of SPEs holding assets for securitization transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)				NIL	NIL
2.	Total amount of securitized assets as per books of the SPEs				NIL	NIL
3.	Total amount of exposures retained by the originator to comply Minimum Retention Requirement (MRR) as on the date of balance sheet.				NIL	NIL
	a)	Off-balance sheet exposures			NIL	NIL
		*	First loss		NIL	NIL
		*	Others		NIL	NIL
	b)	On-balance sheet exposures			NIL	NIL
		*	First loss		NIL	NIL
		*	Others		NIL	NIL
4.	Amount of exposures to securitization transactions other than MRR					
	a)	Off-balance sheet exposures			NIL	NIL
		i)	Exposure to own securitizations		NIL	NIL
			*	First loss	NIL	NIL
			*	Others	NIL	NIL
		ii)	Exposure to third party securitizations		NIL	NIL
			*	First loss	NIL	NIL
			*	Others	NIL	NIL
	b)	On-balance sheet exposures			NIL	NIL

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		i)	Exposure to own securitizations		NIL	NIL
			*	First loss	NIL	NIL
			*	Others	NIL	NIL
		ii)	Exposure to third party securitizations		NIL	NIL
			*	First loss	NIL	NIL
			*	Others	NIL	NIL
5.	Sale consideration received for the securitized assets and gain/loss on sale on account of securitization				NIL	NIL
6.	Form and quantum (outstanding value) of services provided by way liquidity support, post- securitization asset servicing ,etc.				NIL	NIL
7.	Performance of facility provided for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Percent in bracket as of total value of facility provided. (a) Amount paid (b) Repayment received (c) Outstanding amount				NIL	NIL
8.	Average default rate of portfolios observed in the past. (Breakup separately for each asset class i.e. RMBS, Vehicle Loans etc)				NIL	NIL
9.	Amount and number of additional/top up loan given on same underlying asset.				NIL	NIL
10.	Investor complaints (a) Directly/Indirectly received and;				0	3
	(b) Complaints outstanding				0	0

9. Off balance sheet SPVs sponsored

(Rs. in crore)

Name of the SPV sponsored			
Domestic		Overseas	
31.03.2024	31.03.2023	31.03.2024	31.03.2023
NA	NA	NIL	NIL

10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

(Rs. in crore)

Sr. No	Particulars	2023-24	2022-23
i)	Opening balance of amounts transferred to DEA Fund	500.24	430.03
ii)	Add: Amounts transferred to DEA Fund during the year	139.01	77.66
iii)	Less: Amounts reimbursed by DEA Fund towards claims	31.72*	7.45*
iv)	Closing balance of amounts transferred to DEA Fund	607.53	500.24

* Principal

11. Disclosure of complaints

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

Sr. No	Particulars		2023-24	2022-23
	Complaints received by the bank from its customers			
1		Number of complaints pending at beginning of the year	86	202

2		Number of complaints received during the year	14354	19051
3		Number of complaints disposed during the year	14270	19167
	3.1	Of which, number of complaints rejected by the bank	663	366
4		Number of complaints pending at the end of the year	170	86
	Maintainable complaints received by the bank from Office of Ombudsman			
5		Number of maintainable complaints received by the bank from Office of Ombudsman	485	544
	5.1.	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	198	254
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	287	276
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	NIL	NIL
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	NIL	NIL

b) Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
	2023-24				
Internet/Mobile/ Electronic Banking	14	4727	12.52	30	NIL
ATM/Debit Cards	30	4611	(58.21)	49	NIL
Loans and advances	16	821	28.68	18	2
Levy of charges without prior notice / excessive charges / foreclosure charges	1	758	24.67	13	NIL
Staff behavior	2	160	32.23	12	1
Others	23	3277	33.86	48	7
Total	**86**	**14354**	**(24.65)**	**170**	**10**
	2022-23				
ATM/Debit Cards	32	11035	8.71	30	NIL
Internet/Mobile/ Electronic Banking	119	4201	(59.16)	14	1
Loans and advances	18	638	(11.02)	16	NIL
Levy of charges without prior notice/excessive charges/ fore closure charges	5	608	215.03	1	NIL
Cheques / drafts/ bills	Nil	135	62.65	2	NIL
Others	28	2434	(4.25)	23	2
Total	**202**	**19051**	**(20.53)**	**86**	**3**

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12. Disclosure of penalties imposed by the Reserve Bank of India: During the year penalty was levied by RBI in following 2 instances (1 instance - PY 2022-23)

(Rs. in crore)

Particulars	2023-24	2022-23
A. Penalty imposed by RBI vide letter dated 25.09.2023 on account of Bank failing to credit an amount of Rs. 70.65 crore standing to the credit of 263865 accounts to DEAF Fund within the period prescribed under provision of Section 26A Banking Regulation Act.	1.00	0.00
B. Penalty imposed by Reserve Bank of India (RBI) vide order dated 3rd January 2024 for non-compliance with certain directions issued by RBI on 'Loans & advances – Statutory and other Restrictions.' This penalty has been imposed in exercise of powers vested in RBI conferred under the provision of Section 47A (1) (c) read with section 46 (4) (i) and 51 (1) of the Banking Regulation Act 1949.	1.00	0.00
C. Penalty imposed by RBI on account of Non-compliance of the directions issued by RBI circular No. DBR.DIR.BC.No.14/13.03.00/2019-20 dated September 04, 2019 on 'External Benchmark Lending'.	0.00	0.275

13. Disclosures on Remuneration - Not Applicable to bank

14. Other Disclosures

a) Business Ratios

(Rs. in crore)

Particular	2023-24	2022-23
i) Interest Income as a percentage to Working Funds (%)	6.68	5.99
ii) Non-interest income as a percentage to Working Funds (%)	0.84	0.70
iii) Cost of Deposits (%)	5.55	4.53
iv) Net Interest Margin (%)	2.45	2.91
v) Operating Profit as a percentage to Working Funds (%)	0.78	1.09
vi) Return on Assets (%)	0.41	0.98
vii) Business (deposits plus advances) per employee	23.35	21.45
viii) Profit per employee	0.07	0.15

b) Disclosure of Fees/ Remuneration Received in respect of Bancassurance Business

(Rs. in crore)

	2023-24	2022-23
A. Fee/ Remuneration from Life Insurance Business	23.70	19.75
B. Fee/ Remuneration from General Insurance Business	3.59	3.38
C. Commission on APY	1.19	1.53

c) Disclosure of Fees/ Remuneration Received in respect of Marketing and Distribution Function (Excluding Bancassurance Business)

(Rs. in crore)

	2023-24	2022-23
Commission on Sovereign Gold Bond Scheme	0.46	0.43
Commission on ASBA	0.01	0.01
Commission on SBICPSL	0.81	0.00

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

Bank has sold 1200 units under Priority Sector Lending certificates (PSLCs) to the tune of Rs 300.00 crore under Small & Marginal farmers and earned commission income of Rs 6.75 crore during year ended 31st March 2024.

Bank has sold 3400 units under Priority Sector Lending certificates (PSLCs) to the tune of Rs.850.00 crore under Small & marginal farmers and earned commission income of Rs.9.74 Crore during the year ended 31.03.2023

Further, Bank has purchased 20440 units (12000 units in Agriculture and 8440 units in small & Marginal Farmers) under Agriculture and Small & Marginal farmers and incurred cost of Rs 23.23 crore (Rs 8.99 crore in Agriculture and Rs 14.24 crore in Small & Marginal farmers) during year ended 31st March 2024.

e) Provisions and contingencies

(Rs. in crore)

Provision debited to Profit and Loss Account	2023-24	2022-23
Provisions for NPI	352.86	25.13
Provision towards NPA	(178.80)	(471.06)
Provision made towards Income tax	341.56	306.81
Other Provisions and Contingencies (with details)	19.90	276.03

(Rs. in crore)

Break up of 'Provisions & Contingencies' shown under the head Expenditure in Profit & Loss Account	2023-24	2022-23
Provision for Non Performing Advances	(178.80)	(471.06)
Provision for Standard Advances	(73.61)	(67.01)
Provision for diminution in FV Restructured Advances	(.79)	(1.78)
Provision for Non Performing Investments	352.86	25.13
Provision for Fraud	0.22	54.93
Rebate on Advances	41.35	155.65
Other Provisions	52.73	134.23
Provision for Taxation:		
Current Tax	220.45	265.13
Deferred Tax	224.02	324.10
MAT Credit Entitlement–Current Year	(102.91)	(282.41)
MAT Credit Entitlement Reversed	0.00	0.00
Total	**535.52**	**136.91**

f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

Bank is complying with the reporting requirements of statutory authorities in relation to IND-AS. Bank has on boarded a consultant having considerable experience in the field of implementation of IND-AS. The consultant is assisting the bank in devising a road map with respect to smooth implementation of Ind As.

g) Payment of DICGC Insurance Premium

(Rs. in crore)

Sr. No.	Particulars	2023-24	2022-23
i)	Payment of DICGC Insurance Premium	158.14	142.86
ii)	Arrears in payment of DICGC premium	0.00	0.00

h) Disclosure of facilities granted to directors and their relatives : Not Applicable to bank

i) Disclosure on amortization of expenditure on account of enhancement in family pension of employees of banks

The estimated additional Pension liability on account of revision in family pension was Rs 236.84 crore. RBI vide its Circular RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated 4th October 2021, had permitted all member Banks of Indian Banks Association to amortize the said additional liability over a period not exceeding five years beginning with the financial year ending 31st March 2022, subject to a minimum of 1/5th of the total amount being charged every year. The Bank is amortizing the said liability over a period, not exceeding 5 years commencing from the financial year ended 31st March 2022, subject to a minimum of Rs 47.37 crore every year. Balance unamortized amount as on 31st March 2023 was Rs.142.10 crore. Accordingly, the Bank has charged an amount of Rs.11.37 crore and Rs.47.37 crore to the Profit & Loss account during current quarter and year ended 31st March 2024 respectively and the balance unamortized amount of Rs.94.73 crore has been carried forward. Had the Bank charged the entire additional liability to the Profit and Loss Account, the net profit (after tax) for the quarter and year ended 31st March 2024 would have been lower by Rs.61.63 crore.

j) Letter of Comfort (LOCs)

Letter of Comfort (LOC) amounting to Rs. 3.45 crore, issued to other Banks for Non fund credit facilities, which are a part of total credit facilities (Funded/Non funded) issued to the borrowers and outstanding as on 31.03.2024.

k) Disclosure in terms of RBI circular no.DOR.STR.REC.91/21.04.018/2021-22 dated December 13, 2022:

i) Items under the subhead "Miscellaneous Income" under the head "Schedule 14 – Other Income" exceeding 1% of Total Income.

(Rs. in crore)

S.No.	Particulars	2023-24	% out of Total Income	2022-23	% out of Total Income
1	Recovery in Technical Write Off Accounts	691.42	6.33	511.64	5.73
2	Miscellaneous Income	143.36	1.31	110.82	1.24

ii) Items under the subhead "Other Expenditure" under the head "Schedule 16 – Operating Expenses" exceeding 1% of Total Income : NIL.

iii) Items under the head "Schedule 5(IV) – Other Liabilities and Provisions- "Others (including provisions)" exceeding 1% of Total Assets: NIL

iv) Items under the head "Schedule 11(VI) – Other Assets - "Others" exceeding 1% (one percent) of Total Assets.

(Rs. in crore)

S.No.	Particulars	2023-24	% out of Total Assets	2022-23	% out of Total Assets
1	Rural Infrastructure Development Fund [RIDF]	1673.84	1.15	2359.44	1.73

15. Disclosure as per Accounting Standard (AS)

15.1 AS-5 Net Profit or Loss for the period, prior period items and changes in accounting policies

15.1.1 There are no material prior period items included in Profit & Loss Account required to be disclosed as per AS-5 read with RBI guidelines except those disclosed elsewhere in the notes.

15.2 AS-9 Revenue Recognition

Certain items of income are recognized on realization basis as disclosed at point no. 8 – "Revenue Recognition" of **Schedule 17 – Significant Accounting Policies**. However, in terms of RBI guidelines, the said income is not considered to be material.

15.3 AS-10 Property Plant & Equipment/ Fixed Assets

The bank has conducted revaluation of its immovable properties during the FY 2023-24 based on the reports obtained from the external independent valuers. The closing balance of Revaluation Reserve as on 31.03.2024 (Net of amount transferred to revenue reserve) is Rs. 1066.39 crore (Previous year Rs. 912.22 crore).

15.4 AS 15 - Employees Benefit

Provisions for Pension, Gratuity, Leave Encashment and Other long term benefits have been made in accordance with the Revised Accounting Standard (AS - 15) Employees Benefits issued by the ICAI.

The summarized position of post-employment benefits recognized in the Profit & Loss A/c and Balance Sheet is as under:

Changes in the Present value of the Obligation

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2023-24	**2022-23**	**2023-24**	**2022-23**	**2023-24**	**2022-23**
Present Value of defined benefit obligation as at 1st April	4698.52	4610.95	321.37	319.58	272.22	257.93
Interest cost	319.23	313.48	21.96	21.95	18.91	18.05
Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00
Current service cost	195.63	214.86	26.73	24.90	58.18	16.94
Benefits paid	(517.03)	(453.22)	(34.39)	(35.31)	(20.49)	(19.38)
Actuarial loss/ (gain) on obligations	217.08	12.45	13.76	(9.75)	(21.02)	(1.32)
Present value of defined Benefit obligation at 31st March	4913.43	4698.52	349.43	321.37	307.80	272.22

Changes in the Present Value of Plan Assets

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2023-24	**2022-23**	**2023-24**	**2022-23**	**2023-24**	**2022-23**
Fair value of Plan Assets as at 1st April	4432.10	4322.98	318.26	321.08	269.60	262.41
Expected return of Plan Assets	354.12	339.35	25.56	25.37	18.63	17.53
Contributions	381.81	282.83	28.11	13.79	20.62	9.24
Benefits paid	(517.03)	(453.22)	(34.39)	(35.31)	(20.490	(19.38)
Actuarial gain/(loss)	13.41	(59.84)	2.55	(6.67)	(0.13)	(0.20)
Fair value of Plan Assets as at 31st March	4664.41	4432.10	340.09	318.26	288.23	269.60
Actual return on Plan Assets	367.53	279.51	28.11	18.70	18.50	17.33

Net Actuarial Loss/ (Gain)

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2023-24	**2022-23**	**2023-24**	**2022-23**	**2023-24**	**2022-23**
Actuarial loss/(gain) on Obligation. (A)	217.08	12.45	13.76	(9.75)	(21.02)	(1.32)
Actuarial loss/(gain) on Plan Assets (B)	(13.41)	59.84	(2.55)	6.67	0.13	0.20
Net Actuarial loss/(gain)	203.67	72.29	11.21	(3.08)	(20.89)	(1.12)
Actuarial loss/(gain) recognized in the period (A+B)	203.67	72.29	11.21	(3.08)	(20.89)	(1.12)
Unrecognized actuarial loss/ (Gain) at the end of the year	NIL	NIL	NIL	NIL	NIL	NIL

Amount recognized in the Balance Sheet

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Present value of defined benefit obligation as at 31st March	4913.43	4698.52	349.43	321.37	307.80	272.22
Less: Fair value of Plan Assets as at 31st March	4664.41	4432.10	340.09	318.26	288.23	269.60
Excess net Asset / (Unfunded Liability) Recognized in the balance sheet	(249.02)	(266.42)	(9.34)	(3.11)	(19.57)	(2.62)
Higher Provisioning kept	NIL	NIL	NIL	NIL	NIL	NIL
Transitional liability recognized during the year	--	--	--	--	--	--
Unrecognized transitional liability	--	--	--	--	--	--
Excess net Asset / (Unfunded Liability) Recognized in the balance sheet	(249.02)*	(266.42)	(9.34)	(3.11)	(19.57)	(2.62)

* including deferred Family pension liability of Rs 94.73 Crore

Expenses recognized in the Profit & Loss Account

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Current service cost	195.63	214.86	26.73	24.90	58.18	16.94
Past Service Cost	--	--	--	--	--	--
Interest cost	319.23	313.48	21.96	21.95	18.91	18.05
Expected return on plan assets	(354.12)	(339.35)	(25.56)	(25.37)	(18.63)	(17.53)
Net Actuarial (gain)/ loss recognized during the year	203.67	72.29	11.21	(3.08)	(20.89)	(1.12)
Deferred Pension Expenditure	--	--	--	--	--	--
Net (Benefit)/ Expense	364.41	261.28	34.34	18.40	37.57	16.34

Movements in the liability recognized in the Balance Sheet

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Opening net Liability/(Asset)	266.42	287.97	3.11	(1.50)	2.62	(4.48)
Add: Deferred Pension Expenditure	--	--	--	--	--	--
Add: Net benefit expense	364.41	261.28	34.34	18.40	37.57	16.34
Less: Contribution paid	381.81	282.83	28.11	13.79	20.62	9.24
Closing liability/(Asset)	249.02	266.42	9.34	3.11	19.57	2.62
Add: Higher Provisioning Kept	NIL	NIL	NIL	NIL	NIL	NIL
Closing liability/(Asset)	249.02*	266.42	9.34	3.11	19.57	2.62

* including Deferred Family Pension Liability of Rs 94.73 Crore

Investment percentage maintained by the trust

(in % age)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Central Government Securities	5.73	6.29	--	--	--	--
State Government Securities	9.12	13.24	19.85	21.09	--	--
High Safety Bonds/TDRs	9.64	9.76	19.62	20.95	88.86	82.47
Other investments	75.51	70.71	60.53	57.96	11.14	17.53

Principal Actuarial assumptions at the Balance Sheet date

(in % age)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Discount rate	7.19	7.15	7.22	7.27	7.22	7.27
Expected rate of return on plan assets	7.99	7.85	8.03	7.90	6.91	6.68
Rate of escalation in salary	5.00	5.00	5.00	5.00	5.00	5.00
Attrition rate	1.00	1.00	1.00	1.00	1.00	1.00
Mortality Table	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
Method used	PUC	PUC	PUC	PUC	PUC	PUC

Basis of Actuarial Assumptions considered

Particulars	Basis of assumption
Discount rate	Discount rate has been determined by reference to market yield on the balance sheet date on Government Bonds of term consistent with estimated term of the obligation.
Expected rate of return on plan assets	The expected return on Plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation.
Rate of escalation in salary	The estimates of future increase in salary is considered in actuarial valuation taking into account inflation, seniority, promotion, and other relevant factors, such as supply and demand in employee market.
Attrition rate	Attrition rate has been determined by reference to past and expected future experience and includes all type of withdrawals other than death but including those due to disability.
Mortality Table	A mortality table, also known as a life table or actuarial table, shows the rate of deaths occurring in a defined population during a selected time interval, or survival rates from birth to death.

Other long term employee benefit (Non funded)

(Rs. in crore)

Particulars	LTC/LFC Encashment		Silver jubilee Bonus		Medical Benefits *		Retirement Gifts	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Present Value of Obligation	7.75	7.92	1.39	1.32	0.81	0.71	1.28	1.29
Transitional Liability	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Transitional liability recognized during the year	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Unrecognized transitional liability	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Higher Provisioning kept	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Liability recognized in the Balance Sheet	7.75	7.92	1.39	1.32	0.81	0.71	1.28	1.29

Principal Actuarial assumptions at the Balance Sheet date

(Rs. in crore)

Particulars	LTC/LFC Encashment		Silver jubilee Bonus		Retirement Gifts	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Discount Rate	7.22	7.27	7.22	7.27	7.22	7.27
Expected rate of return on plan assets	NA	NA	NA	NA	NA	NA
Rate of escalation	NA	NA	NA	NA	NA	NA
Attrition rate	1.00	1.00	1.00	1.00	1.00	1.00
Mortality Table	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14

Method used	PUC	PUC	PUC	PUC	PUC	PUC

15.5 AS 17 – Segment Reporting:

Part A : Business Segment

(Rs. in crore)

Particulars	Year Ended	
	31.03.24 (Audited)	31.03.23 (Audited)
1. Segment Revenue		
a) Treasury	2667.42	2345.16
b) Corporate/ Wholesale Banking	3967.80	3071.45
c) Retail Banking	4251.75	3491.41
- Digital Banking	0.17	0.00
- Other Retail Banking	4251.58	3491.41
d) Other Banking Operations	28.48	24.67
Total	**10915.45**	**8932.69**
2. Segment Result		
a) Treasury	553.36	759.02
b) Corporate/ Wholesale Banking	683.49	553.68
c) Retail Banking	732.40	629.39
- Digital Banking	-1.36	(0.50)
- Other Retail Banking	733.76	629.89
d) Other Banking Operations	28.48	24.67
Total	**1997.73**	**1966.76**
3. Unallocated Expenses	866.79	516.82
4. Operating Profit	**1130.94**	**1449.94**
5. Provisions & Contingencies	193.96	(169.90)
6. Income Tax	341.56	306.81
7. Extra Ordinary Profit/ Loss	0.00	0.00
8. Net Profit	**595.42**	**1313.03**
Other Information:		
9. Segment Assets		
a) Treasury	50360.82	45476.84
b) Corporate/ Wholesale Banking	45386.04	41394.98
c) Retail Banking	48634.09	47054.84
- Digital Banking	1.58	0.77
- Other Retail Banking	48632.51	47054.07
d) Other Banking Operations	0.00	0.00
e) Unallocated Assets	3275.58	2527.86
Total Assets	**147656.53**	**136454.52**
10. Segment Liabilities		
a) Treasury	46069.25	41159.64
b) Corporate/ Wholesale Banking	41518.41	37465.28
c) Retail Banking	44489.67	42587.84
- Digital Banking	2.94	1.28
- Other Retail Banking	44486.73	42586.56
d) Other Banking Operations	0.00	0.00
e) Unallocated Liabilities	45.77	133.26
Total Liabilities	**132123.10**	**121346.02**
11.Capital Employed		
a) Treasury	4291.57	4317.20
b) Corporate/ Wholesale Banking	3867.63	3929.70
c) Retail Banking	4144.42	4467.00
- Digital Banking	-1.36	(0.51)
- Other Retail Banking	4145.78	4467.51
d) Other Banking Operations	0.00	0.00
e) Unallocated Liabilities	3229.81	2394.60
Total Capital Employed	**15533.43**	**15108.50**

Note: For the purpose of segment reporting in terms of AS-17 of ICAI and as prescribed in RBI guidelines, the business of the Bank has been classified into four segments i.e. a) Treasury Operations, b) Corporate/Wholesale Banking, c) Retail Banking (further classified into Digital Banking and Other Retail banking and d) Other Banking Operations.

Segmental Revenue, Results, Assets & Liabilities in respect of Corporate / Wholesale and Retail Banking segment have been bifurcated on the basis of exposure to these segments.

Part B Geographical Segment:

Since the Bank does not have any overseas branch, reporting under Geographic Segment is not applicable.

15.6 AS 18 – Related Party Disclosures

Key Managerial Personnel:

Mr. Swarup Kumar Saha	Managing Director & CEO w.e.f.03.06.2022
Mr. S. Krishnan	Managing Director & CEO w.e.f. 04.09.2020 upto 31.05.2022
Mr.Kollegal V Raghavendra	Executive Director upto 30.06.2023
Dr. Ram Jass Yadav	Executive Director upto 30.04.2024
Mr. Ravi Mehra	Executive Director w.e.f. 09.10.2023

Related party to KMP

Dr. Ram Jass Yadav	Smt. Krishna Yadav	Spouse
	Sh.Saurabh Yadav	Son
Mr. Ravi Mehra	Smt. Babita Mehra	Spouse
	Ms. Nandini Mehra	Daughter
	Ms. Paranjaya Mehra	Daughter

(Rs in lacs)

Items/ Related Party	Key Management Personnel & their relatives	Key Management Personnel & their relatives
Balance Outstanding	**31.03.2024**	**31.3.2023**
Deposits	205.31	74.61
Advances	59.24	17.52
Transaction made during the year		
Interest Paid	5.05	3.14
Interest Received	3.04	0.08
Remuneration Paid (refer detail below)	**112.50**	**108.16**
Mr. Swarup Kumar Saha	42.35	28.34
Mr.Kollegal V Raghavendra	12.66	34.32
Dr. Ram Jas Yadav	38.61	32.69
Mr. Ravi Mehra	18.88	0.00
Mr. S. Krishnan	0.00	12.81

Note: Related party relationship is as identified by the Bank and relied upon by the Auditors.

15.7 AS 19 – Leases

Operating lease primarily comprise of office premises and staff residencies, which are renewable at the option of the Bank/Lessor normally at the end of lease period.

a. As per information available, non-cancellable lease as on 31.03.2024: NIL (Previous Year: NIL).
b. Amount of lease payments recognized under Schedule – 16 –"II. Rent, taxes and lighting" in Profit and loss Account for operating leases is as under:

(Rs. in crore)

Current Year ended 31.03.2024	Previous Year ended 31.03.2023
141.77	136.55

15.8 AS 20 - Earning Per Share

(Rs. in crore)

Particulars	2023-24	2022-23
Net Profit After tax available for equity Shareholders	595.42	1313.03
Weighted Average Number of Equity Shares in crore	677.78	677.78
Basic and Diluted Earnings per Share (Rs.)	0.88	1.94
Nominal Value per Share (Rs.)	10.00	10.00

15.9 AS 21 – Consolidated Financial Statement

The Bank does not have any subsidiary/associate and as such AS 21 is not applicable.

15.10 AS 22 – Accounting for Taxes on Income

15.10.1 The Bank has accounted for Income Tax in compliance with Accounting Standard-22 'Accounting for taxes on Income' issued by ICAI

15.10.2 Major components of Deferred Tax Assets/Liabilities are as under:

(Rs. in crore)

Head		Deferred Tax Assets		Deferred Tax Liabilities	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023
1	Depreciation on Fixed Assets	0.00	0.00	13.80	12.82
2	Special Reserve u/s 36(1)(viii)	0.00	0.00	73.67	70.06
3	Provision for NPA on Investments	283.54	160.24	0.00	0.00
4	Provision for Wage Revision	105.01	20.77	0.00	0.00
5	Provision for Advances	1318.55	1670.45	0.00	0.00
6	Provision for diminution in FV of Restructured Advances	0.60	0.87	0.00	0.00
7	Accumulated loss	0.00	74.8	0.00	0.00
	Total	**1707.70**	**1927.13**	**87.47**	**82.88**

15.10.3 Provision for Income Tax and Deferred Tax held by the Bank is considered adequate taking into account the opinion of legal experts and favourable judicial pronouncements.

15.10.4 Review of Deferred Tax Assets has been carried out based on Bank management's estimate of possible tax benefits against timing difference in accordance with Accounting Standard – 22 "Accounting for Taxes on income" issued by The Institute of Chartered Accountants of India and Net Deferred Tax Assets of Rs 1620.23 crore is recognized as at 31st March 2024 (Rs. 1844.25 crore as at 31st March 2023).

15.10.5 No provision has been considered necessary in respect of disputed demands of Income aggregating to Rs.887.01 crore (Previous year Rs. 709.31 crore) in view of decisions of appellate authorities / judicial pronouncements / opinions of legal experts.

15.10.6 The Government of India, vide the Taxation Laws (Amendment) Act, 2019, inserted section 115BAA in the Income Tax Act 1961 w.e.f. April 1, 2019. The Bank has evaluated the options available under section 115BAA of The Income Tax Act, 1961 and opted to continue to recognize the Taxes on Income for the year ended 31.03.2024 as per the earlier provisions.

15.11 AS 23 – Accounting for Investments in Associates in consolidated Financial Statements

The Bank does not have any subsidiary/associate and as such AS 23 is not applicable.

15.12 AS 26 – Intangible Assets

The application software in use in the Bank has been developed in house and has evolved over a period of time. Hence, the costs of software is essentially part of Bank's operational expenses like wages etc. and as such are charged to the respective heads of expenditure in the Profit and Loss Account.

15.13 Accounting Standard 28 - Impairment of Assets

Fixed Assets possessed by Bank are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by AS-28. In the opinion of the Management, there is no impairment of the 'Fixed Assets' of material amount as of 31.03.2024, requiring recognition in terms of AS-28 issued by the ICAI. The impairment of other assets including advances has been provided for as per Prudential Norms prescribed by the Reserve Bank of India.

15.14 Accounting Standard 29 - Provisions, Contingent Liability and Contingent Assets

15.14.1 As per AS-29 - Provisions, Contingent Liabilities and Contingent Assets, issued by the Institute of Chartered Accountants of India, the Bank recognizes no provision for –

a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank, or

b) Any present obligation from the past events but is not recognized because

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

15.14.2 Movement of Provision against Contingent Liabilities:

(Rs. in crore)

Particulars	Opening Balance		Additions during the year		Reduction during the year		Closing Balance	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Claims against the Bank not acknowledged as Debt	26.96	25.53	2.71	1.92	0.04	0.49	29.63	26.96
Invoked Bank Guarantees	7.65	7.63	0.38	0.02	Nil	Nil	8.03	7.65
L.C Devolved	Nil							

PUNJAB & SIND BANK East Kidwai Nagar, New Delhi

CHATURVEDI & CO. CHARTERED ACCOUNTANTS

Chowdhry & Associates

S.P. CHOPRA & CO. NEW DELHI CHARTERED ACCOUNTANTS

ASSOCIATES Chartered Accountants

15.15 Other significant accounting policies has been disclosed at the appropriate places in the Notes forming part of the accounts.

16. Disclosures in Terms of MSMED Act 2006

Guideline given in Micro, Small and Medium Enterprises Development Act 2006 have been complied with for purchases made during FY 2023-24 and payments have been made to the vendors in time as per Act. Since there had been no delay in payment, therefore no penal interest had been paid during FY 2023-24.

17. As per the Reserve Bank of India directions for initiating Insolvency Process- Provisioning Norms, vide letter No. DBR. No. BP:15199/21.04.048/2016-17 dated June 23, 2017, and DBR.No.BP.1907/21.04.048/2017-18 dated August 28, 2017, the bank is holding the provisioning of Rs 230.05 crore (31st March, 2023- Rs 265.44 crore) as against the balance outstanding of Rs 230.05 crore (31st March, 2023 – Rs 265.44 crore) as on 31st March, 2024 in respect of NPA borrowal accounts referred in aforesaid circular.

18. Details of Single Borrower Limit (SGL), Group Borrower Limit (GBL) exceeded by the Bank
During the year 2023-24, the Bank has exceeded the LEF limits set by RBI to single borrower/ group borrower in the following cases:-

Name of the Borrower	Maximum Limit during the year	Limit of Exposure as per LEF(%)	Limit / Liability as on 31.03.2024	Exposure (%) w.r.t. Tier-1 Capital as on 31.03.2023
NIL				

19. The bank has funded exposure of Rs 119.28 crore in two borrower's accounts which are under litigation and respective adjudicating authorities have granted stay on downgrading. The bank has made adequate provisions for the accounts.

20. The Bank has made a total provision of Rs 334.50 crore towards wage revision w.e.f 1st November 2022 as per provision of 12th bipartite wage settlement and 9th joint note dated 8th March 2024.

21. Pursuant to the RBI circular dated 19th December 2023, in respect of investment in Alternate Investment Fund (AIF), Rs 0.50 crore provision is required during the quarter/ year ended 31st March 2024 and the same has been provided.

22. The figures of previous period have been regrouped and reclassified wherever considered necessary in order to make them comparable with the figures of the current period.

Ghiya &Co. Chartered Accountants	Shiv & Associates Chartered Accountants	Chaturvedi & Co. Chartered Accountants	Manohar Chowdhry & Associates Chartered Accountants
Ghiya Hospital Complex, E-68, Siddarth Nagar, Malviya Nagar, Jaipur – 302017	103, 105, Plot No. 1, Vardhaman Indraprastha Plaza, I.P. extension, Patparganj, Delhi - 110092	Park Centre, 24, Park Street, Kolkata - 700016	27, Subramaniam Street, Abiramapuram, Chennai – 600018, Tamilnadu

Independent Auditor's Report on Audited Financial results for Quarter and Year ended 31st March, 2023 of Punjab & Sind Bank Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

TO THE BOARD OF DIRECTORS
PUNJAB & SIND BANK
NEW DELHI

Report on the Audit of the Financial Results

Opinion

1. We have audited the accompanying Financial Results of Punjab & Sind Bank ("the Bank") for the quarter and year ended March 31, 2023 attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 & 52 read with regulations 62(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), except for the disclosures relating to Pillar 3 disclosure as at March 31, 2023, including leverage ratio, liquidity coverage ratio and Net Stable Funding Ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Financial Results (Note no 12) and have not been audited by us.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the Bank Branch Auditors as referred to in paragraph no.9 below, these financial results:

   a. are presented in accordance with the requirements of Regulation 33 & 52 of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at March 31, 2023, including leverage ratio, liquidity coverage ratio and Net Stable Funding Ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Financial Results and have not been audited by us; and

   b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, the relevant provision of Banking Regulation Act,1949, RBI guidelines and other accounting principles generally accepted in India of the net profit and other financial information for the quarter ended as well as year ended March 31, 2023

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

GHIYA & CO. JAIPUR Chartered Accountants
SHIV & ASSOCIATES NEW DELHI Chartered Accountants
CHATURVEDI & CO. KOLKATA CHARTERED ACCOUNTANTS
Manohar Chowdhry & Associates Chennai Chartered Accountants

Emphasis of Matter

4. We draw attention to the following:

   a) Note. 18 regarding amortization of estimated additional liability on account of revision in family pension amounting to Rs. 236.84 Crore. As stated there in, the bank has charged an amount of Rs. 47.37 crore to the Profit & Loss account for the current financial year and the balance unamortized expense of Rs. 142.10 crore has been carried forward in the Balance Sheet.
   b) Note No. 22, there is change in methodology of calculations of LCR from 31st March 2023 with the approval of Board i.e. considering total outstanding deposit balance for wholesale funding as outflow instead of wholesale deposit having residual maturity of 30 days. Bank had calculated the LCR for 31st March 2023 using the revised methodology and arrived LCR at 113.56%. As per management, comparative figures for the change are not available due to its voluminous & complexity of data involved.

Our opinion is not modified in respect of above matters.

Board of Directors' Responsibility for the Financial Results

5. These Financial Results have been prepared from the related audited Annual Financial Statements. The Bank's Board of Directors are responsible for the preparation and presentation of these Financial Results that give a true and fair view of the financial positions, financial performance and cash flows of the bank in accordance with the accounting principle generally accepted in India including Accounting Standards issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") , judicial pronouncements and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Banking Regulation Act, 1949 for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the Financial Results, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

   The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

6. Our objectives are to obtain reasonable assurance about whether the Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Results.

GHIYA & CO. JAIPUR Chartered Accountants

SHIV & ASSOCIATES NEW DELHI Chartered Accountants

CHATURVEDI & CO. KOLKATA CHARTERED ACCOUNTANTS

Manohar Chowdhry & Associates Chennai Chartered Accountants

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatement in the financial statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statement may be influenced. We consider quantitative materiality and qualitative factors in: (i) planning the scope of our audit work and evaluating the results of our work: and (ii) to evaluate the effects of any identified misstatements in the financial statement.

7. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

8. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

9. These Financial Results incorporate relevant returns of Integrated Treasury Division and 20 branches audited by us and 693 Branches and 44 Offices/ Processing Centers audited by Statutory Branch Auditors. The branches audited by other auditors cover 32.55% of advances and 54.93% of deposits, 38.87% of Non-performing assets as on 31st March, 2023 and 6.23% of revenue for the year ended 31st March, 2023.

10. In conduct of our audit, we have taken note of the unaudited returns in respect of 824 branches certified by the respective branch's management. These unaudited branches cover 12.59% of advances, 29.92% of deposits, 10.41% of Non-performing assets as on 31st March, 2023 and 28.33% of revenue for the year ended 31st March, 2023.

11. We report that the figures for the quarter ended March 31, 2023 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2023 and the published unaudited year to date figures up to the December 31, 2022 being the date of the end of the third quarter of the current financial year, which were subjected to limited review by us.

GHIYA & CO. JAIPUR Chartered Accountants

SHIV & ASSOCIATES NEW DELHI Chartered Accountants

CHATURVEDI & CO. KOLKATA CHARTERED ACCOUNTANTS

Manohar Chowdhry & Associates Chennai Chartered Accountants

Our opinion on the financial results is not modified in respect of above matters.

For M/S Ghiya & Co **Chartered Accountants** **FRN: 001088C** **CA Shubham Gupta** **Partner** **M.No. 420734** **UDIN:** 23420734BGRRZ07034 **Place: New Delhi**	**For M/s Shiv & Associates** **Chartered Accountants** **FRN: 009989N** **CA Manoj Kumar** **Partner** **M. No. 097424** **UDIN:** 23097424BGSSLW6356 **Place: New Delhi**
For M/S Chaturvedi & CO. **Chartered Accountants** **FRN: 302137E** **CA Satish Chandra Chaturvedi** **Partner** **M.No. 012705** **UDIN:** 23012705BGWLXV6179 **Place: New Delhi**	**For M/s Manohar Chowdhry & Associates** **Chartered Accountants** **FRN: 001997S** **CA Sandeep Mogalapalli** **Partner** **M. No. 221848** **UDIN:** 23221848BGYIHQ2314 **Place: New Delhi**

Dated: May 02, 2023
Place: New Delhi

PUNJAB & SIND BANK

Head Office: 21, Rajendra Place, New Delhi 110008

Audited Financial Results for the Quarter / Year ended 31st March, 2023

(Rupees in lacs)

Sl. No.	Particulars	QUARTER ENDED			YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
		31.03.2023	31.12.2022	31.03.2022		
		Audited	Reviewed	Audited	Audited	Audited
1	**INTEREST EARNED (a+b+c+d)**	**210494**	**210744**	**179329**	**799273**	**709581**
	a).Interest/ discount on advances/bil ls	149100	143429	119316	550244	477841
	b) Income on Investments	59114	62132	54568	235934	209466
	c) Interest on Bal ance with RBI & Other Inter Bank Funds	513	902	3310	3071	11843
	d) Others	1767	4281	2135	10024	10431
2	Other Income	54704	13763	21461	93996	95938
3	**TOTAL INCOME (1+2)**	**265198**	**224507**	**200790**	**893269**	**805519**
4	Interest Expended	142116	130244	109573	501935	444450
5	Operating Expenses (i)+(ii)	69481	59830	59468	246340	228060
	i) Employees Cost	45773	38891	36672	154442	147855
	ii) Other Operating Expenses	23708	20939	22796	91898	80205
6	**TOTAL EXPENDITURE (4+5) (excluding Provisions & Contingencies)**	**211597**	**190074**	**169041**	**748275**	**672510**
7	**Operating Profit before Provisions & Contingencies (3-6)**	**53601**	**34433**	**31749**	**144994**	**133009**
8	Provisions (other than tax) and Contingencies	-5712	-20746	-13156	-16990	14340
	Of Which Provisions for Non Performing Assets	-29014	-27127	866	-47106	98896
9	Exceptional Items	0	0	0	0	0
10	**Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8-9)**	**59313**	**55179**	**44905**	**161984**	**118669**
11	Tax Expense	13614	17855	10295	30681	14764
12	Net Profit (+)/ Loss (-) from Ordinary Activities after tax (10-11)	45699	37324	34610	131303	103905
13	Extraordinary items (net of tax expense)	0	0	0	0	0
14	**Net Profit (+)/ Loss (-) for the period (12-13)**	**45699**	**37324**	**34610**	**131303**	**103905**
15	Paid-up Equity Share Capital (Face Value Rs.10/-)	677779	677779	677779	677779	677779
16	Reserves excluding Revaluation Reserve (as per Balance Sheet of previous accounting year)	741850		631290	741850	631290
17	Analytical Ratios					
	(I) Percentage of shares held by Government of India	98.25	98.25	98.25	98.25	98.25
	(ii) Capital Adequacy Ratio (Basel III)	17.10	15.57	18.54	17.10	18.54
	a). CET 1 Ratio	14.32	12.79	12.77	14.32	12.77
	b). Additional Tier 1 Ratio	0.00	0.00	2.03	0.00	2.03
	(iii) Earnings per share (of Rs.10/- each) (Not Annualized) (Rs.)					
	(a) Basic and diluted EPS before Extraordinary items (net of tax expense) for the period, for the year to date and for the previous year (not annualized)	0.67	0.55	0.85	1.94	2.56
	(b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)	0.67	0.55	0.85	1.94	2.56
	(iv) (a) Amount of Gross Non Performing Assets	564821	649991	856482	564821	856482
	(b) Amount of Net Non Performing Assets	141150	146914	174227	141150	174227
	(c) % of Gross NPAs	6.97	8.36	12.17	6.97	12.17
	(d) % of Net NPAs	1.84	2.02	2.74	1.84	2.74
	(v) Return on Assets (Annualized)	1.33	1.11	1.10	0.96	0.85
	(vi) Outstanding redeemable Preference shares (quantity and value)	Nil	Nil	Nil	Nil	Nil
	(vii) Capital redemption reserve /debenture redemption reserve	N.A.	N.A.	N.A.	N.A.	N.A.
	(viii) Net worth*	678594	607141	505190	678594	505190
	(ix) Paid up Debt Capital/Outstanding Debt**	202708	192784	135558	202708	135558
	(x) Debt Equity Ratio** (Borrowings/Net worth)	0.30	0.32	0.27	0.30	0.27
	(xi) Total Debts to Total Assets (Borrowings/Total Assets)	0.01	0.01	0.01	0.01	0.01
	(xii) Operating Margin % (Operating Profit/Total Income)	20.21	15.34	15.81	16.23	16.51
	(xiii) Net Profit Margin % (Net Profit after tax/Total Income)	17.23	16.62	17.24	14.70	12.90

Sl. No	Particulars	QUARTER ENDED			YEAR ENDED 31.03.2023 Audited	YEAR ENDED 31.03.2022 Audited
		31.03.2023 Audited	31.12.2022 Reviewed	31.03.2022 Audited		
18	Public Shareholding:					
	No. of Shares	118735354	118735354	118735354	118735354	118735354
	Percentage of Shareholding	1.75	1.75	1.75	1.75	1.75
19	Promoters and promoter group Share holding					
	(a) Pledged/ Encumbered					
	Number of shares	Nil	Nil	Nil	Nil	Nil
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil
	Percentage of Shares (as a % of the total share capital of the Bank)	Nil	Nil	Nil	Nil	Nil
	(b) Non-encumbered					
	Number of shares	6659051093	6659051093	6659051093	6659051093	6659051093
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00
	Percentage of Shares (as a % of the total share capital of the Bank)	98.25	98.25	98.25	98.25	98.25

* After considering the impact of valuing the Non-Interest bearing Recapitalization Bonds at Fair Value.

**Total debts represents total borrowings of the Bank. Borrowings represents debts due for more than one year.

Note: Disclosure of Interest service coverage ratio and Debt service coverage ratio is not applicable to bank.

Segment Reporting:

A: BUSINESS SEGMENT:

For the purpose of segment reporting in terms of AS-17 of ICAI and as prescribed in RBI guidelines, the business of the Bank has been classified into four segments i.e. a) Treasury Operations b) Corporate/wholesale Banking, c) Retail Banking and d) Other Banking Operations. Further, Retail Banking Segment has been sub-divided into Digital Banking and Other Retail Banking Segment. Segmental Revenue, Results, Assets & Liabilities in respect of Corporate / Wholesale and Retail Banking segment have been bifurcated on the basis of exposure to these segments. Assets and Liabilities, wherever directly related to segments have been accordingly allocated to segments and wherever not directly related have been allocated on the basis of pro-rata segment revenue.

(Rupees in Lacs)

Particulars	Quarter Ended			Year Ended	
	31.03.2023 (Audited)	31.12.2022 (Reviewed)	31.03.2022 (Audited)	31.03.2023 (Audited)	31.03.2022 (Audited)
1. Segment Revenue					
a) Treasury	59841	64687	54547	234516	236532
b) Corporate/ Wholesale Banking	87574	77518	76123	307145	317963
c) Retail Banking	116985	81628	69540	349141	249331
- Digital Banking	0	0	0	0	0
- Other Retail Banking	116985	81628	69540	349141	249331
d) Other Banking Operations	798	674	580	2467	1693
Total	**265198**	**224507**	**200790**	**893269**	**805519**
2. Segment Result					
a) Treasury	15757	22832	20483	75902	102053
b) Corporate/ Wholesale Banking	25790	11586	12895	55368	47371
c) Retail Banking	31666	12207	11515	62939	37145
- Digital Banking	-38	-12	0	-50	0
- Other Retail Banking	31704	12219	11515	62989	37145
d) Other Banking Operations	798	674	580	2467	1693
Total	**74011**	**47299**	**45473**	**196676**	**188262**
3. Unallocated Expenses	20410	12866	13725	51682	55253
4. Operating Profit	**53601**	**34433**	**31748**	**144994**	**133009**
5. Provisions & Contingencies	-5712	-20746	-13156	-16990	14340
6. Income Tax	13614	17855	10295	30681	14764
7. Extra Ordinary Items	0	0	0	0	0
8. Net Profit	**45699**	**37324**	**34609**	**131303**	**103905**
Other Information:					
9. Segment Assets					
a) Treasury	4547684	4679900	4286374	4547684	4286374
b) Corporate/ Wholesale Banking	4139498	4137814	4198721	4139498	4198721

पंजाब एण्ड सिंध बैंक मु.का. लेखा एवं लेखा परीक्षा विभाग राजेन्द्र प्लेस, नई दिल्ली-8

GHIYA & CO JAIPUR Chartered Accountants

SHIV & ASSOCIATES NEW DELHI Chartered Accountants

CHATURVEDI & CO. KOLKATA CHARTERED ACCOUNTANTS

Manohar Chowdhry & Associates Chennai Chartered Accountants

Particulars	Quarter Ended			Year ended	
	31.03.2023 (Audited)	31.12.2022 (Reviewed)	31.03.2022 (Audited)	31.03.2023 (Audited)	31.03.2022 (Audited)
c) Retail Banking	4705484	4374990	3292440	4705484	3292440
- Digital Banking	77	4	0	77	0
- Other Retail Banking	4705407	4374986	3292440	4705407	3292440
d) Other Banking Operations	0	0	0	0	0
e) Unallocated Assets	252786	331232	329220	252786	329220
Total Assets	**13645452**	**13523936**	**12106755**	**13645452**	**12106755**
10. Segment Liabilities					
a) Treasury	4115964	4274311	3891183	4115964	3891183
b) Corporate/ Wholesale Banking	3746528	3779206	3811611	3746528	3811611
c) Retail Banking	4258784	3995826	2988887	4258784	2988887
- Digital Banking	128	16	0	128	0
- Other Retail Banking	4258656	3995810	2988887	4258656	2988887
d) Other Banking Operations	0	0	0	0	0
e) Unallocated Liabilities	13326	9441	14015	13326	14015
Total Liabilities	**12134602**	**12058784**	**10705696**	**12134602**	**10705696**
Capital Employed					
a) Treasury	431720	405589	395191	431720	395191
b) Corporate/ Wholesale Banking	392970	358608	387110	392970	387110
c) Retail Banking	446700	379164	303553	446700	303553
- Digital Banking	-51	-12	0	-51	0
- Other Retail Banking	446751	379176	303553	446751	303553
d) Other Banking Operations	0	0	0	0	0
e) Unallocated Liabilities	239460	321791	315205	239460	315205
Total Capital Employed	**1510850**	**1465152**	**1401059**	**1510850**	**1401059**

B: GEOGRAPHIC SEGMENT:
Since the Bank does not have any overseas branch, reporting under Geographic Segment is not applicable.

STATEMENT OF ASSETS AND LIABILITIES AS ON 31ST MARCH, 2023

(Rs. in Lacs)

Particulars	AS ON 31.03.2023	AS ON 31.03.2022
CAPITAL & LIABILITIES		
Capital	677779	677779
Reserves & Surplus	833072	723280
Deposits	10966549	10213701
Borrowings	901838	244363
Other Liabilities	266214	247632
Total	**13645452**	**12106755**
ASSETS		
Cash & balance with Reserve Bank of India	622540	613924
Balance with banks & money at call and short notice	7132	14899
Investments	4483842	4228087
Advances	7681943	6362656
Fixed Assets	151942	157744
Other Assets	698053	729445
Total	**13645452**	**12106755**

NOTES FORMING PART OF THE AUDITED FINANCIAL RESULTS OF THE BANK FOR QUARTER AND YEAR ENDED MARCH 31, 2023:

1. The above financial results have been reviewed by the Audit Committee of Board and approved by the Board of Directors of the Bank in their respective meeting held on 02.05.2023. The same have been subjected to "Audit" by the Statutory Central Auditors of the Bank and are in line with the guidelines issued by the Reserve Bank of India and as per the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended).

2. The financial results have been arrived at after considering provisions for Non-Performing Assets, Non-Performing Investments, Standard Assets (including Stress sector), Restructured Assets, provision for exposure to entities with Unhedged Foreign Currency exposure, Amortization of premium relating to Investment under 'Held to Maturity' category, Depreciation on Investments and on Fixed Assets, Employee Benefits, Income tax including Deferred Tax on the basis of extant guidelines issued by Reserve Bank of India and applicable accounting standards issued by the Institute of Chartered Accountants of India. Provisions for employee benefits pertaining to pension, gratuity, leave encashment, and other retirement benefits have been made based on the actuarial valuation in terms of Accounting Standard-15 "Employee Benefits". Other usual and necessary provisions have been made on estimated basis.

3. The Government of India, vide the Taxation Laws (Amendment) Act, 2019, inserted section 115BAA in the Income Tax Act 1961 w.e.f. April 1, 2019. The Bank has evaluated the options available under section 115BAA of the Income Tax Act, 1961 and opted to continue to recognize the Taxes on Income for quarter and year ended 31st March, 2023 as per the earlier provisions.

4. Review of Deferred Tax Assets has been carried out based on Bank management's estimate of possible tax benefits against timing difference in accordance with Accounting Standard – 22 "Accounting for Taxes on income" issued by The Institute of Chartered Accountants of India and Net Deferred Tax Assets of Rs.1844.25 crore is recognized as at 31st March 2023 (Rs.2168.34 crore as at 31st March 2022).

5. As per the Reserve Bank of India directions for initiating Insolvency Process- Provisioning Norms, vide letter No. DBR. No. BP:15199/21.04.048/2016-17 dated June 23, 2017, and DBR.No.BP.1907/21.04.048/2017-18 dated August 28, 2017, the bank is holding the provisioning of Rs.265.44 crore (31st March, 2022- Rs.281.56 crore) as against the balance outstanding of Rs.265.44 crore (31st March, 2022 – Rs.281.56 crore) as on 31st March, 2023 in respect of NPA borrowal accounts referred in aforesaid circular.

6. In accordance with the RBI Circular. No. DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019 DOR.No.BP.BC.34/21.4.048/2019-20 dated February 11, 2020 and DOR.NO.BP.BC/4/21.04.048/2020-21 dated August 06, 2020 on "Micro, Small and Medium enterprises (MSMEs) sector – Restructuring of Advances", the details of MSME restructured accounts are as under:

(Rs. in crore)

No. of Accounts Restructured	Amount as on 31.03.2023	Provision held
5261	327.30	43.00

7. The Bank is carrying a provision of Rs.9.86 crore as at 31st March, 2023 (31st March, 2022 - Rs.10.50 crore)being 5% of outstanding food credit availed by the State Government of Punjab as per the RBI letter no. DBR (BP) No. 7201. 21.04.132 /2017-18 dated 08.02.2018 issued to SBI, the lead bank.

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8. The Bank has made an additional standard asset provision in 2 accounts, in terms of RBI Circular DBR No. BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 on "Prudential Framework for Resolution of Stressed Assets" amounting to Rs.50.51 crore. The details are as under:-

(Rs. in crore)

Amount of Loans Impacted by RBI Circular (A)	**Amount of Loans to be classified as NPA (B)**	**Amount of Loans as on 31.03.2023, out of (B) classified as NPA (C)**	**Addl. Provision required for loans covered under RBI Circular (D)**	**Provision out of (D) made by 31.03.2023 (E)**
142.68	-	-	50.51	50.51

9. (i) Details of resolution plan implemented under the Resolution framework for COVID-19 related stress as per RBI Circular dated August 6, 2020 (RF 1.0) and May 05, 2021 (RF 2.0) are given below:-

(Rs. in crores)

Type of Borrower	**Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of the previous half year (A)**	**Of (A), aggregate debt that slipped into NPA during the half year**	**Of (A) amount written off during the half year**	**Of (A) amount paid by the borrowers during the half year**	**Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of this half year**
(i) Personal loans	1003.24	43.86	0.00	60.93	916.20
(ii) Corporate persons#	1105.94	25.25	0.00	65.84	1041.82
Of Which MSME	599.41	25.25	0.00	52.36	534.56
(ii) Others	39.19	2.84	0.00	2.59	33.34
Total	2148.37	71.95	0.00	129.36	1991.36
#as defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					

10. (i) In accordance with RBI circular no.DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021; in respect of the details of loans transferred/acquired during the year ended March 31, 2023 are given below:

(a) The bank has not transferred and acquired NPA and Special Mention Account (SMA) during the quarter /year ended 31st March, 2023. (31st March, 2022 - Nil)

(b) Details of Standard assets acquired through assignment/ Novation and Loan Participation **(Co-Lending)**:

Pariculars	**Quarter ended 31.03.2023**	**Year ended 31.03.2023**	**Year ended 31.03.2022**
No. of accounts purchased	1567	3931	507
Aggregate Loan outstanding (Rs. in.crore)	324.78	964.56	208.22
Weighted average maturity (in months)	183	158	144
Weighted average holding period (in months)	0.72	5.16	1.81
Retention of beneficial economic interest	MSME-20% HL – 25%	MSME-20% HL – 25%	MSME-20% HL – 25%
Coverage of tangible security coverage (%)	132.11	147.40	217.98

The loans acquired are not rated as these are to non-corporate borrowers.

(c) Details of Standard assets acquired through assignment/ Novation and Loan Participation **(Pool Buy-out)**:

Particulars	**Quarter ended 31.03.2023**	**Year ended 31.03.2023**	**Year ended 31.03.2022**
No. of accounts purchased		Nil	
Aggregate Loan outstanding (Rs. in.crore)			
Weighted average maturity (in months)			
Weighted average holding period (in months)			
Retention of beneficial economic interest			
Coverage of tangible security coverage (%)			

(ii) The distribution of the Security Receipts (SRs) held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on 31st March 2023:

(Rs. in crore)

Recovery Rating Band	**Book Value as on 31.03.2023**	**Book Value as on 31.03.2022**
RR1+	Nil	Nil
RR1	26.23	31.79
RR2	Nil	Nil
RR3	Nil	Nil
RR4	Nil	Nil
RR5	Nil	Nil
Rating Withdrawn	Nil	Nil
Total	**26.23**	**31.79**

11. During the Quarter ended 31st March 2023, Bank has reported 23 cases of Non-Borrowal fraud and 44 cases of Borrowal frauds to Reserve Bank of India. The total amount reported to Reserve Bank of India for the Quarter ended 31st March 2023 is Rs.9.60 crore, out of which Rs. 9.50 crore is extent of Loss to the Bank. Bank has provided full provision in these fraud accounts. As per RBI circular no. BP.BC.92/21.04.048/2015-16 dated 18.04.2016 during the Q3 of FY 2022-23, bank has made provision of Rs.26.90 crore in one fraud case, by availing the option to make provision over a period not exceeding four quarters, In current Q4 of FY 2022-23 remaining Provision of Rs.27.58 crore is duly provided for.

12. In terms of Reserve Bank of India (RBI) circular RBI/2022-23/12 DOR.CAP.REC.3/21.06.201/2022-23, dated April 1, 2022, on 'Basel III Capital Adequacy' and RBI circulars DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standard Amendments', Banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework which are being available on the Bank's website. The Disclosures have not been subjected to audit by Statutory Central Auditors of the Bank. These details are being made available on our website https://punjabandsindbank.co.in/.

13. The Bank has estimated the liability towards Unhedged Foreign Currency Exposure in terms of RBI circular DBOD.No.BP.BC.85/21.06.200/2013-14 dated January 15, 2014 and is holding a provision of Rs.0.04 crore as on 31st March 2023. (31st March, 2022 – 0.097 crore)

14. Pending settlement of the Bipartite agreement on wage revision (due from November 2022), an adhoc amount of Rs.59.44 crore has been provided upto 31.03.2023.

15. The bank has funded exposure of Rs.87.49 crore in one account which is under litigation and Hon'ble High court has granted stay on downgrading. The bank has made provisions of 40% for the account which is higher than the required provisions as per IRAC norms.

16. The Provision Coverage Ratio (Including T.W.O) as at 31st March 2023 works out to 89.06%. (31st March 2022- 87.89%.)

17. During the year, the Reserve Bank of India has levied a penalty of Rs.0.275 crore on the bank.

18. The estimated additional Pension liability on account of revision in family pension was Rs.236.84 crore. RBI vide its Circular RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated 4th October 2021, has permitted all member Banks of Indian Banks Association to amortize the said additional liability over a period not exceeding five years beginning with the financial year ending 31st March 2022, subject to a minimum of 1/5th of the total amount being charged every year. The Bank will amortize the said liability over a period, not exceeding 5 years commencing from the financial year ending 31st March 2022, subject to a minimum of Rs.47.37 crore every year. Accordingly, the Bank has charged an amount of Rs.47.37 crore to the Profit & Loss account for the current financial year ended 31st March 2023 and the balance unamortized amount of Rs.142.10 crore as on 31st March 2023, has been carried forward.

19. The value of shifting/ sales from HTM category (excluding onetime transfer and sale under pre – announced Open Market Operations auctions and repurchase of Government securities by Government of India) during the year ending 31st March, 2023 does not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

20. During the year ended 31st March, 2023 bank has shifted Government securities amounting to Rs.3980.00 crore Face Value (Rs.3995.06 crore Book Value) from Held to Maturity to Available for Sale category, where as no security has been transferred from Available for Sale to Held to Maturity category.

21. Bank has sold 3400 units under Priority Sector Lending certificates (PSLCs) to the tune of Rs.850.00 crore under Small & Marginal farmers and earned commission income of Rs. 9.74 crore during the year ended 31st March 2023.

22. The LCR is computed with existing methodology for the 90 days average period (quarter) for the period ended 31st March, 2023 and arrived the LCR at 206.19%. The management has approved conservative methodology i.e considering total outstanding deposit balance for wholesale funding as outflow instead of wholesale deposit having residual maturity of 30 days. Based on the new methodology, the bank has arrived LCR at 113.56% as at 31st March, 2023 i.e for a day. Since the Bank has not used the same methodology for the previous 90 days, it is not comparable with previously reported LCR numbers. The comparative figure for previous quarters/ year (90 days average) could not be carried out due to its voluminous & complexity of data involved. However, revised methodology is being used for LCR calculation henceforth.

23. The Board of Directors has recommended a dividend of Rs.0.48 per equity share (4.80%) for the year ended on 31.03.2023 subject to requisite approvals.

24. Details of Investors complaints received and disposed-off during the quarter ended 31st March 2023:

Beginning	Received	Disposed off	Lying unresolved
0	0	0	0

25. The figures of the last quarter are the balancing figures between audited figures in respect of full Financial year and the reviewed figures up to third quarter of the current financial year.

26. The figures of previous period have been regrouped and reclassified wherever considered necessary in order to make them comparable with the figures of the current period.

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CHATURVEDI & CO. KOLKATA CHARTERED ACCOUNTANTS

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27. The annual financial results for the year ended 31st March, 2023 have been prepared following the same accounting policies and practices, as those followed in the annual financial statements for the year ended 31st March, 2022.

Mahima Agarwal
CHIEF FINANCIAL OFFICER

Dr. Ram Jass Yadav
EXECUTIVE DIRECTOR

Kollegal V Raghavendra
EXECUTIVE DIRECTOR

Swarup Kumar Saha
MANAGING DIRECTOR & CEO

GHIYA & CO. Chartered Accountants FRN: 001088C UDIN: 23420734BGRRZ07034 **(CA Shubham Gupta)** Partner M.No. 420734	**SHIV & ASSOCIATES** Chartered Accountants FRN: 009989N UDIN: 23097424BGSSLW6356 **(CA Manoj Kumar)** Partner M.No.097424
CHATURVEDI & CO. Chartered Accountants FRN: 302137E UDIN: 23012705BGWLXV6179 **(CA Satish Chandra Chaturvedi)** Partner M.No. 012705	**MANOHAR CHOWDHRY & ASSOCIATES** Chartered Accountants FRN: 001997S UDIN: 23221848BGYIHQ2314 **(CA Sandeep Mogalapalli)** Partner M.No.221848

Date: May 02, 2023
Place: New Delhi

PUNJAB & SIND BANK
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(000's Omitted)

	2022-23	2021-22
A. Cash Flow from Operating Activities		
Net Profit as per Profit & Loss Account	13130290	10390546
Adjustments for:		
Provisions & Contingencies	1369098	2910359
Depreciation on Fixed Assets	1483332	1370904
Profit on sale of Assets	-21539	1582
Interest on Bonds	1165942	2313978
Operating Profit before working capital changes	**17127123**	**16987369**
Adjustments for:		
Increase / (Decrease) in Deposits	75284760	60288344
Increase / (Decrease) in Borrowings	75747507	1000825
Increase / (Decrease) in Other Liabilities	1952164	-124722
(Increase) / Decrease in Investments	-27142239	-102552600
(Increase)/ Decrease in Advances	-128756804	-37094573
(Increase) / Decrease in Other Assets	1565000	-7029853
Direct Taxes Paid (Net of refund)	-1493895	8539541
Cash Flow from Operating Activities (A)	**14283616**	**-59985669**
B. Cash Flow from Investing Activities		
Increase in Fixed Assets	-903125	-1206359
Profit on sale of Assets	21539	-1582
Cash Flow from Investing Activities (B)	**-881586**	**-1207941**
C. Cash Flow from Financing Activities		
Issue of Equity Shares (Face Value) for cash	0	27251185
Share Premium received thereon	0	18748816
Preferential Issue Expenses	0	-4655
Redemption of Subordinated Bonds	-10000000	-3000000
Interest on Bonds	-1165942	-2313978
Dividend on Equity	-2101114	0
Employees Welfare Trust	-50000	0
Cash Flow from Financing Activities (C)	**-13317056**	**40681368**
Cash from Operating Activities	14283616	-59985669
Cash from Investing Activities	-881586	-1207941
Cash from Financing Activities	-13317056	40681368
Increase in Cash & Cash Equivalents	**84974**	**-20512242**
Cash and Bank Balances (Opening)	**62882242**	**83394484**
Cash and Bank Balances (Closing)	**62967216**	**62882242**

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Dated: May 02, 2023
Place: New Delhi

SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

BASIS OF PREPARATION

The financial statements have been prepared and presented under historical cost convention on accrual basis of accounting unless otherwise stated and comply with Generally accepted accounting principles, statutory requirements prescribed under Banking Regulation Act, 1949, circulars and guidelines issued by Reserve Bank of India from time to time and notified accounting standards by companies (Accounting Standards) Rules, 2006 to the extent applicable and current practices in Banking Industry in India.

USE OF ESTIMATES

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

2. Foreign Exchange Transactions

2.1 All the Monetary assets and liabilities in foreign currencies are translated in Indian rupees at the exchange rates prevailing at the Balance Sheet date as notified by Foreign Exchange Dealers Association of India (FEDAI). The resultant gain / loss is accounted for in the Profit & Loss account.

2.2 The outstanding foreign exchange contracts are stated at the prevailing exchange rate on the date of commitment. Profit or loss on such contracts is accounted for as per rates advised by FEDAI as on 31.03.2022 and in accordance with FEDAI guidelines and provisions of para 38 of AS-11.

2.3 Items of Income and expenditure relating to foreign exchange transactions are recorded at exchange rates prevailing on the date of the transactions.

2.4 Contingent liabilities on account of acceptances, endorsements and other obligations including guarantees & letter of credits in foreign currencies are valued as per rates published by FEDAI as on 31.03.2022 except Bills for Collection which are accounted for at the notional rates at the time of lodgment.

3. Investments

3.1 Classification and valuation of investments are made in accordance with the prudential norms prescribed by Reserve Bank of India read with clarifications / directions given by RBI.

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3.2 The entire investment portfolio is classified into three categories, viz, Held to Maturity, Available for Sale and Held for Trading in line with the guidelines / directions of Reserve Bank of India. Disclosure of the investments under the three categories mentioned above is made under six classifications viz.,

i. Government Securities
ii. Other approved securities
iii. Shares
iv. Debentures
v. Subsidiaries / Joint Ventures and
vi. Others

3.3 **Basis Of Classification**:

i. Investments that the Bank intends to hold till maturity are classified as Held to Maturity.

ii. Investments that are held principally for resale within 90 Days from the date of purchase are classified as Held for Trading.

iii. Investments which are not classified in the above two categories, are classified as Available for Sale.

iv. An investment is classified under the above three categories at the time of its purchase. Shifting of securities from one category to another is done with the approval of the Board normally once in a year. Shifting is effected at the lower of acquisition cost / book value / market value on the date of transfer and the depreciation, if any, on such shifting is fully provided for and the book value of securities is changed accordingly.

3.4 Securities under 'Held to Maturity' are stated at acquisition costs unless such costs are higher than the face value, in which case the premium is amortized over the remaining period of maturity. Such amortization is shown under "Income on Investments– Schedule 13 item II as a netting item. In case, the cost is less than the redemption value, the difference being the unrealized gain, is ignored. Any diminution in value of investments in subsidiaries and joint venture, other than temporary in nature, is provided for each investment individually.

3.5 Securities under 'Available for sale' are valued scrip wise and depreciation/ appreciation is segregated category wise. While net appreciation is ignored, net depreciation under each category is provided for.

3.6 Securities under 'Held for Trading' are valued at market price and the net depreciation under each category is provided for and the net appreciation, if any, is ignored.

3.7 Cost of investment is based on the weighted average cost method category wise.

3.8 **Method Of Accounting – Settlement Date Accounting**
Settlement date accounting refers to (a) the recognition of an asset on the day it is received by the entity, and (b) the de-recognition of an asset and recognition of any gain or loss on disposal on the day it is delivered by the entity.

Accordingly, Bank follows settlement date accounting for the whole portfolio, SLR as well as Non SLR. Cost of investment is based on the weighted average cost method category wise.

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3.9 The 'market value' for the purpose of valuation of investments included in the 'Available for Sale' and 'Held for Trading' categories is the market price of the scrip as available from the trades/quotes on the stock exchanges, price list of RBI, prices declared by Primary Dealers Association of India (PDAI) jointly with the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

In respect of unquoted securities, the procedure adopted is as below:

a.	Government of India Securities: and State Government securities.		At rates put out by FIMMDA/PDAI/FBIL
b.	Other approved Securities, Preference Shares, Debentures and PSU Bonds:		On yield to maturity (YTM) basis at the rate prescribed by FIMMDA/ PDAI/FBIL with such mark ups as laid down by RBI or FIMMDA/PDAI/FBIL
c.	Equity Shares:		At market price taken from NSE and BSE for quoted share. For unquoted at Break-up Value (without considering revaluation reserve) based on the latest Balance Sheet, which are not older than one year on the date of valuation is considered. In cases where latest Balance Sheets are not available, the shares are valued at Re.1 per company
d.	Mutual Fund Units, Venture Capital Funds and Security Receipt:		At re-purchase price or Net Assets Value
e.	Treasury Bills, Cash Management Bill, Commercial Papers, Certificate of Deposits, Recapitalization Bonds, Subsidiaries, Joint Ventures and Sponsored Institutions:		At carrying cost.

3.10 In determining acquisition cost of investments:

a. Incentive received on subscription is deducted from the cost of securities;
b. Brokerage / commission/ stamp duty paid in connection with acquisition of securities are treated as revenue expenditure;
c. Broken period interest, if any, paid on acquisition of investment is debited to profit & loss account. Broken period interest received on sale of securities is recognized as Interest Income.

3.11 Profit/ Loss on sale of investments is taken to profit and loss account. However, in case of profit on sale of investments in 'Held to Maturity' category, an equivalent amount of profit is appropriated to Capital Reserve.

3.12 **Non Performing Investments**

In respect of Non-Performing Securities, income is not recognized and appropriate provision is made for depreciation in the value of such securities as per Reserve Bank of India guidelines.

3.13 Dividend Income on shares and units of mutual funds is booked on receipt basis.

3.14 In the event, depreciation booked on account of MTM in the 'AFS' or 'HFT' categories are found to be in excess of the required amount in any year, the excess is credited to the Profit & Loss Account and an equivalent amount is appropriated to an Investment Reserve Account in Schedule 2 – "Reserve & Surplus" under the head "Revenue and Other Reserves".

4. Advances

4.1 Advances are classified into "Performing" and "Non-Performing" assets and provisions are made as per the prudential norms prescribed by the Reserve Bank of India. Bank has made provisions on Non-Performing Assets as per the prudential norms prescribed by the RBI as under:

Category of Assets	Provision norms
Sub-Standard	15% on Secured Exposure. 25% on Unsecured Exposure* 20% on Unsecured Exposure* in respect of Infrastructure loan accounts where certain safeguards such as escrow accounts are available
Doubtful-I	25% on Secured 100% on Unsecured
Doubtful-II	40% on Secured 100% on Unsecured
Doubtful-III	100% on Secured 100% on Unsecured
Loss	100% of Book Outstanding

* Unsecured exposure is defined as an exposure where the realizable value of the security, as assessed by the bank/ approved valuers/ Reserve Bank's Inspecting Officers, is not more than 10 per cent, ab-initio, of the outstanding exposure.

4.2 Advances are stated net of de-recognized interest and provisions/ Technical write off made in respect of non-performing advances. Claims received from DICGC/ CGTMSE/ ECGC are not reduced from such advances till adjusted/ technically written-off whereas part recovery in all NPA accounts is reduced from advances.

4.3 Provisions on standard advances are made and are included under "Other Liabilities and Provisions" as per RBI's guidelines.

4.4 For restructured/ rescheduled advances, provisions are made in accordance with the guidelines issued by RBI.

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4.5 The sale of NPA is accounted for as per guidelines prescribed by RBI:-

i). When the bank sells its financial assets to Securitization Company (SC)/ Reconstruction Company (RC), the same is removed from the books.

ii). If the sale is at a price below the net book value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit & Loss account of the year of sale.

iii). If the sale is for a value higher than the NBV, the excess provision is reversed in the year the amounts are received.

5 **Floating Provisions**

In accordance with the RBI guidelines, the bank has an approved policy for creation and utilization of floating provisions separately for advances and investments. The quantum of floating provisions to be created would be assessed, at the end of each financial year. The floating provisions would be utilized only for contingencies under extra ordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

6 **Fixed Assets**

6.1 Premises and other Fixed Assets are stated at historical cost/revalued amount. In respect of premises, where segregation is not possible between land and superstructure, are considered in the value of superstructure.

6.2 Premises taken on perpetual lease are considered as freehold premises and are not amortized.

7 **Depreciation on Fixed Assets**

7.1 Depreciation is provided for on -

7.1.1 Computers at 33.33%, on straight-line method; additions are depreciated for the full year irrespective of the date of addition as per RBI guidelines.

7.1.2 Depreciation on fixed Assets is charged on Straight Line Method (SLM) basis as per useful life of assets, considering residual value at 5% of original cost. Additions during the year are depreciated for the full year irrespective of its date of addition. The useful life and depreciation rate are given hereunder:

S. No.	Particulars	Useful life	Depreciation Rate
1	Premises	60	1.58%
2	Furniture and fixtures	10	9.50%
3	Plant & Machinery	15	6.33%
4	Vehicles	8	11.88%

7.1.3 Cost of premises is taken composite, wherever it is not possible to segregate the cost of land from the cost of the superstructure.

7.2 No depreciation is provided on assets sold/disposed of during the year.

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7.3 Depreciation attributable to revalued portion of the assets is charged to Profit & Loss Account and equivalent amount is transferred from Revaluation Reserve Account to Revenue Reserve Account.

8 Revenue Recognition

8.1 Income and expenditure are accounted for on accrual basis unless otherwise stated.

8.2 Income on non-performing assets is recognized on realization basis in accordance with the prudential norms prescribed by Reserve Bank of India.

8.3 Partial recovery in non-performing assets is appropriated first towards principal and thereafter towards interest.

8.4 For cases covered under special schemes introduced by RBI viz. Scheme for Sustainable Structuring of Stressed Assets (S4A), Strategic Debt Restructuring, Flexible Structuring of Long Term Project Loans (5/25), Change in Ownership of Borrowing Entities (Outside Strategic Debt Restructuring Scheme), where subsequently the account turns NPA, any recovery shall be first credited to Interest on loans & Advances. Thereafter, the recovery shall be appropriated towards principal amount outstanding in the account. The accounting procedure shall be uniform and consistent in all accounts falling under above schemes.

8.5 Income on guarantees and letters of credit issued, locker rent, income from merchant banking transactions, money transfer services, dividend on shares, Interest on refund of income tax, commission on credit card, interest on overdue bills, processing fee, Government business including distribution of pension and income from units of mutual fund products and income from ATM operations are accounted for on receipt basis.

8.6 Rebate on compromised accounts is accounted for at the time of full and final adjustment of the account.

8.7 Interest on overdue Term Deposits is provided at the rate of interest applicable to Savings Bank Deposits.

8.8 Liability in respect of incremental lease rent on renewal of lease agreement is accounted for at the time of renewal of the lease.

8.9 Bond Issue Expenses incurred in connection with raising Tier-II Capital are treated as Deferred Revenue Expenditure to be written off over a period of five years.

8.10 Share Issue Expenses are adjusted against the Share Premium Account

9 Staff Retirement Benefits

9.1 Annual contribution to Gratuity Fund, Pension Fund and Leave Encashment Fund, Silver Jubilee Bonus and Retirement Gifts are provided for on the basis of an actuarial valuation.

9.2 The Employees joining on or after 01.04.2010 are being covered under the New Pension Scheme.

10. Impairment of Assets

Impairment losses (if any) on Fixed Assets (including revalued assets) are recognized in accordance with AS 28 (Impairment of Assets) issued by the ICAI and charged off to Profit and Loss Account.

11 Taxes on Income

11.1 Current Income Tax is measured at the amount expected to be paid considering the applicable tax rates and favorable judicial pronouncement/ legal opinions.

11.2 In accordance with AS-22 Deferred Tax comprising of tax effect of timing differences between taxable and accounting income for the period, is recognized keeping in view the consideration of prudence in respect of Deferred Tax Assets/Liabilities.

:DULE 18

NOTES TOACCOUNTS

A) Balancing of Accounts and Reconciliation

i. In certain Branches, the balancing / reconciliation of control accounts with subsidiary ledgers is in progress.

ii. Initial matching of debit and credit outstanding of old entries in Inter Branch Account (IBR+DD), pertains prior to CBS System. Adjustments (including old outstanding entries) have been done up to 31.03.2023 and reconciliation is in progress.

iii. Reconciliation of Drafts payable, Debit Note Receivable/ Payable, RTGS/NEFT (Suspense) is in progress. Provisions have been made as per RBI norms. Reconciliation of Nostro accounts has been done as on 31.03.2023.

In the opinion of the management, the impact of the above para (i) to (iii), if any, on the Profit & Loss Account and Balance Sheet though not quantifiable, will not be material.

iv. In terms of Reserve Bank of India guidelines, segregation of Debit and Credit entries in Inter Branch Accounts pertaining to the period up to 30.09.2022 and remained outstanding as on 31.03.2023 has been done which has resulted in either net Debit in some heads or net credit in other heads. Provision is to be made in respect of Net Debit Entries outstanding for period exceeding 6 months. Similar guidelines have been followed for imprest clearing Account also.

In Inter Branch Account there is net credit balance hence no provision is required to be made.

v. Credit entries outstanding in Blocked Unclaimed Deposit Account (New Blocked account) for the period 01.04.2012 to 31.03.2013 amounting to Rs 1.32 lakh have been transferred to DEAF account during the year ended March 2023.

Further, the unreconciled entries pertaining to more than 10 years is transferred to DEAF account on quarterly basis.

As on 31.03.2023, un-reconciled credit entries amounting to Rs. 54.98 lakh pertaining to the period from 01.04.2013 to 31.03.2016 are outstanding for more than 3 years and hence these entries were transferred to Blocked Unclaimed Deposit Account (New Blocked account).

B) Legal formalities are yet to be completed in respect of 2 Bank's properties having original cost of Rs 2.87 crore and Revaluation amount of Rs. 62.98 crore as on 31.03.2023. (Previous year 2 Bank's properties having original cost of Rs 2.87 crore and Revaluation amount of Rs. 62.98 crore).

1. Regulatory Capital

a) Composition of Regulatory Capital

(Rs. in crore)

Sr.No	Particulars	2022-23	2021-22
i)	Common Equity Tier 1 capital (CET 1)*	7990.22	6306.61
ii)	Additional Tier 1 capital*	0.00	1000.00
iii)	Tier 1 capital (i + ii)	7990.22	7306.61
iv)	Tier 2 capital	1553.09	1849.13
v)	Total capital (Tier 1+Tier 2)	9543.31	9155.74
vi)	Total Risk Weighted Assets (RWAs)	55815.43	49380.53
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)* (%)	14.32	12.77
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs) (%)	14.32	14.80
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs) (%)	2.78	3.74
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs) (%)	17.10	18.54
xi)	Leverage Ratio* (%)	5.88	6.03
xii)	Percentage of the shareholding of Government of India (%)	98.25	98.25
xiii)	Amount of paid-up equity capital raised during the year	0.00	2725.12

*Capital Adequacy Ratio (BASEL-III) is arrived after considering the Net present value (NPV) of Non-Interest bearing Recapitalization Bonds infused as capital by the Govt. of India during FY 2020-21 & 2021-22. Further, the effect of proposed dividend has been reckoned in determining capital funds in the computation of capital adequacy ratio as at 31st March 2022 and 31st March 2023.

b) **Draw down from Reserve**
A sum of Rs. Nil during Financial year ended 31.03.2023 has been drawn from the General Reserve on account of payment to the claimant of old entries.

2. **Asset Liability Management**

a) **Maturity Pattern of Certain items of Assets and Liabilities as on 31.03.2023:**

(Rs. in crore)

Maturity Pattern (Time Buckets)	Deposits	Loans & Advances	Investments	Borrowings	Foreign Currency	
					Assets	Liabilities
1 day	535.12	1330.06	0.00	0.00	55.24	148.85
2 – 7 days	1122.99	298.51	343.89	5400.48	0.45	15.72
8 – 14 days	878.91	170.59	134.36	30.70	1.62	25.31
15 - 30 days	2765.89	1445.49	150.27	0.00	4.32	77.29
31 days to 2 months	5849.81	391.27	54.79	62.76	8.14	92.02
Over 2 months & up to 3 months	5524.00	2606.69	495.21	62.29	11.66	61.71
Over 3 months & up to 6 months	14224.20	1262.39	998.85	479.96	31.36	95.68
Over 6 months & up to 1 year	27077.93	5119.30	2342.77	924.41	63.74	0.00
Over 1 year & up to 3 years	26188.95	14854.80	4300.35	820.48	65.59	87.26
Over 3 years & up to 5 years	13247.10	15904.44	3985.93	500.00	10.72	0.00
Over 5 years	12253.23	37597.40	32032.00	737.30	0.00	0.00
Total	**109668.13**	**80980.94**	**44838.42**	**9018.38**	**252.84**	**603.84**

Maturity Pattern of Certain items of Assets and Liabilities as on 31.03.2022:

(Rs. in crore)

Maturity Pattern (Time Buckets)	Deposits	Loans & Advances	Investments	Borrowings	Foreign Currency	
					Assets	Liabilities
1 day	439.27	1520.93	0.00	0.00	217.40	18.33
2 – 7 days	1421.93	548.68	83.55	0.00	32.37	0.44
8 – 14 days	1233.23	485.79	96.43	0.00	52.09	1.83
15 - 30 days	1322.07	1508.06	50.00	0.00	98.09	3.88
31 days to 2 months	6699.90	677.50	518.69	1001.36	151.99	11.84
Over 2 months & up to 3 months	6641.30	1315.83	350.09	11.50	98.15	7.10
Over 3 months & up to 6 months	13515.91	2663.78	503.49	25.20	78.02	32.22
Over 6 months & up to 1 year	23116.05	3121.80	1592.03	44.90	1.95	50.07
Over 1 year & up to 3 years	22129.64	9721.01	4150.10	123.37	16.75	72.65
Over 3 years & up to 5 years	13422.51	10309.89	4922.70	500.00	101.33	17.96
Over 5 years	12195.20	31753.28	30013.79	737.30	0.00	0.00
Total	**102137.01**	**63626.55**	**42280.87**	**2443.63**	**848.14**	**216.32**

b) Liquidity Coverage RatioRs. In Crore

		30.06.2022		30.09.2022		31.12.2022		31.03.2023	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets		25769.72		27196.53		27472.22		25904.69
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which	66669.02	6640.02	67725.89	6745.31	69166.23	6889.39	70273.61	6999.76
(i)	Stable Deposits	537.71	26.89	545.70	27.29	544.74	27.24	551.90	27.59
(ii)	Less stable deposits	66131.31	6613.13	67180.19	6718.02	68621.48	6862.15	69721.72	6972.17
3	Unsecured wholesale funding of which	11738.22	5265.27	10996.55	5068.35	10408.13	5041.56	11244.88	5668.53
(i)	Operational Deposits (all counterparties)	0	0	0	0	0	0	0	0
(ii)	Non -operational deposits (all counterparties)	11738.22	5265.27	10996.55	5068.35	10408.13	5041.56	11244.88	5668.53
(iii)	Unsecured debt	0	0	0	0	0	0	0	0
4	Secured wholesale funding		0		0		0		0
5	Additional requirements, of which	0	977.08	0	819.93	0	900.31	0	1216.73
(i)	Outflows related to derivative exposures and other collateral requirements	839.66	839.66	696.96	696.96	777.59	777.59	1099.97	1099.97
(ii)	Outflows related to loss of funding on debt product	0	0	0	0	0	0	0	0
(iii)	Credit and liquidity facilities	2689.66	137.42	2356.93	122.97	2380.36	122.72	2258.67	116.76
6	Other contractual funding obligations	0	0	0	0	0	0	0	0
7	Other contingent funding obligations	10536.03	451.58	9948.91	428.88	10910.05	474.21	11069.85	476.28
8	Total Cash Outflows								
Cash Inflows									
9	Secured lending (e.g. reverse repos)	640.20	0	44.20	0	5.45	0	1.38	0
10	Inflows from fully performing exposures	1274.97	756.46	2108.82	1203.97	1874.98	1373.50	1638.55	981.82
11	Other Cash Inflows	538.57	537.49	748.66	748.66	602.47	598.58	816.22	816.22
12	Total Cash Inflows	2453.74	1293.95	2901.68	1952.63	2482.90	1972.08	2456.15	1798.04
13	TOTAL HQLA		25769.72		27196.53		27472.22		25904.69
14	Total Net Cash Outflows		12040.00		11109.84		11333.39		12563.26
15	Liquidity Coverage Ratio(%)		214.03%		244.80%		242.40%		206.19%

* Refer Note No.17.

Liquidity Coverage Ratio

(Rs.in crore)

		30.06.2021		30.09.2021		31.12.2021		31.03.2022	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets		22279.75		26699.46		28305.55		28592.30
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which	60694.60	6023.22	61885.56	6141.23	63756.78	6326.75	65024.49	6465.25
(i)	Stable Deposits	924.70	46.23	946.46	47.32	978.53	48.93	744.00	37.20
(ii)	Less stable deposits	59769.90	5976.99	60939.10	6093.91	62778.25	6277.82	64280.49	6428.05
3	Unsecured wholesale funding of which	10267.32	4779.67	9706.98	4646.79	8726.35	4112.48	9766.76	4535.15
(i)	Operational Deposits (all counterparties)	0	0	0	0	0	0	0	0
(ii)	Non -operational deposits (all counterparties)	10267.32	4779.67	9706.98	4646.79	8726.35	4112.48	9766.76	4535.15
(iii)	Unsecured debt	0	0	0	0	0	0	0	0
4	Secured wholesale funding		0		0		0		0
5	Additional requirements, of which	3066.67	657.59	3348.07	824.28	4217.73	1049.33	3653.48	986.73
(i)	Outflows related to derivative exposures and other collateral requirements	509.76	509.76	682.16	682.16	868.18	868.18	842.44	842.44
(ii)	Outflows related to loss of funding on debt product	0	0	0	0	0	0	0	0
(iii)	Credit and liquidity facilities	2556.91	147.83	2665.91	142.12	3349.55	181.15	2811.04	144.29
6	Other contractual funding obligations	0	0	0	0	0	0	0	0
7	Other contingent funding obligations	9403.00	397.90	9241.83	390.98	9295.83	392.69	10992.04	478.81
8	Total Cash Outflows		11858.38		12003.28		11881.25		12465.94
Cash Inflows									
9	Secured lending (e.g.reverse repos)	1363.63	0	2871.53	0	3213.04	0	3077.76	0
10	Inflows from fully performing exposures	1566.03	814.40	1328.17	813.05	1117.89	817.45	1027.39	662.36
11	Other Cash Inflows	706.54	706.54	532.07	532.07	613.53	613.53	566.77	566.77
12	Total Cash Inflows	3636.20	1520.94	4731.77	1345.12	4944.46	1430.98	4671.92	1229.13
13	TOTAL HQLA		22279.75		26699.46		28305.55		28592.30
14	Total Net Cash Outflows		10337.44		10658.16		10450.27		11236.81
15	Liquidity Coverage Ratio(%)		215.52%		250.51%		270.86%		254.45%
		The Liquidity Coverage Ratio arrived for the quarter ended 30.06.2021 on basis of simple averages of daily observations during the period 01-04-2021 to 30-06-2021		The Liquidity Coverage Ratio arrived for the quarter ended 30.09.2021 on basis of simple averages of daily observations during the period 01-07-2021 to 30-09-2021.		The Liquidity Coverage Ratio arrived for the quarter ended 31.12.2021 on basis of simple averages of daily observations during the period 01-10-2021 to 31-12-2021.		The Liquidity Coverage Ratio arrived for the quarter ended 31.03.2022 on basis of simple averages of daily observations during the period 01-01-2022 to 31-03-2022.	

c) **Net Stable Funding Ratio (NSFR)**

(Rs. in crore)

Particulars	31-03-2022	30-06-2022	30-09-2022	31-12-2022	31-03-2023
Available Stable Funding (ASF)	96261.56	93492.14	97749.10	100527.57	98493.57
Required Stable Funding (RSF)	81705.99	78785.11	76863.97	78766.02	80049.78
NSFR% (ASF/RSF)	117.81%	118.67%	127.17%	127.63%	123.04%

Further, details of components of NSFR for all the quarters are available on the bank's official site www.punjabandsindbank.co.in .

पंजाब एण्ड सिंध बैंक मु.का. लेखा एवं लेखा परीक्षा विभाग राजेन्द्र प्लेस, नई दिल्ली-8

GHIYA & CO. JAIPUR Chartered Accountants

SHIV & ASSOCIATES NEW DELHI Chartered Accountants

CHATURVEDI & CO. KOLKATA CHARTERED ACCOUNTANTS

Manohar Chowdhry & Associates Chennai Chartered Accountants

3. Investments

a) Composition of Investment Portfolio as on 31.03.2023

(Rs. in crore)

	Investments in India							Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	22222.91	0.00	0.00	11674.83	0.00	36.32	33934.06	0.00	0.00	0.00	0.00	33934.06
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	22222.91	0.00	0.00	11674.83	0.00	36.32	33934.06	0.00	0.00	0.00	0.00	33934.06
Available for Sale												
Gross	6753.77	0	367.34	4036.49	0.00	372.67	11530.27	0.00	0.00	0.00	0.00	11530.27
Less: Provision for depreciation and NPI	125.17	0.00	212.20	287.72	0.00	0.82	625.91	0.00	0.00	0.00	0.00	625.91
Net	6628.60	0	155.14	3748.77	0.00	371.85	10904.36	0.00	0.00	0.00	0.00	10904.36
Held for Trading												
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments	28976.68	0.00	367.34	15711.32	0.00	408.99	45464.33	0.00	0.00	0.00	0.00	45464.33
Less: Provision for non-performing investments	0.00	0.00	191.06	267.49	0.00	0.00	458.55	0.00	0.00	0.00	0.00	458.55
Less: Provision for depreciation and NPI	125.17	0.00	21.14	20.23	0.00	0.82	167.36	0.00	0.00	0.00	0.00	167.36
Net	**28851.51**	**0.00**	**155.14**	**15423.60**	**0.00**	**408.17**	**44838.42**	**0.00**	**0.00**	**0.00**	**0.00**	**44838.42**

Composition of Investment Portfolio as on 31.03.2022

(Rs. in crore)

	Investments in India							Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	21629.25	0.00	0.00	11788.99	0.00	26.98	33445.21	0.00	0.00	0.00	0.00	33445.21
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	21629.25	0.00	0.00	11788.99	0.00	26.98	33445.21	0.00	0.00	0.00	0.00	33445.21
Available for Sale												
Gross	5443.46	0.00	354.13	3195.20	0.00	328.24	9321.04	0.00	0.00	0.00	0.00	9321.04
Less: Provision for depreciation and NPI	0.00	0.00	201.14	283.77	0.00	0.47	485.38	0.00	0.00	0.00	0.00	485.38
Net	5443.46	0.00	152.99	2911.43	0.00	327.77	8835.66	0.00	0.00	0.00	0.00	8835.66
Held for Trading												
Gross		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments	**27072.71**	**0.00**	**354.13**	**14984.19**	**0.00**	**355.22**	**42766.25**	**0.00**	**0.00**	**0.00**	**0.00**	**42766.25**
Less: Provision for non-performing investments	0.00	0.00	189.64	243.78	0.00	0.00	433.42	0.00	0.00	0.00	0.00	433.42
Less: Provision for depreciation and NPI	0.00	0.00	11.50	39.99	0.00	0.47	51.96	0.00	0.00	0.00	0.00	51.96
Net	**27072.71**	**0.00**	**152.99**	**14700.42**	**0.00**	**354.75**	**42280.87**	**0.00**	**0.00**	**0.00**	**0.00**	**42280.87**

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Rs. in crore)

	Particulars	2022-23	2021-22
i)	**Movement of provisions held towards depreciation on investments**		
	a) Opening balance	485.38	495.64
	b) Add: Provisions made during the year	306.07	86.01
	c) Less: Write off / write back of excess provisions during the year	165.54	96.27
	d) Closing balance	625.91	485.38
ii)	**Movement of Investment Fluctuation Reserve**		
	a) Opening balance	186.42	0.00
	b) Add: Amount transferred during the year	31.67	186.42
	c) Less: Drawdown	0.00	0.00
	d) Closing balance	218.09	186.42
iii)	**Closing balance in IFR as a percentage of closing balance of investments* in AFS and HFT/Current category**	2%	2%

***Carrying value less net depreciation (ignoring net appreciation) i.e .the net amount reflected in the balance sheet.**

c) Sale and transfers to/from HTM category

i) During the year ending March-2023, Bank has shifted Govt. Securities amounting to Rs.3980.00 crore Face Value (Rs.3995.06 crore Book Value) from Held For Trading to Available For Sale category where as no security has been transferred from Available for Sale to Held to Maturity category. Gain on shifting of securities from HTM to AFS was not booked upfront and gain/loss was recognized on sale of such securities during the year.

ii) The value of shifting/ sales from HTM category (excluding onetime shifting at the beginning of year and sale under pre-announced OMO auctions) during the year does not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

d) Non-SLR investment portfolio

i) Non-performing non-SLR investments

(Rs. in crore)

Sr. No.	Particulars	2022-23	2021-22
a)	Opening balance	438.11	485.28
b)	Additions during the year since 1st April	192.32	39.66
c)	Reductions during the above period	147.83	86.83
d)	Closing balance	482.60	438.11
e)	Total provisions held	458.55	433.42

ii) Issuer composition of non-SLR investments

(Rs. in crore)

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
(1)	(2)	(3)		(4)		(5)		(6)		(7)	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
a)	PSUs	12763.17	12996.17	12564.69	12764.62	0.00	0.00	12587.21	12787.48	12498.37	12596.83
b)	FIs	1263.07	630.70	14.60	14.60	0.00	0.00	46.66	46.66	235.40	14.60
c)	Banks	625.48	390.32	0.00	0.00	0.00	0.00	23.32	270.41	123.88	247.56
d)	Private Corporates	1771.62	1615.85	364.83	485.23	523.91	494.33	547.95	374.32	365.04	367.76
e)	Subsidiaries/Joint Ventures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f)	Others	64.31	60.50	64.31	60.50	26.23	31.79	64.31	60.50	64.31	60.50
g)	Provision held towards depreciation (including NPA)	(500.74)	(485.38)	(269.19)	(273.16)	(479.69)	(448.22)	(476.76)	(263.75)	(301.12)	(262.96)
	Total	15986.91	15208.16	12739.24	13051.79	70.46	77.90	12792.69	13275.62	12985.88	13024.29

e) Repo transactions (in face value terms) for FY 2022-23

(Rs. in crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31, 2023
i) Securities sold under repo				
a) Government securities	-	-	-	-
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-
ii) Securities purchased under reverse repo				
a) Government securities	1500.00	2754.00	171.55	0.00
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-

Repo transactions (in face value terms) FY 2021-22

(Rs. in crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31, 2022
i) Securities sold under repo				
a) Government securities	-	-	-	-
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-
ii) Securities purchased under reverse repo				
a) Government securities	-	4700.00	2982.49	1540.00
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-

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4. **Asset quality**

a)Classification of advances and provisions held

As on 31.03.2023						(Rs. in crore)
	Standard	**Non-Performing**				**Total**
	Total Standard Advances	**Sub-standard**	**Doubtful**	**Loss**	**Total Non-Performing Advances**	
Gross Standard Advances and NPAs						
Opening Balance	61822.26	833.13	5568.83	2162.86	8564.82	70387.08
Add: Additions during the year	[redacted]				908.46	
Less: Reductions during the year	[redacted]				3825.07	
Closing balance	75333.52	893.21	2893.27	1861.73	5648.21	80981.73
Reductions in Gross NPAs due to:	[redacted]					
i) Up gradation	[redacted]				235.28	
ii) Recoveries (excluding recoveries from upgraded accounts)	[redacted]				1306.50	
iii) Technical/ Prudential Write-offs	[redacted]				2127.64	
iv) Write-offs other than those under (iii) above	[redacted]				155.65	
Provisions (Excluding Floating Provisions)						
Opening balance of provisions held	711.70	226.65	4367.08	2162.50	6756.23	7467.93
Add: Fresh provisions made during the year	[redacted]				574.08	
Less: Excess provision reversed/ Write-off loans	[redacted]				3170.53	
Closing balance of provisions held	644.69	171.77	2126.28	1861.73	4159.78	4804.47
Net NPAs						
Opening Balance	[redacted]				1742.27	[redacted]
Add: Fresh additions during the year	[redacted]				712.16	[redacted]
Less: Reductions during the year	[redacted]				1042.93	[redacted]
Closing Balance	[redacted]				1411.50	
Floating Provisions						
Opening Balance						
Add: Additional provisions made during						

the year	NIL
Less: Amount drawn down during the year	
Closing balance of floating provisions	

Technical write-offs and the recoveries made there on		
Opening balance of Technical/ Prudential written-off accounts	[redacted]	5820.95
Add: Technical/ Prudential write-offs during the year	[redacted]	2127.64
Less: Recoveries made from previously technical/ prudential written-off accounts during the year	[redacted]	691.18
Closing balance	[redacted]	7257.41

As on 31.03.2022 (Rs. in crore)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	58477.17	1501.48	4743.66	3088.86	9334.00	67811.17
Add: Additions during the year	[redacted]				2064.63	
Less: Reductions during the year	[redacted]				2833.81	
Closing balance	61822.26	833.13	5568.83	2162.86	8564.82	70387.08
Reductions in Gross NPAs due to:	[redacted]					
i) Up gradation	[redacted]				689.01	
ii) Recoveries (excluding recoveries from upgraded accounts)	[redacted]				1011.26	
iii) Technical/ Prudential Write-offs	[redacted]				1049.43	
iv) Write-offs other than those under (iii) above	[redacted]				84.11	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	1594.32	291.92	3436.52	3088.26	6816.70	8411.02
Add: Fresh provisions made during the year	[redacted]				1964.75	
Less: Excess provision reversed/ Write-off loans	[redacted]				2025.22	

Closing balance of provisions held	711.70	226.65	4367.08	2162.50	6756.23	7467.93
Net NPAs						
Opening Balance	[redacted]				2461.95	[redacted]
Add: Fresh additions during the year	[redacted]	[redacted]	[redacted]	[redacted]	597.96	[redacted]
Less: Reductions during the year	[redacted]	[redacted]	[redacted]	[redacted]	1317.64	[redacted]
Closing Balance	[redacted]				1742.27	
Floating Provisions						
Opening Balance	NIL					
Add: Additional provisions made during the year						
Less: Amount drawn down during the year						
Closing balance of floating provisions						
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts	[redacted]	[redacted]	[redacted]	[redacted]	5058.57	
Add: Technical/ Prudential write-offs during the year	[redacted]	[redacted]	[redacted]	[redacted]	1049.43	
Less: Recoveries made from previously technical/ prudential written-off accounts during the year	[redacted]	[redacted]	[redacted]	[redacted]	287.05	
Closing balance	[redacted]	[redacted]	[redacted]	[redacted]	5820.95	

Ratios (%)	2022-23	2021-22
Gross NPA to Gross Advances	6.97	12.17
Net NPA to Net Advances	1.84	2.74
Provision coverage ratio (With TWO)	89.06	87.89
Provision coverage ratio (Without TWO)	75.01	79.66

b) Sector-wise Advances and Gross NPAs

(Rs. in Crore)

Sr.No.	Sector	2022-23			2021-22		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector (%)	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector (%)
i)	**Priority Sector**	31285.60	2739.33	8.76	29068.76	3127.63	11.00
a)	Agriculture and allied activities	11787.44	1027.17	8.71	10933.87	944.05	9.00
b)	Advances to industries sector eligible as priority sector lending	4505.60	465.84	10.34	4874.73	715.84	15.00
Of which, outstanding advances exceeds 10% of the outstanding total advances to that sector							
b.i)	Textiles	947.29	158.25	16.71	1056.55	174.96	16.56
b.ii)	Engineering	529.89	62.03	11.71	503.26	92.15	18.31
b.iii)	Metal and Metal Products	505.80	24.14	4.77	377.95	44.98	11.90
c)	Services	10375.46	983.33	9.48	8698.56	1122.19	12.90
d)	Personal loans	4617.10	262.99	5.70	4561.60	345.55	8.00
	Subtotal (i)	**31285.60**	**2739.33**	**8.76**	**29068.76**	**3127.63**	**11.00**
ii)	**Non-priority Sector**	49696.12	2908.87	5.85	41318.32	5437.19	13.00
a)	Agriculture and allied activities	0.00	0.00	0.00	0.00	0.00	0.00
b)	Industry	18275.59	1231.17	6.74	17762.36	2028.41	11.00
Of which, outstanding advances exceeds 10% of the outstanding total advances to that sector							
b.i)	Power & Energy	5704.89	219.40	3.85	6530.50	653.76	10.01
b.ii)	Social & Comm. Infra	4596.03	0.02	0.00	3640.63	0.95	0.03
b.iii)	Roads and Highways	3264.07	733.05	22.46	2816.94	801.79	28.46
c)	Services	19600.56	1462.84	7.46	16380.28	3157.40	19.28
Of which, outstanding advances exceeds 10% of the outstanding total advances to that sector							
c.i)	NBFC	14060.02	1150.91	8.19	8442.72	2330.26	27.60
d)	Personal loans	11819.97	214.87	1.82	7175.68	251.38	3.50
	Sub-total (ii)	**49696.12**	**2908.88**	**5.85**	**41318.32**	**5437.19**	**13.16**
	Total (I +ii)	**80981.72**	**5648.21**	**6.97**	**70387.08**	**8564.82**	**12.17**

c) Overseas assets, NPAs and revenue

(Rs. in Crore)

Particulars	2022-23	2021-22
Total Assets	55.52	134.67
Total NPAs	0.00	0.00
Total Revenue	5.73	0.28

d) Particulars of resolution plan and restructuring

The Bank holds additional standard asset provision in 2 accounts, in terms of RBI Circular DBR No. BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 on "Prudential Framework for Resolution of Stressed Assets" amounting to Rs.50.51 crore. The details are as under:-

(Rs. in Crore)

Amount of Loans Impacted by RBI Circular (A)	Amount of Loans to be classified as NPA (B)	Amount of Loans as on 31.03.2023, out of (B) classified as NPA (C)	Addl. Provision required for loans covered under RBI Circular (D)	Provision out of (D) already made by 31.03.2023 (E)
142.68	-	-	50.51	50.51

e) Divergence in asset classification and provisioning

As per RBI Master Direction No DOR.ACC.REC.No.46/21.04.018/2021-22 dated 30.08.2021 (updated on 20.02.2023 on financial statements – presentation and disclosure, divergence in the asset classification and provisioning, Banks should disclose divergences in the asset classification and provisioning, Banks should disclose divergence, if either or both of the following conditions are satisfied:

(a) The additional provisioning for NPAs assessed by RBI exceeds 10 percent of the reported profit before provisions and contingencies for the reference period, and
(b) The additional Gross NPAs identified by RBI as part of its supervisory process exceed 15 percent of the published incremental Gross NPAs for the reference period.

Divergences are within threshold limits in the Bank as specified above. Hence, no disclosure is required with respect to RBI's Annual Supervisory Process for FY 2021-22.

f) Disclosure of transfer of loan exposures

(i) In the case of stressed loans transferred or acquired, the following disclosures should be made:

(Rs. in crore)

Details of stressed loans (NPA & SMA)transferred during 2022-23			
	To ARCs	To permitted transferees	To other transferees (please specify)
No: of accounts	NIL	NIL	NIL
Aggregate principal outstanding of loans transferred	NIL	NIL	NIL
Weighted average residual tenor of the loans transferred	NIL	NIL	NIL
Net book value of loans transferred (at the time of transfer)	NIL	NIL	NIL
Aggregate consideration	NIL	NIL	NIL
Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL	NIL

Details of loans acquired during the year		
From SCBs, RRBs, Co-operative banks, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)		**From ARCs**
Aggregate principal outstanding of loans acquired	NIL	NIL
Aggregate consideration paid	NIL	NIL
Weighted average residual tenor of loans acquired	NIL	NIL

(Rs. in crore)

Details of stressed loans (NPA & SMA)transferred during 2021-22			
	To ARCs	To permitted transferees	To other transferees (please specify)
No: of accounts	NIL	NIL	NIL
Aggregate principal outstanding of loans transferred	NIL	NIL	NIL
Weighted average residual tenor of the loans transferred	NIL	NIL	NIL
Net book value of loans transferred (at the time of transfer)	NIL	NIL	NIL
Aggregate consideration	NIL	NIL	NIL

Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL	NIL
Details of loans acquired during the year			

From SCBs, RRBs, Co-operative banks, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)		**From ARCs**
Aggregate principal outstanding of loans acquired	NIL	NIL
Aggregate consideration paid	NIL	NIL
Weighted average residual tenor of loans acquired	NIL	NIL

(ii) In accordance with RBI circular no.DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021, in respect of the details of loans transferred/acquired during the period ended March 31, 2023, the Bank has not transferred and acquired NPA and Special Mention Account (SMA).

(iii) Distribution of the SRs held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies:

(Rs. in crore)

Recovery Rating Band	31.03.2023(Book Value)	31.03.2022(Book Value)
RR1+	Nil	Nil
RR1	26.23	31.79
RR2	Nil	Nil
RR3	Nil	Nil
RR4	Nil	Nil
RR5	Nil	Nil
Rating Withdrawn	Nil	Nil
Total	**26.23**	**31.79**

g) Fraud accounts

(Rs. in crore)

Particulars	2022-23	2021-22
Number of frauds reported (Nos.)	132	159
Amount involved in fraud	1363.22	454.59
Amount of provision made for such frauds	1137.14	238.73*
Amount of Unamortised provision debited from 'other reserves' as at the end of the year	0.00	0.00

* Provision of Rs.215.17 crore has already been made in previous years.

h) Disclosure under Resolution Framework for COVID-19-related Stress

i) Details of resolution plan implemented under the Resolution Framework for COVID-19 related stress as per RBI Circular dated August 6, 2020 (RF 1.0) and May 05,2021 (RF 2.0)are given below:-

For Half Year ended 31.03.2023

(Rs. in crores)

Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of the previous half year (30.09.2022) (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) Amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of this half year (31.03.2023)
(i) Personal loans	1003.24	43.86	0.00	60.93	916.20
(ii) Corporate persons#	1105.94	25.25	0.00	65.84	1041.82
Of Which MSME	599.41	25.25	0.00	52.36	534.56
(iii) Others	39.19	2.84	0.00	2.59	33.34
Total	2148.37	71.95	0.00	129.36	1991.36
#as defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					

For Half Year ended 30.09.2022

(Rs. in crores)

Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the half year ended 31.03.2022 (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) Amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of this half year (30.09.2022)
(i) Personal loans	1101.15	67.29	0.00	69.81	1003.24
(Ii) Corporate persons#	1735.18	65.84	0.00	564.36	1105.94
Of Which MSME	709.89	65.84	0.00	49.79	599.41
(iii) Others	46.40	2.84	0.00	4.17	39.19
Total	2882.73	135.97	0.00	638.34	2148.37
#as defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					

5. Exposures:

a) **Exposure to Real Estate Sector**

(Rs. in crore)

	Category	2022-23	2021-22
i) Direct Exposure			
(a)	Residential Mortgages*		
i.	Lending fully secured by mortgages of residential property that is or will be occupied by the borrower or that is rented	8129.80	7354.21
ii.	Individual housing loans eligible for inclusion in priority sector advances	3875.73	4105.23
	*(Exposure would also include non fund based (NFB))		
(b)	Commercial Real Estate		

	Lending secured by mortgages of commercial real estates (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc) (Exposure would also include non fund based (NFB) limits;)		814.68	1242.12
(c)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures		-	-
	a.	Residential	-	-
	b.	Commercial Real Estate	-	-
ii) **Indirect Exposure**			6182.73$	2858.43$
Fund based and Non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)				
Total Exposure to Real Estate Sector			15127.21	11454.76

$ Includes Rs.869.92 crore (Previous year Rs.1019.83 crore) by way of Investment in NHB & Housing Finance Companies.

b) Exposure to Capital Market

(Rs.in crore)

	Particulars	2022-23	2021-22
1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	397.04	374.92
2	Advances against shares/ bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	0.60	1.72
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances;	-	-
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
6	Loans sanctioned to corporates against the security of shares/ bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
7	Bridge loans to companies against expected equity flows/ issues;	-	-
8	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
9	Financing to stockbrokers for margin trading;		-

10	All exposures to Venture Capital Funds (both registered and unregistered)	38.07	28.71
Total Exposure to Capital Market		435.71	405.35

c) Risk Category wise Country Exposure

The net country-wise funded exposure of the Bank in respect of Foreign Exchange Transactions in respect of each country is within 1% of the Total Assets of the Bank. Hence, no provision is required as per RBI guidelines.

d) Unsecured Advances

(Rs. in crore)

Particulars	2022-23	2021-22
Total unsecured advances of the bank	6578.70	2012.49
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. have been taken	0.00	0.00
Estimated Value of such intangible	0.00	0.00

e) Factoring Exposures: Nil

f) Intra-Group Exposures

(Rs. in crore)

S. No.	Particulars	2022-23		2021-22	
		Sanc Loan/limit	Balance O/s	Sanc Loan/limit	Balance O/s
(a)	Total amount of intra-group exposures	NIL	NIL	NIL	NIL
(b)	Total amount of top-20 intra-group exposures	NIL	NIL	NIL	NIL
(c)	Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	NIL	NIL	NIL	NIL
(d)	Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	NIL	NIL	NIL	NIL

g) Un-hedged Foreign Currency Exposure

The Bank has estimated the liability towards Unhedged Foreign Currency Exposure in terms of RBI circular DBOD.No.BP.BC.85/21.06.200/2013-14 dated January 15, 2014 and is holding a provision of Rs.0.04 crore as on March 31, 2023. (Rs.0.097 crore as on 31.3.2022)

6. Concentration to Deposits, Advances, Exposures and NPAs

a) Concentration of Deposits

(Rs. in crore)

Particulars	2022-23	2021-22
Total Deposits of twenty largest depositors	13491.58	18724.52
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank (%)	12.30	18.33

b) Concentration of Advances

(Rs. in crore)

Particulars	2022-23	2021-22
Total Advances to twenty largest borrowers	20677.61	15873.10
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank (%)	25.53	22.55

c) **Concentration of Exposures***

(Rs. in crore)

Particulars	2022-23	2021-22
Total Exposure to twenty largest borrowers/ customers	20946.94	16907.74
Percentage of Exposure to the twenty largest borrowers/ customers to Total Exposure of the bank on borrowers/ customers (%)	22.24	19.53

*Exposure to Central Govt and Central Govt guaranteed have been excluded.

d) **Concentration of NPAs**

(Rs. in crore)

Particulars	2022-23	2021-22
Total Exposure to the top twenty NPA Accounts	2521.29	4109.52
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs. (%)	44.64	47.98

7. **Derivatives**

Bank under derivatives only deals in merchant forward contract and the value of outstanding Forward contract is Rs.654.51 crore.

a) **Forward rate agreement/Interest rate swap**

(Rs. in crore)

Sr. No	Particulars	2022-23	2021-22
i)	The notional principal of swap agreements	NIL	NIL
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	NIL	NIL
iii)	Collateral required by the bank upon entering into swaps	NIL	NIL
iv)	Concentration of credit risk arising from the swaps	NIL	NIL
v)	The fair value of the swap book	NIL	NIL

b) **Exchange traded interest rate derivatives**

(Rs. in crore)

Sr. No	Particulars	2022-23	2021-22
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)	NIL	NIL
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding (instrument wise)	NIL	NIL
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	NIL	NIL
iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not' highly effective' (instrument wise)	NIL	NIL

c) **Disclosures on risk exposure in derivatives**

i) **Qualitative disclosures**

Bank has not entered into any derivative transactions in respect of Forward rate agreement/Interest Rate Swap/ Exchange Traded Interest Rate Derivatives during the year 2022-23. Accordingly, qualitative and quantitative disclosures under RBI guidelines with respect to derivative transactions are not required.

ii)Quantitative disclosures

(Rs. in crore)

Sr.No	Particular	2022-23		2021-22	
		Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
a)	Derivatives (Notional Principal Amount)	NIL	NIL	NIL	NIL
	i) For hedging	NIL	NIL	NIL	NIL
	ii) For trading	NIL	NIL	NIL	NIL
b)	Marked to Market Positions	NIL	NIL	NIL	NIL
	i) Asset(+)	NIL	NIL	NIL	NIL
	ii) Liability(-)	NIL	NIL	NIL	NIL
c)	Credit Exposure	NIL	NIL	NIL	NIL
d)	Likely impact of one percentage change in interest rate(100*PV01)	NIL	NIL	NIL	NIL
	i) on hedging derivatives	NIL	NIL	NIL	NIL
	ii) on trading derivatives	NIL	NIL	NIL	NIL
e)	Maximum and Minimumof100*PV01 observed during the year	NIL	NIL	NIL	NIL
	i) on hedging	NIL	NIL	NIL	NIL
	ii) on trading	NIL	NIL	NIL	NIL

d) Credit default swaps

Bank has not entered into any Credit Default Swaps during the year 2022-23.

8. Disclosures relating to securitization

(Numbers/Rs in crore)

Sr. No	Particulars			2022-23	2021-22
1.	No of SPEs holding assets for securitization transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)			NIL	NIL
2.	Total amount of securitized assets as per books of the SPEs			NIL	NIL
3.	Total amount of exposures retained by the originator to comply Minimum Retention Requirement (MRR) as on the date of balance sheet.			NIL	NIL
	a)	Off-balance sheet exposures			
		*	First loss	NIL	NIL
		*	Others	NIL	NIL
	b)	On-balance sheet exposures		NIL	NIL
		*	First loss	NIL	NIL
		*	Others	NIL	NIL
4.	Amount of exposures to securitization transactions other than MRR			NIL	NIL
	a)	Off-balance sheet exposures			
		i)	Exposure to own securitizations	NIL	NIL
		*	First loss	NIL	NIL
		*	Others	NIL	NIL
		ii)	Exposure to third party securitizations	NIL	NIL
		*	First loss	NIL	NIL
				NIL	NIL

			*	Others		
	b)	On-balance sheet exposures			NIL	NIL
		i)	Exposure to own securitizations		NIL	NIL
			*	First loss	NIL	NIL
			*	Others	NIL	NIL
		ii)	Exposure to third party securitizations		NIL	NIL
			*	First loss	NIL	NIL
			*	Others	NIL	NIL
5.	Sale consideration received for the securitized assets and gain/loss on sale on account of securitization				NIL	NIL
6.	Form and quantum (outstanding value) of services provided by way liquidity support, post- securitization asset servicing ,etc.				NIL	NIL
7.	Performance of facility provided for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Percent in bracket as of total value of facility provided. (a) Amount paid (b) Repayment received (c) Outstanding amount				NIL	NIL
8.	Average default rate of portfolios observed in the past. (Breakup separately for each asset class i.e. RMBS, Vehicle Loans etc)				NIL	NIL
9.	Amount and number of additional/top up loan given on same underlying asset.				NIL	NIL
10.	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding				3	3

9. Off balance sheet SPVs sponsored

(Rs. in crore)

Name of the SPV sponsored			
Domestic		Overseas	
31.03.2023	31.03.2022	31.03.2023	31.03.2022
NA	NA	NA	NA

10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

(Rs. in crore)

Sr. No	Particulars	2022-23	2021-22
i)	Opening balance of amounts transferred to DEA Fund	430.03	316.65
ii)	Add: Amounts transferred to DEA Fund during the year	77.66	117.46
iii)	Less: Amounts reimbursed by DEA Fund towards claims	7.45*	4.08*
iv)	Closing balance of amounts transferred to DEA Fund	500.24	430.03

* Principal

11. Disclosure of complaints

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

Sr. No	Particulars	2022-23	2021-22
	Complaints received by the bank from its customers		
1	Number of complaints pending at beginning of the year	202	96

2		Number of complaints received during the year	19051	23973
3		Number of complaints disposed during the year	19167	23867
	3.1	Of which, number of complaints rejected by the bank	366	186
4		Number of complaints pending at the end of the year	86	202
	Maintainable complaints received by the bank from Office of Ombudsman			
5		Number of maintainable complaints received by the bank from Office of Ombudsman	544	655
	5.1.	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	254	620
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	276	27
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	NIL	NIL
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	NIL	NIL

b) Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
			2022-23		
Ground – 1: ATM/Debit Cards	32	11035	8.71	30	NIL
Ground – 2 : Internet/Mobile/ Electronic Banking	119	4201	(59.16)	14	1
Ground – 3 : Loans and advances	18	638	(11.02)	16	NIL
Ground – 4 : Levy of charges without prior notice/excessive charges/ fore closure charges	5	608	215.03	1	NIL
Ground – 5 : Cheques / drafts/ bills	Nil	135	62.65	2	NIL
Others	28	2434	(4.25)	23	2
Total	**202**	**19051**	**(20.53)**	**86**	**3**
			2021-22		
Ground – 1 Internet/ Mobile/ Electronic Banking	8	10287	381	119	2
Ground – 2 ATM/Debits Cards	62	10151	14.90	32	3
Ground – 3 Loans and advances	4	717	51.60	18	6
Ground – 4 Levy of charges without prior notice/excessive charges/ foreclosure charges	NIL	193	188	5	NIL
Ground – 5 Staffs behaviour	3	118	(26.70)	5	1
Others	19	2507	(7.20)	23	2
Total	**96**	**23973**	**65.90**	**202**	**14**

12. Disclosure of penalties imposed by the Reserve Bank of India

(Rs. in crore)

Particulars	2022-23	2021-22
A. Penalty imposed by RBI on account of advances sanctioned in contravention of RBI directions for onward lending to group companies / subsidiaries and affiliates by NBFC	0.00	1.00
B. Penalty imposed by RBI on account of unusual cyber securities and incidents of suspected unauthorized internet banking transactions	0.00	0.25
C. Penalty imposed by RBI on account of Non-compliance of the directions issued by RBI circular No. DBR.DIR.BC.No.14/13.03.00/2019-20 dated September 04, 2019 on 'External Benchmark Lending'.	0.275	0.00

13. Disclosures on Remuneration - Not Applicable to bank

14. Other Disclosures

a) Business Ratios

(Rs. in crore)

Particular	2022-23	2021-22
i) Interest Income as a percentage to Working Funds (%)	5.99	5.80
ii) Non-interest income as a percentage to Working Funds (%)	0.70	0.78
iii) Cost of Deposits (%)	4.53	4.28
iv) Net Interest Margin (%)	2.91	2.80
v) Operating Profit as a percentage to Working Funds (%)	1.09	1.09
vi) Return on Assets (%)	0.98	0.85
vii) Business (deposits plus advances) per employee	21.45	20.31
viii) Profit per employee	0.15	0.12

b) Disclosure of Fees/ Remuneration Received in respect of Bancassurance Business

(Rs. in crore)

	2022-23	2021-22
A. Fee/ Remuneration from Life Insurance Business	19.75	13.14
B. Fee/ Remuneration from General Insurance Business	3.38	3.08
C. Commission on APY	1.53	0.80

c) Disclosure of Fees/ Remuneration Received in respect of Marketing and Distribution Function (Excluding Bancassurance Business)

(Rs. in crore)

	2022-23	2021-22
Commission on Sovereign Gold Bond Scheme	0.43	0.85
Commission on ASBA	0.01	0.00

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

Bank has sold 3400 units under Priority Sector Lending certificates (PSLCs) to the tune of Rs.850.00 crore under Small & marginal farmers and earned commission income of Rs.9.74 Crore during the year ended 31.03.2023.

पंजाब एण्ड सिंध बैंक मु.का. लेखा एवं लेखा परीक्षा विभाग

GHIYA & CO. JAIPUR Chartered Accountants

SHIV & ASSOCIATES NEW DELHI Chartered Accountants

CHATURVEDI & CO. KOLKATA CHARTERED ACCOUNTANTS

Manohar Chowdhry & Associates Chennai Chartered Accountants

e) Provisions and contingencies

(Rs. in crore)

Provision debited to Profit and Loss Account	2022-23	2021-22
Provisions for NPI	25.13	(51.86)
Provision towards NPA	(471.06)	988.96
Provision made towards Income tax	306.81	147.63
Other Provisions and Contingencies (with details)	276.03	(793.69)

(Rs. in crore)

Break up of 'Provisions & Contingencies' shown under the head Expenditure in Profit & Loss Account	2022-23	2021-22
Provision for Non Performing Advances	(471.06)	988.96
Provision for Standard Advances	(67.01)	(882.61)
Provision for diminution in FV Restructured Advances	(1.78)	(48.47)
Provision for Non Performing Investments	25.13	(51.86)
Provision for Fraud	54.93	2.43
Rebate on Advances	155.65	84.11
Other Provisions	134.23	50.84
Provision for Taxation:		
Current Tax	265.13	37.76
Deferred Tax	324.10	147.63
MAT Credit Entitlement–Current Year	(282.41)	(37.76)
MAT Credit Entitlement Reversed	0.00	0.00
Total	**136.91**	**291.04**

f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

Bank is complying with the reporting requirements of statutory authorities in relation to IND-AS. Post issuance of discussion paper on ECL by the regulator, Bank will be appointing a consultant with considerable experience in the field of implementation of IND-AS. Further, it is also planned to give specialized training to staff so as to build relevant expertise which would ultimately result in smooth implementation of IND-AS as and when implemented.

g) Payment of DICGC Insurance Premium

(Rs. in crore)

Sr. No.	Particulars	2022-23	2021-22
i)	Payment of DICGC Insurance Premium	142.86	136.06
ii)	Arrears in payment of DICGC premium	0.00	0.00

h) Disclosure of facilities granted to directors and their relatives : Not Applicable to bank

i) Disclosure on amortization of expenditure on account of enhancement in family pension of employees of banks

The estimated additional Pension liability on account of revision in family pension was Rs.236.84 crore. RBI vide its Circular RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated 4th October 2021, has permitted all member Banks of Indian Banks Association to amortize the said additional liability over a period not exceeding five years beginning with the financial year ending 31st March 2022, subject to a minimum of 1/5th of the total amount being charged every year. The Bank will amortize the said liability over a period, not exceeding 5 years commencing from the financial year ending 31st March 2022, subject to a minimum of Rs.47.37 crore every year. Accordingly, the

Bank has charged an amount of Rs.47.37 crore to the Profit & Loss account for the current financial year ended 31st March 2023 and the balance unamortized amount of Rs.142.10 crore as on 31st March 2023, has been carried forward.

j) Disclosure in terms of RBI circular no.DOR.STR.REC.91/21.04.018/2021-22 dated December 13, 2022:

i) Items under the subhead "Miscellaneous Income" under the head "Schedule 14 – Other Income" exceeding 1% of Total Income.

(Rs. in crore)

S.No.	Particulars	2022-23	% out of Total Income	2021-22	% out of Total Income
1	Recovery in Technical Write Off Accounts	511.64	5.73	261.47	3.25
2	Miscellaneous Income	110.82	1.24	85.94	1.07
3	Loan Processing Fee	81.12	0.91	89.33	1.11

ii) Items under the subhead "Other Expenditure" under the head "Schedule 16 – Operating Expenses" exceeding 1% of Total Income : NIL.

iii) Items under the head "Schedule 5(IV) – Other Liabilities and Provisions- "Others (including provisions)" exceeding 1% of Total Assets: NIL

iv) Items under the head "Schedule 11(VI) – Other Assets - "Others" exceeding 1% (one percent) of Total Assets.

(Rs. in crore)

S.No.	Particulars	2022-23	% out of Total Assets	2021-22	% out of Total Assets
1	Rural Infrastructure Development Fund [RIDF]	2359.44	1.73	2759.23	2.28

15. Disclosure as per Accounting Standard (AS)

15.1 AS-5 Net Profit or Loss for the period, prior period items and changes in accounting policies

15.1.1 There are no material prior period items included in Profit & Loss Account required to be disclosed as per AS-5 read with RBI guidelines except those disclosed elsewhere in the notes.

15.2 AS-9 Revenue Recognition

Certain items of income are recognized on realization basis as disclosed at point no. 8 – "Revenue Recognition" of **Schedule 17 – Significant Accounting Policies**. However, in terms of RBI guidelines, the said income is not considered to be material.

15.3 **AS-10 Property Plant & Equipment**

The bank had last revalued immovable properties during the FY 2021-22, based on the reports obtained from the external independent valuer. The closing balance of revaluation reserve as on 31.03.2023 (Net of amount transferred to revenue reserve) is Rs.912.22 crore (Previous year Rs.919.90 crore).

Out of 59 properties owned by bank (excluding lease hold properties having a lease term up to 30 years), cost of 38 properties are segregated into land and superstructure.

15.4 **AS 15 - Employees Benefit**

Provisions for Pension, Gratuity, Leave Encashment and Other long term benefits have been made in accordance with the Revised Accounting Standard (AS - 15) Employees Benefits issued by the ICAI.

The summarized position of post-employment benefits recognized in the Profit & Loss A/c and Balance Sheet is as under:

Changes in the Present value of the Obligation

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Present Value of defined benefit obligation as at 1st April	4610.95	4199.43	319.58	324.96	257.93	227.27
Interest cost	313.48	265.98	21.95	21.71	18.05	15.41
Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00
Current service cost	214.86	173.47	24.90	22.47	16.94	21.61
Benefits paid	(453.22)	(459.09)	(35.31)	(50.96)	(19.38)	(29.36)
Actuarial loss/ (gain) on obligations	12.45	431.16	(9.75)	1.40	(1.32)	23.00
Present value of defined Benefit obligation at 31st March	4698.52	4610.95	321.37	319.58	272.22	257.93

Changes in the Present Value of Plan Assets

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Fair value of Plan Assets as at 1st April	4322.98	3952.38	321.08	313.18	262.41	219.38
Expected return of Plan Assets	339.35	317.77	25.37	25.37	17.53	15.84
Contributions	282.83	546.16	13.79	36.73	9.24	55.15
Benefits paid	(453.22)	(459.09)	(35.31)	(50.96)	(19.38)	(29.36)
Actuarial gain/(loss)	(59.84)	(34.24)	(6.67)	(3.24)	(0.20)	1.40
Fair value of Plan Assets as at 31st March	4432.10	4322.98	318.26	321.08	269.60	262.41
Actual return on Plan Assets	279.51	283.53	18.70	22.13	17.33	17.24

Net Actuarial Loss/ (Gain)

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Actuarial loss/(gain) on Obligation. (A)	12.45	431.16	(9.75)	1.40	(1.32)	23.00
Actuarial loss/(gain) on Plan Assets (B)	59.84	34.24	6.67	3.24	0.20	(1.40)
Net Actuarial loss/(gain)	72.29	465.40	(3.08)	4.64	(1.12)	21.60
Actuarial loss/(gain) recognized in the period (A+B)	72.29	465.40	(3.08)	4.64	(1.12)	21.60
Unrecognized actuarial loss/ (Gain) at the end of the year	NIL	NIL	NIL	NIL	NIL	NIL

Amount recognized in the Balance Sheet

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Present value of defined benefit obligation as at 31st March	4698.52	4610.95	321.37	319.58	272.22	257.93
Less: Fair value of Plan Assets as at 31st March	4432.10	4322.98	318.26	321.08	269.60	262.41
Excess net Asset / (Unfunded Liability) Recognized in the balance sheet	(266.42)	(287.97)	(3.11)	1.50	(2.62)	4.48
Higher Provisioning kept	NIL	NIL	NIL	Nil	Nil	NIL
Transitional liability recognized during the year	--	---	--	---	--	----
Unrecognized transitional liability	--	---	--	---	--	---
Excess net Asset / (Unfunded Liability) Recognized in the balance sheet	(266.42)*	(287.97)	(3.11)	1.50	(2.62)	4.48

*including deferred Family pension liability of Rs 142.10 Crore

Expenses recognized in the Profit & Loss Account

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Current service cost	214.86	173.47	24.90	22.47	16.94	21.61
Past Service Cost	--	--	--	--	--	--
Interest cost	313.48	265.98	21.95	21.71	18.05	15.41
Expected return on plan assets	(339.35)	(317.77)	(25.37)	(25.37)	(17.53)	(15.84)
Net Actuarial (gain)/ loss recognized during the year	72.29	465.40	(3.08)	4.64	(1.12)	21.60
Deferred Pension Expenditure	--	(189.47)	--	--	--	--
Net (Benefit)/ Expense	261.28	397.61	18.40	23.45	16.34	42.78

Movements in the liability recognized in the Balance Sheet

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Opening net Liability/(Asset)	287.97	247.05	(1.50)	11.78	(4.48)	7.89
Add: Deferred Pension Expenditure	--	189.47	--	--	--	--
Add: Net benefit expense	261.28	397.61	18.40	23.45	16.34	42.78
Less: Contribution paid	282.83	546.16	13.79	36.73	9.24	55.15
Closing liability/(Asset)	266.42	287.97	3.11	(1.50)	2.62	(4.48)
Add: Higher Provisioning Kept	Nil	Nil	Nil	Nil	Nil	Nil
Closing liability/(Asset)	266.42*	287.97	3.11	(1.50)	2.62	(4.48)

* including Deferred Family Pension Liability of Rs 142.10 Crore

Investment percentage maintained by the trust

(in % age)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Central Government Securities	6.29	8.04	--	--	--	Nil
State Government Securities	13.24	16.10	21.09	21.65	--	Nil
High Safety Bonds/TDRs	9.76	11.71	20.95	21.53	82.47	81.53
Other investments	70.71	64.15	57.96	56.82	17.53	18.47

Principal Actuarial assumptions at the Balance Sheet date

(in % age)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Discount rate	7.15	6.70	7.27	7.25	7.27	7.25
Expected rate of return on plan assets	7.85	8.04	7.90	8.10	6.68	7.22
Rate of escalation in salary	5.00	5.00	5.00	5.00	5.00	5.00
Attrition rate	1.00	1.00	1.00	1.00	1.00	1.00
Mortality Table	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
Method used	PUC	PUC	PUC	PUC	PUC	PUC

Basis of Actuarial Assumptions considered

Particulars	Basis of assumption
Discount rate	Discount rate has been determined by reference to market yield on the balance sheet date on Government Bonds of term consistent with estimated term of the obligation.
Expected rate of return on plan assets	The expected return on Plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation.
Rate of escalation in salary	The estimates of future increase in salary is considered in actuarial valuation taking into account inflation, seniority, promotion, and other relevant factors, such as supply and demand in employee market.
Attrition rate	Attrition rate has been determined by reference to past and expected future experience and includes all type of withdrawals other than death but including those due to disability.
Mortality Table	A mortality table, also known as a life table or actuarial table, shows the rate of deaths occurring in a defined population during a selected time interval, or survival rates from birth to death.

Other long term employee benefit (Non funded)

(Rs. in crore)

Particulars	LTC/LFC Encashment		Silver jubilee Bonus		Medical Benefits *		Retirement Gifts	
	2022-23	2021-22*	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Present Value of Obligation	7.92	6.77	1.32	1.23	0.71	0.77	1.29	1.29
Transitional Liability	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Transitional liability recognized during the year	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Unrecognized transitional liability	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Higher Provisioning kept	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Liability recognized in the Balance Sheet	7.92	6.77	1.32	1.23	0.71	0.77	1.29	1.29

*As assessed by the management

15.5 AS 17 – Segment Reporting:

Part A : Business Segment

(Rs. in crore)

Particulars	Year Ended 31.03.23 (Audited)	Year Ended 31.03.22 (Audited)
1. Segment Revenue		
a) Treasury		
b) Corporate/ Wholesale Banking	2345.16	2365.32
c) Retail Banking	3071.45	3179.63
- Digital Banking	3491.41	2493.31
- Other Retail Banking	0.00	0.00
d) Other Banking Operations	3491.41	2493.31
Total	24.67	16.93
2. Segment Result	**8932.69**	**8055.19**
a) Treasury		
b) Corporate/ Wholesale Banking	759.02	1020.53
c) Retail Banking	553.68	473.71
- Digital Banking	629.39	371.45
- Other Retail Banking	(0.50)	0.00
d) Other Banking Operations	629.89	371.45
Total	24.67	16.93
3. Unallocated Expenses	**1966.76**	**1882.62**
4. Operating Profit	516.82	552.53
5. Provisions & Contingencies	**1449.94**	**1330.09**
6. Income Tax	(169.90)	143.40
7. Extra Ordinary Profit/ Loss	306.81	147.64
	0.00	0.00

8. Net Profit	**1313.03**	**1039.05**
Other Information:		
9. Segment Assets		
a) Treasury	45476.84	42863.74
b) Corporate/ Wholesale Banking	41394.98	41987.21
c) Retail Banking	47054.84	32924.40
- Digital Banking	0.77	0.00
- Other Retail Banking	47054.07	32924.40
d) Other Banking Operations	0.00	0.00
e) Unallocated Assets	2527.86	3292.20
Total Assets	**136454.52**	**121067.55**
10. Segment Liabilities		
a) Treasury	41159.64	38911.83
b) Corporate/ Wholesale Banking	37465.28	38116.11
c) Retail Banking	42587.84	29888.87
- Digital Banking	1.28	0.00
- Other Retail Banking	42586.56	29888.87
d) Other Banking Operations	0.00	0.00
e) Unallocated Liabilities	133.26	140.15
Total Liabilities	**121346.02**	**107056.96**
11.Capital Employed		
a) Treasury	4317.20	3951.91
b) Corporate/ Wholesale Banking	3929.70	3871.10
c) Retail Banking	4467.00	3035.53
- Digital Banking	(0.51)	0.00
- Other Retail Banking	4467.51	3035.53
d) Other Banking Operations	0.00	0.00
e) Unallocated Liabilities	2394.60	3152.05
Total Capital Employed	**15108.50**	**14010.59**

Note: For the purpose of segment reporting in terms of AS-17 of ICAI and as prescribed in RBI guidelines, the business of the Bank has been classified into four segments i.e. a) Treasury Operations, b) Corporate/Wholesale Banking, c) Retail Banking (further classified into Digital Banking and Other retail banking and d) Other Banking Operations.

Segmental Revenue, Results, Assets & Liabilities in respect of Corporate / Wholesale and Retail Banking segment have been bifurcated on the basis of exposure to these segments.

Part B Geographical Segment:

Since the Bank does not have any overseas branch, reporting under Geographic Segment is not applicable.

15.6 AS 18 – Related Party Disclosures

Key Managerial Personnel:

Mr. Swarup Kumar Saha	Managing Director & CEO w.e.f.03.06.2022
Mr. S. Krishnan	Managing Director & CEO w.e.f. 04.09.2020 upto 31.05.2022
Mr.Kollegal V Raghavendra	Executive Director w.e.f. 10.03.2021
Dr. Ram Jass Yadav	Executive Director w.e.f. 21.10.2021

Remuneration Paid to Key Management Personnel:

(Rs. in lacs)

Name and Designation	**2022-23**	**2021-22**
Mr. Swarup Kumar Saha, Managing Director & CEO	28.34	0.00
Mr. S. Krishnan, Ex. Managing Director & CEO	12.81	33.08
Mr.Kollegal V Raghavendra, Executive Director	34.32	27.26
Dr. Ram Jas Yadav, Executive Director	32.69	12.82

(Rs in lacs)

Items/ Related Party	Key Management Personnel (2022-23)	Key Management Personnel (2021-22)
Borrowings	NIL	NIL
Deposits	74.61	52.69
Max During Year	253.12	57.51
Placement of Deposits	NIL	NIL
Advances	17.52	NIL
Investments	NIL	NIL
Non Funded Commitments	NIL	NIL
Leasing/HP arrangements availed	NIL	NIL
Leasing/HP arrangements provided	NIL	NIL
Purchase of fixed assets	NIL	NIL
Sale of fixed assets	NIL	NIL
Interest Paid	3.14	2.06
Interest Received	0.08	NIL
Rendering services	NIL	NIL
Receiving of services	NIL	NIL
Management contracts	NIL	NIL

15.7 AS 20 - Earning Per Share

(Rs. in crore)

Particulars	2022-23	2021-22
Net Profit After tax available for equity Shareholders	1313.03	1039.05
Weighted Average Number of Equity Shares in crore	677.78	406.01
Basic and Diluted Earnings per Share (Rs.)	1.94	2.56
Nominal Value per Share (Rs.)	10.00	10.00

15.8 AS 21 – Consolidated Financial Statement

The Bank does not have any subsidiary/associate and as such AS 21 is not applicable.

15.9 AS 22 – Accounting for Taxes on Income

15.9.1 The Bank has accounted for Income Tax in compliance with Accounting Standard-22 'Accounting for taxes on Income' issued by ICAI

15.9.2 Major components of Deferred Tax Assets/Liabilities are as under:

(Rs. in crore)

	Head	Deferred Tax Assets		Deferred Tax Liabilities	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022
1	Depreciation on Fixed Assets	0.00	0.00	12.82	20.36
2	Special Reserve u/s 36(1)(viii)	0.00	0.00	70.06	70.06
3	Provision for NPA on Investments	160.24	151.45	0.00	0.00
4	Provision for Wage Revision	20.77	0.00	0.00	0.00
5	Provision for Advances	1670.45	2033.75	0.00	0.00
6	Provision for diminution in FV of Restructured Advances	0.87	1.50	0.00	0.00
7	Accumulated loss	74.8	72.05	0.00	0.00
	Total	**1927.13**	**2258.75**	**82.88**	**90.42**

15.9.3 Provision for Income Tax and Deferred Tax held by the Bank is considered adequate taking into account the opinion of legal experts and favourable judicial pronouncements.

15.9.4 Review of Deferred Tax Assets has been carried out based on Bank management's estimate of possible tax benefits against timing difference in accordance with Accounting Standard – 22 "Accounting for Taxes on income" issued by The Institute of Chartered Accountants of India and Net Deferred Tax Assets of Rs.1844.25 crore is recognized as at 31st March 2023 (Rs.2168.34 crore as at 31st March 2022).

15.9.5 No provision has been considered necessary in respect of disputed demands of Income aggregating to Rs.709.31 crore (Previous year Rs.541.82 crore) in view of decisions of appellate authorities / judicial pronouncements / opinions of legal experts.

15.9.6 The Government of India, vide the Taxation Laws (Amendment) Act, 2019, inserted section 115BAA in the Income Tax Act 1961 w.e.f. April 1, 2019. The Bank has evaluated the options available under section 115BAA of The Income Tax Act, 1961 and opted to continue to recognize the Taxes on Income for the year ended 31.03.2023 as per the earlier provisions.

15.10 AS 23 – Accounting for Investments in Associates in consolidated Financial Statements

The Bank does not have any subsidiary/associate and as such AS 23 is not applicable.

15.11 AS 26 – Intangible Assets

The application software in use in the Bank has been developed in house and has evolved over a period of time. Hence, the costs of software is essentially part of Bank's operational expenses like wages etc. and as such are charged to the respective heads of expenditure in the Profit and Loss Account.

15.12 Accounting Standard 28 - Impairment of Assets

Fixed Assets possessed by Bank are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by AS-28. In the opinion of the Management, there is no impairment of the 'Fixed Assets' of material amount as of 31.03.2023, requiring recognition in terms of AS-28 issued by the ICAI. The impairment of other assets has been provided for as per Prudential Norms prescribed by the Reserve Bank of India.

15.13 Accounting Standard 29 - Provisions, Contingent Liability and Contingent Assets

15.13.1 As per AS-29 - Provisions, Contingent Liabilities and Contingent Assets, issued by the Institute of Chartered Accountants of India, the Bank recognizes no provision for –

a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank, or

b) Any present obligation from the past events but is not recognized because

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

15.13.2 Movement of Provision against Contingent Liabilities:

(Rs. in crore)

Particulars	Opening Balance		Additions during the year		Reduction during the year		Closing Balance	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Claims against the Bank not acknowledged as Debt	25.53	24.58	1.92	1.02	0.49	0.07	26.96	25.53
Invoked Bank Guarantees	7.63	7.62	0.02	0.01	Nil	Nil	7.65	7.63
L.C Devolved	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

15.14 Other significant accounting policies has been disclosed at the appropriate places in the Notes forming part of the accounts.

16. Disclosures in Terms of MSMED Act 2006

Guideline given in Micro, Small and Medium Enterprises Development Act 2006 have been complied with for purchases made during FY 2022-23 and payments have been made to the vendors in time as per Act. Since there had been no delay in payment, therefore no penal interest had been paid during FY 2022-23.

17. The LCR is computed with existing methodology for the 90 days average period (quarter) for the period ended 31st March, 2023 and arrived at 206.19%. The management has approved conservative methodology i.e considering total outstanding deposit balance for wholesale funding as outflow instead of wholesale deposit having residual maturity of 30 days. Based on the new methodology, the bank has arrived LCR at 113.56% as at 31st March, 2023 i.e for a day. Since the Bank has not used the same methodology for the previous 90 days, it is not comparable with previously reported LCR numbers. The comparative figure for previous quarters/ year (90 days average) could not be carried out due to voluminous & complexity of data involved. However, revised methodology is being used for LCR calculation henceforth.

18. In terms of Reserve Bank of India (RBI) circular, Banks are required to make Pillar 3 disclosures including Leverage ratio, Liquidity coverage ratio and Net Stable funding Ratio (NSFR) under the Basel III capital regulations. These Disclosures are made available on the Bank's website:**https://punjabandsindbank.co.in**. The Disclosures have not been subjected to audit by Statutory Central Auditors of the Bank.

19. As per the Reserve Bank of India directions for initiating Insolvency Process- Provisioning Norms, vide letter No. DBR. No. BP:15199/21.04.048/2016-17 dated June 23, 2017, and DBR.No.BP.1907/21.04.048/2017-18 dated August 28, 2017, the bank is holding the provisioning of Rs.265.44.crores (Previous Year – Rs.281.56 crores) as against the balance outstanding of Rs.265.44 crores (Previous Year – Rs.281.56 crores) as on 31st March, 2023 in respect of NPA borrowal accounts referred in aforesaid circular.

20. Details of Single Borrower Limit (SGL), Group Borrower Limit (GBL) exceeded by the Bank

During the year 2022-23, the Bank has exceeded the LEF limits set by RBI to single borrower/ group borrower in the following cases:-

Name of the Borrower	Maximum Limit during the year	Limit of Exposure as per LEF(%)	Limit / Liability as on 31.03.2023	Exposure (%) w.r.t. Tier-1 Capital as on 31.03.2022
NIL				

21. The bank has funded exposure of Rs.87.49 crore in one account which is under litigation and Hon'able High court has granted stay on downgrading. The bank has made provisions of 40% for the account which is higher than the required provisions as per IRAC norms.

22. Pending settlement of the Bipartite agreement on wage revision (due from November 2022), an adhoc amount of Rs.59.44 crore has been provided upto 31.03.2023.

23. The figures of the previous year have been re-grouped / re-arranged wherever necessary except where information was not available.

पंजाब एण्ड सिंध बैंक मु.का. लेखा एवं लेखा परीक्षा विभाग राजेन्द्र प्लेस, नई दिल्ली-8

GHIYA & CO. JAIPUR Chartered Accountants

SHIV & ASSOCIATES NEW DELHI Chartered Accountants

CHATURVEDI & CO. KOLKATA CHARTERED ACCOUNTANTS

Manohar Chowdhry & Associates Chennai Chartered Accountants

Ghiya &Co. **Chartered Accountants** Ghiya Hospital Complex, E-68, Siddarth Nagar, Malviya Nagar, Jaipur – 302017	**Shiv & Associates** **Chartered Accountants** 103, 105, Plot No. 1, Vardhaman Indraprastha Plaza, I.P. extension, Patparganj, Delhi - 110092	**Chaturvedi & Co.** **Chartered Accountants** Park Centre, 24, Park Street, Kolkata - 700016	**Manohar Chowdhry & Associates** **Chartered Accountants** 27, Subramaniam Street, Abiramapuram, Chennai – 600018, Tamilnadu

Independent Auditor's Report on Audited Financial results for Quarter and Year ended 31st March, 2022 of Punjab & Sind Bank Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

TO THE BOARD OF DIRECTORS
PUNJAB & SIND BANK
NEW DELHI

Report on the Audit of the Financial Results

Opinion

1. We have audited the accompanying Financial Results of Punjab & Sind Bank ("the Bank") for the quarter and year ended March 31, 2022 attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 & 52 read with regulations 62(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), except for the disclosures relating to Pillar 3 disclosure as at March 31, 2022, including leverage ratio, liquidity coverage ratio and Net Stable Funding Ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Financial Results (Note no 15) and have not been audited by us.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the Bank Branch Auditors as referred to in paragraph no.9 below, these financial results:

   a. are presented in accordance with the requirements of Regulation 33 & 52 of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at March 31, 2022, including leverage ratio, liquidity coverage ratio and Net Stable Funding Ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Financial Results and have not been audited by us; and

   b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, the relevant provision of Banking Regulation Act,1949, RBI guidelines and other accounting principles generally accepted in India of the net profit and other financial information for the quarter ended as well as year ended March 31, 2022

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to the following:

   a) Note No. 16 to the accompanying financial results, which describes the uncertainties due to outbreak of Covid-19 pandemic and the management's assessment of its impact on the business operations of the bank;
   b) Note. 20 regarding amortization of estimated additional liability on account of revision in family pension amounting to Rs. 236.84 Crore. As stated there in, the bank has charged an amount of Rs. 47.37 crore to the Profit & Loss account for the current financial year and the balance unamortized expense of Rs. 189.47 crore has been carried forward in the Balance Sheet.

Our opinion is not modified in respect of above matters.

Board of Directors' Responsibility for the Financial Results

5. These Financial Results have been prepared from the related audited Annual Financial Statements. The Bank's Board of Directors are responsible for the preparation and presentation of these Financial Results that give a true and fair view of the financial positions, financial performance and cash flows of the bank in accordance with the accounting principle generally accepted in India including Accounting Standards issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") , judicial pronouncements and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Banking Regulation Act, 1949 for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the Financial Results, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

   The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

6. Our objectives are to obtain reasonable assurance about whether the Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Results.

GHIYA & CO. JAIPUR Chartered Accountants

ASSOCIATES NEW DELHI Chartered Accountants

CHATURVEDI & CO. KOLKATA CHARTERED ACCOUNTANTS

Manohar Chowdhry & Associates Chennai Chartered Accountants

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatement in the financial statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statement may be influenced. We consider quantitative materiality and qualitative factors in: (i) planning the scope of our audit work and evaluating the results of our work: and (ii) to evaluate the effects of any identified misstatements in the financial statement.

7. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

8. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

9. These Financial Results incorporate relevant returns of Integrated Treasury Division and 20 branches audited by us and 780 Branches and 26 Offices/ Processing Centers audited by Statutory Branch Auditors. The branches audited by other auditors cover 36.93% of advances and 53.17% of deposits, 31.54% of Non-performing assets as on 31st March, 2022 and 13.57% of revenue for the year ended 31st March, 2022.

10. In conduct of our audit, we have taken note of the unaudited returns in respect of 730 branches certified by the respective branch's management. These unaudited branches cover 9.82% of advances, 26.78% of deposits, 3.91% of Non-performing assets as on 31st March, 2022 and 19.79% of revenue for the year ended 31st March, 2022.

11. We report that the figures for the quarter ended March 31, 2022 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2022 and the published unaudited year to date figures up to the December 31, 2021 being the date of the end of the third quarter of the current financial year, which were subjected to limited review by us.

Our opinion on the financial results is not modified in respect of above matters.

GHIYA & CO. JAIPUR Chartered Accountants

SHIV & ASSOCIATES NEW DELHI Chartered Accountants

CHATURVEDI & CO. KOLKATA CHARTERED ACCOUNTANTS

Manohar Chowdhry & Associates Chennai Chartered Accountants

12. The Financial results of the bank for the previous year ended 31st March 2021 were audited by the joint auditors, two of them were predecessor audit firms and have expressed unmodified opinion on such Financial Results. Further the unaudited financial results of the bank for the quarter ended 30th June 2021 were reviewed by the joint auditors two of them are predecessor audit firms and have expressed there unmodified opinion on such Financial Results.

For M/S Ghiya & Co **Chartered Accountants** **FRN: 001088C** **CA Ashish Ghiya** **Partner** **M.No. 427062** **UDIN: 22427062AJFWPA6880** **Place: New Delhi**	**For M/s Shiv & Associates** **Chartered Accountants** **FRN: 009989N** **CA Manish Gupta** **Partner** **M. No. 095518** **UDIN: 22095518AJFZEZ4548** **Place: New Delhi**
For M/S Chaturvedi & CO. **Chartered Accountants** **FRN: 302137E** **CA R.K. Nanda** **Partner** **M.No. 510574** **UDIN: 22510574AJFVWH2712** **Place: New Delhi**	**For M/s Manohar Chowdhry & Associates** **Chartered Accountants** **FRN: 001997S** **CA Sandeep Mogarapalli** **Partner** **M. No. 221848** **UDIN: 22221848AJGAYR6193** **Place: New Delhi**

Dated: May 19, 2022
Place: New Delhi

PUNJAB & SIND BANK

Head Office: 21, Rajendra Place, New Delhi 110008

Audited Financial Results for the year ended 31st March, 2022

(Rupees in lacs)

Sl. No.	Particulars	QUARTER ENDED			YEAR ENDED	YEAR ENDED
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		Audited	Reviewed	Audited	Audited	Audited
1	**INTEREST EARNED (a+b+c+d)**	**179329**	**187118**	**161067**	**709581**	**697391**
	a).Interest/ discount on advances/bills	119316	126712	108027	477841	486545
	b) Income on Investments	54568	54429	45359	209466	187367
	c) Interest on Balances with RBI & Other Inter Bank Funds	3310	3649	4312	11843	11406
	d) Others	2135	2328	3369	10431	12073
2	Other Income	21461	17085	34046	95938	90362
3	**TOTAL INCOME (1+2)**	**200790**	**204203**	**195113**	**805519**	**787753**
4	Interest Expended	109573	111356	111569	444450	471200
5	Operating Expenses (i)+(ii)	59468	59610	65119	228060	239350
	i) Employees Cost	35972	38953	43130	145338	168807
	ii) Other Operating Expenses	23496	20657	21989	82722	70543
6	**TOTAL EXPENDITURE (4+5) (excluding Provisions & Contingencies)**	**169041**	**170966**	**176688**	**672510**	**710550**
7	**Operating Profit before Provisions & Contingencies (3-6)**	**31749**	**33237**	**18425**	**133009**	**77203**
8	Provisions (other than tax) and Contingencies	-13156	2635	1488	14340	417626
	Of Which Provisions for Non Performing Assets	866	32468	1993	98896	267790
9	Exceptional Items	0	0	0	0	0
10	**Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8-9)**	**44905**	**30602**	**16937**	**118669**	**-340423**
11	Tax Expense	10295	520	857	14764	-67133
12	Net Profit (+)/ Loss (-) from Ordinary Activities after tax (10-11)	34610	30082	16080	103905	-273290
13	Extraordinary items (net of tax expense)	0	0	0	0	0
14	**Net Profit (+)/ Loss (-) for the period (12-13)**	**34610**	**30082**	**16080**	**103905**	**-273290**
15	Paid-up Equity Share Capital (Face Value Rs.10/-)	677779	405267	405267	677779	405267
16	Reserves excluding Revaluation Reserve (as per Balance Sheet of previous accounting year)	631290			631290	339191
17	Analytical Ratios					
	(I). Percentage of shares held by Government of India	98.25	97.07	97.07	98.25	97.07
	(ii) Capital Adequacy Ratio (Basel III)	18.54*	17.82	17.06	18.54*	17.06
	a). CET 1 Ratio	12.77*	12.34	12.05	12.77*	12.05
	b). Additional Tier 1 Ratio	2.03	2.07	1.93	2.03	1.93
	(iii) Earnings per share (of Rs.10/- each) (Not Annualised) (Rs.)					
	(a) Basic and diluted EPS before Extraordinary items (net of tax expense) for the period, for the year to date and for the previous year (not annualized)	0.85	0.74	1.67	2.56	-35.71
	(b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)	0.85	0.74	1.67	2.56	-35.71
	(iv) (a) Amount of Gross Non Performing Assets	856482	963575	933400	856482	933400
	(b) Amount of Net Non Performing Assets	174227	177306	246195	174227	246195
	(c) % of Gross NPAs	12.17	14.44	13.76	12.17	13.76
	(d) % of Net NPAs	2.74	3.01	4.04	2.74	4.04
	(v) Return on Assets (Annualised)	1.10	0.98	0.55	0.85	-2.55
	(vi) Outstanding redeemable Preference shares (quantity and value)	Nil	Nil	Nil	Nil	Nil
	(vii) Capital redemption reserve /debenture redemption reserve	N.A.	N.A.	N.A.	N.A.	N.A.
	(viii) Net worth	505190*	566492	512625	505190*	512625
	(ix) Paid up Debt Capital/Outstanding Debt**	135558	229603	228919	135558	228919

Sl. No.	Particulars	QUARTER ENDED 31.03.2022 Audited	31.12.2021 Reviewed	31.03.2021 Audited	YEAR ENDED 31.03.2022 Audited	YEAR ENDED 31.03.2021 Audited
	(x) Debt Equity Ratio ** (Borrowings/Net worth)	0.27*	0.41	0.45	0.27*	0.45
	(xi) Total Debts to Total Assets **(Borrowings/Total Assets)	0.01	0.02	0.02	0.01	0.02
	(xii) Operating Margin % (Operating Profit/Total Income)	15.81	16.28	9.44	16.51	9.80
	(xiii) Net Profit Margin % (Net Profit after tax/Total Income)	17.24	14.73	8.24	12.90	-34.69
18	Public Shareholding:					
	No. of Shares	118735354	118735354	118735354	118735354	118735354
	Percentage of Shareholding	1.75	2.93	2.93	1.75	2.93
19	Promoters and promoter group Share holding					
	(a) Pledged/ Encumbered					
	Number of shares	Nil	Nil	Nil	Nil	Nil
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil
	Percentage of Shares (as a % of the total share capital of the Bank)	Nil	Nil	Nil	Nil	Nil
	(b) Non-encumbered					
	Number of shares	6659051093	3933932610	3933932610	6659051093	3933932610
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00
	Percentage of Shares (as a % of the total share capital of the Bank)	98.25	97.07	97.07	98.25	97.07

* After considering the impact of valuing the Non-Interest bearing Recapitalization Bonds at Fair Value

**Total debts represents total borrowings of the Bank.Borrowings represents debts due for more than one year

Segment Reporting:

A: BUSINESS SEGMENT:

For the purpose of segment reporting in terms of AS-17 of ICAI and as prescribed in RBI guidelines, the business of the Bank has been classified into four segments i.e. a) Treasury Operations b) Corporate/wholesale Banking, c) Retail Banking and d) Other Banking Operations. Segmental Revenue, Results, Assets & Liabilities in respect of Corporate / Wholesale and Retail Banking segment have been bifurcated on the basis of exposure to these segments. Assets and Liabilities, wherever directly related to segments have been accordingly allocated to segments and wherever not directly related have been allocated on the basis of pro-rata segment revenue.

(Rupees in Lacs)

Particulars	Quarter ended 31.03.2022 (Audited)	31.12.2021 (Reviewed)	31.03.2021 (Audited)	Year ended 31.03.2022 (Audited)	31.03.2021 (Audited)
1. Segment Revenue					
a) Treasury	54547	57792	59219	236532	228958
b) Corporate/ Wholesale Banking	76123	78634	95798	317963	328231
c) Retail Banking	69540	67328	39627	249331	229262
d) Other Banking Operations	580	449	469	1693	1302
Total	**200790**	**204203**	**195113**	**805519**	**787753**
2. Segment Result					
a) Treasury	20303	42087	29266	101408	96308
b) Corporate/ Wholesale Banking	12901	1844	-4990	47400	28456
c) Retail Banking	11521	3147	-7412	37169	19876
d) Other Banking Operations	580	449	469	1693	1302
Total	**45305**	**47527**	**17332**	**187670**	**145942**
3. Unallocated Expenses	13556	14290	-1092	54661	68739
4. Operating Profit	**31749**	**33237**	**18424**	**133009**	**77203**
5. Provisions & Contingencies	-13156	2635	1488	14340	417626
6. Income Tax	10295	520	857	14764	-67133

पंजाब एण्ड सिंध बैंक का. लेखे एवं लेखा परीक्षा विभाग राजेन्द्र प्लेस, नई दिल्ली-8

GHIYA & CO. JAIPUR Chartered Accountants

SPMR & ASSOCIATES NEW DELHI Chartered Accountants

CHATURVEDI & CO. KOLKATA CHARTERED ACCOUNTANTS

Manohar Chowdhry & Associates Chennai Chartered Accountants

Audited Financial Results for the Quarter/ Year ended 31st March, 2022

Particulars	Quarter ended			Year ended	
	31.03.2022 (Audited)	31.12.2021 (Reviewed)	31.03.2021 (Audited)	31.03.2022 (Audited)	31.03.2021 (Audited)
7. Extra Ordinary Items	0	0	0	0	0
8. Net Profit	**34610**	**30082**	**16079**	**103905**	**-273290**
Other Information:					
9. Segment Assets					
a) Treasury	4286374	3770987	3251517	4286374	3251517
b) Corporate/ Wholesale Banking	4198721	4194501	4430960	4198721	4430960
c) Retail Banking	3292440	3118316	3094929	3292440	3094929
d) Other Banking Operations	0	0	0	0	0
e) Unallocated Assets	329220	341015	270783	329220	270783
Total Assets	**12106755**	**11424819**	**11048189**	**12106755**	**11048189**
10. Segment Liabilities					
a) Treasury	3891183	3575504	3077443	3891183	3077443
b) Corporate/ Wholesale Banking	3811611	3977064	4193743	3811611	4193743
c) Retail Banking	2988887	2956667	2929238	2988887	2929238
d) Other Banking Operations	0	0	0	0	0
e) Unallocated Liabilities	14015	9988	11464	14015	11464
Total Liabilities	**10705696**	**10519223**	**10211888**	**10705696**	**10211888**

B: GEOGRAPHIC SEGMENT:

Since the Bank does not have any overseas branch, reporting under Geographic Segment is not applicable.

STATEMENT OF ASSETS AND LIABILITIES AS ON 31ST MARCH, 2022

(Rs. in Lacs)

Particulars	**AS ON 31.03.2022**	**AS ON 31.03.2021**
CAPITAL & LIABILITIES		
Capital	677779	405267
Reserves & Surplus	723280	431035
Deposits	10213701	9610818
Borrowings	244363	264355
Other Liabilities	247631	336714
Total	**12106754**	**11048189**
ASSETS		
Cash & balance with Reserve Bank of India	613924	720852
Balance with banks & money at call and short notice	14899	113093
Investments	4228087	3202278
Advances	6362656	6094170
Fixed Assets	157744	158491
Other Assets	729444	759305
Total	**12106754**	**11048189**

NOTES FORMING PART OF THE AUDITED FINANCIAL RESULTS OF THE BANK FOR QUARTER AND YEAR ENDED MARCH 31, 2022:

1. The above financial results have been reviewed by the Audit Committee of Board and approved by the Board of Directors of the Bank in their respective meeting held on 19.05.2022.The same have been subjected to "Audit" by the Statutory Central Auditors of the Bank and are in line with the guidelines issued by the Reserve Bank of India and as per the requirements of SEBI (Listing Obligations & Disclosures Requirement) Regulations, 2015 (as amended).

2. The financial results have been arrived at after considering provisions for Non-Performing Assets, Non-Performing Investments, Standard Assets (including Stress sector), Restructured Assets, provision for exposure to entities with Unhedged Foreign Currency exposure, Amortization of premium relating to Investment under 'Held to Maturity' category, Depreciation on Investments and on Fixed Assets, Employee Benefits, Income tax including Deferred Tax on the basis of extant guidelines issued by Reserve Bank of India and applicable accounting standards issued by the Institute of Chartered Accountants of India. Provisions for employee benefits pertaining to pension, gratuity, leave encashment, and other retirement benefits have been made based on the actuarial valuation in terms of Accounting Standard-15 "Employee Benefits". Other usual and necessary provisions have been made on estimated basis.

3. The annual financial results for the year ended 31st March, 2022 have been prepared following the same accounting policies and practices, as those followed in the annual financial statements for the year ended 31st March, 2021.

4. The Government of India, vide the Taxation Laws (Amendment) Act, 2019, inserted section 115BAA in the Income Tax Act 1961 w.e.f. April 1, 2019. The Bank has evaluated the options available under section 115BAA of the Income Tax Act, 1961 and opted to continue to recognize the Taxes on Income for FY 2021-22 as per the earlier provisions.

5. As per the Reserve Bank of India directions for initiating Insolvency Process- Provisioning Norms, vide letter No. DBR. No. BP:15199/21.04.048/2016-17 dated June 23, 2017, and DBR.No.BP.1907/21.04.048/2017-18 dated August 28, 2017, the bank is holding the provisioning of Rs.281.56 crores (Previous Year – 481.59 crores) as against the balance outstanding of Rs.281.56 crores (Previous Year – 481.59 crores) as on 31st March, 2022 in respect of NPA borrowal accounts referred in aforesaid circular.

6. In accordance with the RBI Circular. No. DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019 DOR.No.BP.BC.34/21.4.048/2019-20 dated February 11, 2020 and DOR.NO.BP.BC/4/21.04.048/2020-21 dated August 06, 2020 on "Micro, Small and Medium enterprises (MSMEs) sector – Restructuring of Advances", the details of MSME restructured accounts from 01.01.2019 to 31.03.2022 are as under:

(Rs. in Crore)

No. of Accounts Restructured	Amount as on 31.03.2022	Provision held
7651	459.85	46.13

7. In accordance with the RBI Cir. No. DOR.STR.REC.11/21.04.048/2021-22 dated 05.05.2021 on "Resolution Framework – 2.0: Resolution of Covid – 19 related stress of Individuals and Small Business", and RBI Cir. No. DOR.STR.REC.12/21.04.048/2021-22 dated 05.05.2021 on "Resolution Framework 2.0 – Resolution of Covid – 19 related stress of Micro, Small and Medium Enterprises (MSMEs)", the number of borrower accounts where modification were sanctioned and implemented and the aggregate exposure to such borrowers are as under:-

No. of accounts	Aggregate exposure as on 31.03.2022 (Rs in Crore)
10582	1159.36

8. The Bank is carrying a provision of Rs.10.50 Crores as at 31st March, 2022 being 5% of outstanding food credit availed by the State Government of Punjab as per the RBI letter no. DBR (BP) No. 7201. 21.04.132 /2017 - 18 dated 08.02.2018 issued to SBI the lead bank.

9. The Bank holds additional standard asset provision in respect of 02 borrower's account in terms of RBI Circular DBR No. BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 on "Prudential Framework for Resolution of Stressed Assets" amounting to Rs.53.70 Crore. The details are as under:-

(Rs. In Crore)

Amount of Loans Impacted by RBI Circular (A)	Amount of Loans to be classified as NPA (B)	Amount of Loans as on 31.03.2022, out of (B) classified as NPA (C)	Addl. Provision required for loans covered under RBI Circular (D)	Provision out of (D) already made by 31.03.2022 (E)
152.37	-	-	53.70	53.70

10. (i) Details of resolution plan implemented under the Resolution framework for COVID-19 related stress as per RBI Circular dated August 6, 2020 are given below (TABLE-A):-

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan (Rs. in crores)	(C) of (B) aggregate amount of debt that was converted into other securities (Rs. in crores)	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation (Rs. in crores)	(E) Increase in provisions on account of the implementation of the resolution plan (Rs. in crores)
(i) Personal loans*	4824	447.81	-	-	54.40
(ii) Corporate persons	4585	743.29	-	-	172.53
Of Which MSME#	4565	275.86	-	-	25.86
(iii) Others	522	31.60	-	-	3.75
Total	9931	1222.70	-	-	230.68

Status of accounts in TABLE - A as on 31.03.2022 is given below:

(Rs. In crores)

Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of the previous half year (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of this half year
(i) Personal loans	460.57	82.02	0	18.49	363.45
(ii) Corporate persons#	1337.47	72.92	0	57.02	1277.21
Of Which MSME	338.18	72.92	0	10.16	255.91
(iii) Others	34.53	5.62	0	1.76	26.60
Total	1832.57	160.56	0	77.27	1667.26
#as defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					

*There were NIL Borrower accounts where resolution plans has been implemented and now modified under RBI's resolution framework 2.0 dated May 5, 2021.

(ii) Details of resolution plan implemented under the RBI Resolution Framework – 2.0: Resolution of COVID-19 related stress of individuals and Small Businesses dated May 5, 2021 are given below:-

(Rs. In crores)

Sl. No	Description	Individual Borrowers		Small Businesses
		Personal Loans	Business Loan	
(A)	Number of requests received for invoking resolution process under Part A	9791	-	-
(B)	Number of accounts where resolution plan has been implemented under this window	7415	-	-
(C)	Exposure to accounts mentioned at (B) before implementation of the plan.	648.08	-	-
(D)	Of (C), aggregate amount of debt that was converted into other securities.	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation.	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan.	87.63	-	-

11. In accordance with RBI circular no.DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021, the bank has not transferred and acquired NPA and Special Mention Account (SMA) during the year.

The distribution of the SRs held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on March 31, 2022:

Recovery Rating Band	Book Value (Rs. In Crore)
RR1+	Nil
RR1	31.79
RR2	Nil
RR3	Nil
RR4	Nil
RR5	Nil
Rating Withdrawn	Nil
Total	31.79

12. During the quarter ended 31st March 2022, Bank has reported 13 cases of Non-Borrowal frauds and 15 cases of Borrowal frauds to the Reserve Bank of India. The total amount reported to Reserve Bank of India for the Quarter ended 31st March 2022 is Rs. 168.06 crores. Bank has made full provision in all the fraud accounts.

13. The value of shifting/ sales from HTM category (excluding onetime shifting at the beginning of year and sale under pre – announced OMO auctions) during the year does not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

14. During the financial year ended March 31, 2022 Government of India infused Rs.4600 crore towards preferential allotment of Equity shares. Accordingly, the bank has allotted 2,72,51,18,483 equity shares of Rs.10/- each fully paid up for cash at an issue price of Rs.16.88 per equity share (including premium of Rs.6.88 per equity share). Government of India's holding in the bank has increased to 98.25% as on 31st March, 2022.Further, the bank subscribed an equivalent amount to Non- Interest bearing (Non-Transferable) Special GOI Securities which was issued at par and having date of maturity from February 24, 2032 to February 24, 2037 and held under HTM category as per GOI Notification dated 23.02.2022. The aforesaid securities would not be considered as an eligible investment which the bank is required to make in Government securities in pursuance of any statutory provisions or directions applicable to the bank.

15. In terms of Reserve Bank of India (RBI) circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015, on 'Basel III Capital Adequacy' and RBI circulars DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standard Amendments', Banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework which are being made available on the Bank's website. The Disclosures have not been subjected to audit by Statutory Central Auditors of the Bank.

16. The spread of COVID-19 pandemic across the globe has resulted in decline in economic activities. In this situation, bank is gearing up itself on all fronts to meet the challenges. Major challenges for the Bank could be from extended working capital cycles, fluctuating cash flow trends and probable inability of the borrowers to meet their repayments obligations. A definitive assessment of the impact of COVID-19 is dependent upon circumstances and uncertainties as they evolve in the subsequent period. To absorb the shock of impact on its

Profit & Loss Account in ensuing quarters, the bank has proactively made an additional provision of Rs.70.65 crore during the quarter ended March 31, 2022.

The aforesaid provisions are in addition to the provisions held as per RBI guidelines as regards loan provisions.

17. The Bank has estimated the liability towards Unhedged Foreign Currency Exposure in terms of RBI circular DBOD.No.BP.BC.85/21.06.200/2013-14 dated January 15, 2014 and is holding a provision of Rs 0.097 crore as on 31st March 2022.

18. The bank has exposure of Rs.75.10 crore in one account which is under litigation and Hon'able Delhi High court has granted stay on downgrading. The bank has made provisions of 25% for the account which is higher than the required provisions as per IRAC norms.

19. The Provision Coverage Ratio as at 31st March 2022 works out to 87.89 %. (Previous period ended 31st March 2021- 82.89 %.)

20. The estimated additional Pension liability on account of revision in family pension was Rs.236.84 crore. RBI vide its Circular RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated 4th October 2021, has permitted all member Banks of Indian Banks Association to amortize the said additional liability over a period not exceeding five years beginning with the financial year ending 31st March 2022, subject to a minimum of 1/5thof the total amount being charged every year. The Bank will amortize the said liability over a period, not exceeding 5 years commencing from the financial year ending 31st March 2022, subject to a minimum of Rs.47.37 crore every year. Accordingly, the Bank has charged an amount of Rs.47.37 crore to the Profit & Loss account for the current financial year ended 31st March 2022 and the balance unamortized amount of Rs.189.47 crore has been carried forward.

21. During the Year ending 31st March 2022 bank has shifted Govt. securities amounting to Rs.1972.66 crore Face Value (Rs.1951.78 crore Book Value) from HTM to AFS category and Rs. 1769.31 crore Face Value (Rs.1808.59 crore Book Value) from AFS to HTM category. During the period, MTM loss of Rs.19.21 crore was booked upfront on shifting of securities from AFS to HTM. However, gain on shifting of securities from HTM to AFS was not booked upfront and gain/loss was recognized on sale of such securities during the year.

22. In terms of Ministry of Finance, Department of Financial Services notification no.CG-DL-E-23032020-218862 dated March 23, 2020 amending the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1980, Bank has appropriated accumulated losses of Rs.3577.55 crore from its available share premium account on 23.08.2021 after complying with the regulatory requirements and after obtaining all necessary approvals.

23. As per RBI Master Direction No DOR.ACC.REC.No.45/21.04.018/2021-22 dated 30.08.2021 (updated on 15.11.2021 on financial statements – presentation and disclosure, divergence in the asset classification and provisioning, Banks should disclose divergences in the asset classification and provisioning, Banks should disclose divergence, if either or both of the following conditions are satisfied:

    (a) the additional provisioning for NPAs assessed by RBI exceeds 10 percent of the reported profit before provisions and contingencies for the reference period. (b) the additional Gross NPAs identified by RBI as part of its supervisory process exceed 15 percent of the published incremental Gross NPAs for the reference period. Divergences are within threshold limits in the Bank as specified above. Hence, no disclosure is required with respect to RBI's annual supervisory process for FY 2021.

24. The Board of Directors has recommended a dividend of Rs.0.31 per equity share (3.1%) for the year ended on 31.03.2022 subject to requisite approvals.

25. Details of Investors complaints received and disposed-off during the quarter/period ended 31st March 2022:

Beginning	Received	Disposed off	Lying unresolved
Nil	1	1	Nil

26. The figures of previous period have been regrouped and reclassified wherever considered necessary in order to make them comparable with the figures of the current period.

V.K.Mehrotra
CHIEF FINANCIAL OFFICER

Dr. Ram Jass Yadav
EXECUTIVE DIRECTOR

Kollegal V Raghavendra
EXECUTIVE DIRECTOR

S. Krishnan
MANAGING DIRECTOR & CEO

For M/S Ghiya & Co Chartered Accountants FRN: 001088C CA Ashish Ghiya Partner M.No. 427062 UDIN: 22427062AJFWPA6880 Place: New Delhi	**For M/s Shiv & Associates** Chartered Accountants FRN: 009989N CA Manish Gupta Partner M. No. 095518 UDIN: 22095518AJFZEZ4548 Place: New Delhi
For M/S Chaturvedi & Co. Chartered Accountants FRN: 302137E CA R.K. Nanda Partner M.No. 510574 UDIN: 22510574AJFVWH2712 Place: New Delhi	**For M/s Manohar Chowdhry & Associates** Chartered Accountants FRN: 001997S CA Sandeep Mogalapalli Partner M. No. 221848 UDIN: 22221848AJGAYR6193 Place: New Delhi

Dated: May 19, 2022

PUNJAB & SIND BANK
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(000'S OMITTED)

PARTICULARS	2021-22	2020-21
A. Cash Flow from Operating Activities		
Net Profit as per Profit & Loss Account	10390546	-27329004
Adjustments for:		
Provisions & Contingencies	2910359	35049329
Depreciation on Fixed Assets	1370904	1021333
Profit on sale of Assets	1582	95
Interest on Bonds	2313978	2444149
Operating Profit before working capital changes	**16987369**	**11185902**
Adjustments for:		
Increase / (Decrease) in Deposits	60288344	64406262
Increase / (Decrease) in Borrowings	1000825	-3695000
Increase / (Decrease) in Other Liabilities	-124722	539795
(Increase) / Decrease in Investments	-102552600	-75728453
(Increase)/ Decrease in Advances	-37094573	-53175386
(Increase) / Decrease in Other Assets	-7029853	225852
Direct Taxes Paid (Net of refund)	8539541	-2235780
Cash Flow from Operating Activities (A)	**-59985669**	**-58476808**
B. Cash Flow from Investing Activities		
Increase in Fixed Assets	-1206359	-4462179
Profit on sale of Assets	-1582	-95
Cash Flow from Investing Activities (B)	**-1207941**	**-4462274**
C. Cash Flow from Financing Activities		
Issue of Equity Shares (Face Value) for cash	27251185	33516149
Share Premium received thereon	18748816	21483850
Preferential Issue Expenses	-4655	-4828
Redemption of Subordinated Bonds	-3000000	-2000000
Interest on Bonds	-2313978	-2444149
Cash Flow from Financing Activities (C)	**40681368**	**50551022**
Cash from Operating Activities	-59985669	-58476808
Cash from Investing Activities	-1207941	-4462274
Cash from Financing Activities	40681368	50551022
Increase in Cash & Cash Equivalents	**-20512242**	**-12388060**
Cash and Bank Balances (Opening)	**83394484**	**95782544**
Cash and Bank Balances (Closing)	**62882242**	**83394484**

V.K.Mehrotra
CHIEF FINANCIAL OFFICER

Dr. Ram Jass Yadav
EXECUTIVE DIRECTOR

Kollegal V Raghavendra
EXECUTIVE DIRECTOR

S. Krishnan
MANAGING DIRECTOR & CEO

For M/S Ghiya & Co Chartered Accountants FRN: 001088C CA Ashish Ghiya Partner M.No. 427062 UDIN: 22427062AJFWPA6880 Place: New Delhi	**For M/s Shiv & Associates** Chartered Accountants FRN: 009989N CA Manish Gupta Partner M. No. 095518 UDIN: 22095518AJFZEZ4548 Place: New Delhi
For M/S Chaturvedi & Co. Chartered Accountants FRN: 302137E CA R.K. Nanda Partner M.No. 510574 UDIN: 22510574AJFVWH2712 Place: New Delhi	**For M/s Manohar Chowdhry & Associates** Chartered Accountants FRN: 001997S CA Sandeep Mogalapalli Partner M. No. 221848 UDIN: 22221848AJGAYR6193 Place: New Delhi

Dated: May 19, 2022

SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

BASIS OF PREPARATION

The financial statements have been prepared and presented under historical cost convention on accrual basis of accounting unless otherwise stated and comply with Generally accepted accounting principles, statutory requirements prescribed under Banking Regulation Act, 1949, circulars and guidelines issued by Reserve Bank of India from time to time and notified accounting standards by companies (Accounting Standards) Rules, 2006 to the extent applicable and current practices in Banking Industry in India.

USE OF ESTIMATES

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

2. Foreign Exchange Transactions

2.1 All the Monetary assets and liabilities in foreign currencies are translated in Indian rupees at the exchange rates prevailing at the Balance Sheet date as notified by Foreign Exchange Dealers Association of India (FEDAI). The resultant gain / loss is accounted for in the Profit & Loss account.

2.2 The outstanding foreign exchange contracts are stated at the prevailing exchange rate on the date of commitment. Profit or loss on such contracts is accounted for as per rates advised by FEDAI as on 31.03.2022 and in accordance with FEDAI guidelines and provisions of para 38 of AS-11.

2.3 Items of Income and expenditure relating to foreign exchange transactions are recorded at exchange rates prevailing on the date of the transactions.

2.4 Contingent liabilities on account of acceptances, endorsements and other obligations including guarantees & letter of credits in foreign currencies are valued as per rates published by FEDAI as on 31.03.2022 except Bills for Collection which are accounted for at the notional rates at the time of lodgment.

3. Investments

3.1 Classification and valuation of investments are made in accordance with the prudential norms prescribed by Reserve Bank of India read with clarifications / directions given by RBI.

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SHIV & ASSOCIATES NEW DELHI Chartered Accountants

CHATURVEDI & CO. KOLKATA CHARTERED ACCOUNTANTS

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3.2 The entire investment portfolio is classified into three categories, viz, Held to Maturity, Available for Sale and Held for Trading in line with the guidelines / directions of Reserve Bank of India. Disclosure of the investments under the three categories mentioned above is made under six classifications viz.,

i. Government Securities
ii. Other approved securities
iii. Shares
iv. Debentures
v. Subsidiaries / Joint Ventures and
vi. Others

3.3 **Basis Of Classification**:

i. Investments that the Bank intends to hold till maturity are classified as Held to Maturity.

ii. Investments that are held principally for resale within 90 Days from the date of purchase are classified as Held for Trading.

iii. Investments which are not classified in the above two categories, are classified as Available for Sale.

iv. An investment is classified under the above three categories at the time of its purchase. Shifting of securities from one category to another is done with the approval of the Board normally once in a year. Shifting is effected at the lower of acquisition cost / book value / market value on the date of transfer and the depreciation, if any, on such shifting is fully provided for and the book value of securities is changed accordingly.

3.4 Securities under 'Held to Maturity' are stated at acquisition costs unless such costs are higher than the face value, in which case the premium is amortized over the remaining period of maturity. Such amortization is shown under "Income on Investments– Schedule 13 item II as a netting item. In case, the cost is less than the redemption value, the difference being the unrealized gain, is ignored. Any diminution in value of investments in subsidiaries and joint venture, other than temporary in nature, is provided for each investment individually.

3.5 Securities under 'Available for sale' are valued scrip wise and depreciation/ appreciation is segregated category wise. While net appreciation is ignored, net depreciation under each category is provided for.

3.6 Securities under 'Held for Trading' are valued at market price and the net depreciation under each category is provided for and the net appreciation, if any, is ignored.

3.7 Cost of investment is based on the weighted average cost method category wise.

3.8 **Method Of Accounting – Settlement Date Accounting**

Settlement date accounting refers to (a) the recognition of an asset on the day it is received by the entity, and (b) the de-recognition of an asset and recognition of any gain or loss on disposal on the day it is delivered by the entity.

Accordingly, Bank follows settlement date accounting for the whole portfolio, SLR as well as Non SLR. Cost of investment is based on the weighted average cost method category wise.

3.9 The 'market value' for the purpose of valuation of investments included in the 'Available for Sale' and 'Held for Trading' categories is the market price of the scrip as available from the trades/quotes on the stock exchanges, price list of RBI, prices declared by Primary Dealers Association of India (PDAI) jointly with the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

In respect of unquoted securities, the procedure adopted is as below:

a.	Government of India Securities: and State Government securities.		At rates put out by FIMMDA/PDAI/FBIL
b.	Other approved Securities, Preference Shares, Debentures and PSU Bonds:		On yield to maturity (YTM) basis at the rate prescribed by FIMMDA/ PDAI/FBIL with such mark ups as laid down by RBI or FIMMDA/PDAI/FBIL
c.	Equity Shares:		At market price taken from NSE and BSE for quoted share. For unquoted at Break-up Value (without considering revaluation reserve) based on the latest Balance Sheet, which are not older than one year on the date of valuation is considered. In cases where latest Balance Sheets are not available, the shares are valued at Re.1 per company
d.	Mutual Fund Units, Venture Capital Funds and Security Receipt:		At re-purchase price or Net Assets Value
e.	Treasury Bills, Cash Management Bill, Commercial Papers, Certificate of Deposits, Recapitalization Bonds, Subsidiaries, Joint Ventures and Sponsored Institutions:		At carrying cost.

3.10 In determining acquisition cost of investments:

a. Incentive received on subscription is deducted from the cost of securities;
b. Brokerage / commission/ stamp duty paid in connection with acquisition of securities are treated as revenue expenditure;
c. Broken period interest, if any, paid on acquisition of investment is debited to profit & loss account. Broken period interest received on sale of securities is recognized as Interest Income.

3.11 Profit/ Loss on sale of investments is taken to profit and loss account. However, in case of profit on sale of investments in 'Held to Maturity' category, an equivalent amount of profit is appropriated to Capital Reserve.

3.12 **Non Performing Investments**

In respect of Non-Performing Securities, income is not recognized and appropriate provision is made for depreciation in the value of such securities as per Reserve Bank of India guidelines.

3.13 Dividend Income on shares and units of mutual funds is booked on receipt basis.

3.14 In the event, depreciation booked on account of MTM in the 'AFS' or 'HFT' categories are found to be in excess of the required amount in any year, the excess is credited to the Profit & Loss Account and an equivalent amount is appropriated to an Investment Reserve Account in Schedule 2 – "Reserve & Surplus" under the head "Revenue and Other Reserves".

4. Advances

4.1 Advances are classified into "Performing" and "Non-Performing" assets and provisions are made as per the prudential norms prescribed by the Reserve Bank of India. Bank has made provisions on Non-Performing Assets as per the prudential norms prescribed by the RBI as under:

Category of Assets	Provision norms
Sub-Standard	15% on Secured Exposure. 25% on Unsecured Exposure* 20% on Unsecured Exposure* in respect of Infrastructure loan accounts where certain safeguards such as escrow accounts are available
Doubtful-I	25% on Secured 100% on Unsecured
Doubtful-II	40% on Secured 100% on Unsecured
Doubtful-III	100% on Secured 100% on Unsecured
Loss	100% of Book Outstanding

* Unsecured exposure is defined as an exposure where the realizable value of the security, as assessed by the bank/ approved valuers/ Reserve Bank's Inspecting Officers, is not more than 10 per cent, ab-initio, of the outstanding exposure.

4.2 Advances are stated net of de-recognized interest and provisions/ Technical write off made in respect of non-performing advances. Claims received from DICGC/ CGTMSE/ ECGC are not reduced from such advances till adjusted/ technically written-off whereas part recovery in all NPA accounts is reduced from advances.

4.3 Provisions on standard advances are made and are included under "Other Liabilities and Provisions" as per RBI's guidelines.

4.4 For restructured/ rescheduled advances, provisions are made in accordance with the guidelines issued by RBI.

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4.5 The sale of NPA is accounted for as per guidelines prescribed by RBI:-

i). When the bank sells its financial assets to Securitization Company (SC)/ Reconstruction Company (RC), the same is removed from the books.

ii). If the sale is at a price below the net book value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit & Loss account of the year of sale.

iii). If the sale is for a value higher than the NBV, the excess provision is reversed in the year the amounts are received.

5 Floating Provisions

In accordance with the RBI guidelines, the bank has an approved policy for creation and utilization of floating provisions separately for advances and investments. The quantum of floating provisions to be created would be assessed, at the end of each financial year. The floating provisions would be utilized only for contingencies under extra ordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

6 Fixed Assets

6.1 Premises and other Fixed Assets are stated at historical cost/revalued amount. In respect of premises, where segregation is not possible between land and superstructure, are considered in the value of superstructure.

6.2 Premises taken on perpetual lease are considered as freehold premises and are not amortized.

7 Depreciation on Fixed Assets

7.1 Depreciation is provided for on -

7.1.1 Computers at 33.33%, on straight-line method; additions are depreciated for the full year irrespective of the date of addition as per RBI guidelines.

7.1.2 Depreciation on fixed Assets is charged on Straight Line Method (SLM) basis as per useful life of assets, considering residual value at 5% of original cost. Additions during the year are depreciated for the full year irrespective of its date of addition. The useful life and depreciation rate are given hereunder:

S. No.	Particulars	Useful life	Depreciation Rate
1	Premises	60	1.58%
2	Furniture and fixtures	10	9.50%
3	Plant & Machinery	15	6.33%
4	Vehicles	8	11.88%

7.1.3 Cost of premises is taken composite, wherever it is not possible to segregate the cost of land from the cost of the superstructure.

7.2 No depreciation is provided on assets sold/disposed of during the year.

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7.3 Depreciation attributable to revalued portion of the assets is charged to Profit & Loss Account and equivalent amount is transferred from Revaluation Reserve Account to Revenue Reserve Account.

8 Revenue Recognition

8.1 Income and expenditure are accounted for on accrual basis unless otherwise stated.

8.2 Income on non-performing assets is recognized on realization basis in accordance with the prudential norms prescribed by Reserve Bank of India.

8.3 Partial recovery in non-performing assets is appropriated first towards principal and thereafter towards interest.

8.4 For cases covered under special schemes introduced by RBI viz. Scheme for Sustainable Structuring of Stressed Assets (S4A), Strategic Debt Restructuring, Flexible Structuring of Long Term Project Loans (5/25), Change in Ownership of Borrowing Entities (Outside Strategic Debt Restructuring Scheme), where subsequently the account turns NPA, any recovery shall be first credited to Interest on loans & Advances. Thereafter, the recovery shall be appropriated towards principal amount outstanding in the account. The accounting procedure shall be uniform and consistent in all accounts falling under above schemes.

8.5 Income on guarantees and letters of credit issued, locker rent, income from merchant banking transactions, money transfer services, dividend on shares, Interest on refund of income tax, commission on credit card, interest on overdue bills, processing fee, Government business including distribution of pension and income from units of mutual fund products and income from ATM operations are accounted for on receipt basis.

8.6 Rebate on compromised accounts is accounted for at the time of full and final adjustment of the account.

8.7 Interest on overdue Term Deposits is provided at the rate of interest applicable to Savings Bank Deposits.

8.8 Liability in respect of incremental lease rent on renewal of lease agreement is accounted for at the time of renewal of the lease.

8.9 Bond Issue Expenses incurred in connection with raising Tier-II Capital are treated as Deferred Revenue Expenditure to be written off over a period of five years.

8.10 Share Issue Expenses are adjusted against the Share Premium Account

9 Staff Retirement Benefits

9.1 Annual contribution to Gratuity Fund, Pension Fund and Leave Encashment Fund, Silver Jubilee Bonus and Retirement Gifts are provided for on the basis of an actuarial valuation.

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9.2 The Employees joining on or after 01.04.2010 are being covered under the New Pension Scheme.

10. Impairment of Assets

Impairment losses (if any) on Fixed Assets (including revalued assets) are recognized in accordance with AS 28 (Impairment of Assets) issued by the ICAI and charged off to Profit and Loss Account.

11 Taxes on Income

11.1 Current Income Tax is measured at the amount expected to be paid considering the applicable tax rates and favorable judicial pronouncement/ legal opinions.

11.2 In accordance with AS-22 Deferred Tax comprising of tax effect of timing differences between taxable and accounting income for the period, is recognized keeping in view the consideration of prudence in respect of Deferred Tax Assets/Liabilities.

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SCHEDULE 18

NOTES ON ACCOUNTS

A) Balancing of Accounts and Reconciliation

i. In certain Branches, the balancing / reconciliation of control accounts with subsidiary ledgers is in progress.

ii. Initial matching of debit and credit outstanding of old entries in Inter Branch Account (IBR+DD), pertains prior to CBS System. Adjustments (including old outstanding entries) have been done up to 31.03.2022 and reconciliation is in progress.

iii. Reconciliation of Drafts payable, Debit Note Receivable/ Payable, RTGS/NEFT (Suspense) is in progress. Provisions have been made as per RBI norms. Reconciliation of Nostro accounts has been done as on 31.03.2022.

In the opinion of the management, the impact of the above para (i) to (iii), if any, on the Profit & Loss Account and Balance Sheet though not quantifiable, will not be material.

iv. In terms of Reserve Bank of India guidelines, segregation of Debit and Credit entries in Inter Branch Accounts pertaining to the period up to 30.09.2021 and remained outstanding as on 31.03.2022 has been done which has resulted in either net Debit in some heads or net credit in other heads. Provision is to be made in respect of Net Debit Entries outstanding for period exceeding 6 months. Similar guidelines have been followed for imprest clearing Account also.

In Inter Branch Account there is net credit balance hence no provision is required to be made.

v. Credit entries outstanding in Nostro accounts from 01.10.2011 to 31.12.2011 amounting to Rs. 27,310/- shown in Sundry Creditors Unclaimed (Blocked) Account, Blocked Nostro Sundry account and Blocked Unclaimed Deposit Account (New Blocked account) has been transferred to DEAF account during December 2021 Quarterly closing. Credit entries outstanding in Blocked Unclaimed Deposit Account (New Blocked account) for the period 01.01.2012 to 31.03.2012 amounting to Rs 31191/- has been transferred to DEAF account during quarter ended March 2022.

Further, the department transfers unreconciled entries pertaining to more than 10 years to DEAF account on quarterly basis.

As on 31.03.2022, un-reconciled credit entries amounting to Rs. 52.26 lakh pertain to the period from 01.04.2012 to 31.03.2016 are outstanding for more than 3 years and hence these entries were transferred to Blocked Unclaimed Deposit Account (New Blocked account).

B) Legal formalities are yet to be completed in respect of 2 Bank's properties having original cost of Rs 2.87 crore and Revaluation amount of Rs. 62.98 crore as on 31.03.2022.

C) Capital

During the financial year ended March 31, 2022 Government of India infused Rs.4600 crore towards preferential allotment of Equity shares. Accordingly, the bank has allotted 2,72,51,18,483 equity shares of Rs.10/- each fully paid up for cash at an issue price of Rs.16.88 per equity share (including premium of Rs.6.88 per equity share). Government of India's holding in the bank has increased to 98.25% as on 31st March, 2022.

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1. **Regulatory Capital**

a) **Composition of Regulatory Capital**

(Rs. In crore)

Sr.No	Particulars	2021-22	2020-21
i)	Common Equity Tier 1 capital (CET 1)	6307	6243
ii)	Additional Tier 1 capital	1000	1000
iii)	Tier 1 capital (i + ii)	7307	7243
iv)	Tier 2 capital	1849	1598
v)	Total capital (Tier 1+Tier 2)	9156	8841
vi)	Total Risk Weighted Assets (RWAs)	49381	51790
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	12.77*	12.05%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	14.80%	13.98%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of R W As)	3.74%	3.08%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	18.54%*	17.06%
xi)	Leverage Ratio	6.03%	6.38%
xii)	Percentage of the shareholding of Government of India	98.25	97.07
xiii)	Amount of paid-up equity capital raised during the year	2725.12	3351.61

*Capital Adequacy Ratio (BASEL III) is arrived after considering the Net present value (NPV) of Non-Interest bearing Recapitalization Bonds infused as capital by the Govt. of India during FY 2020-21 & 2021-22 without considering the said adjustment the CRAR is 30.05%(CET 1 ratio 24.48%)as on 31st March 2022.Further, the effect of proposed dividend has been reckoned in determining capital funds in the computation of capital adequacy ratio as at 31st March 2022.

b) **Draw down from Reserve**

A sum of Rs Nil during Financial year ended 31.03.2022 has been drawn from the General Reserve on account of payment to the claimant of old entries.

2. **Asset Liability Management**

a) **Maturity Pattern of Certain items of Assets and Liabilities as on 31.03.2022:**

(Rs. in crore)

Maturity Pattern (Time Buckets)	Deposits	Loans & Advances	Investments	Borrowings	Foreign Currency	
					Liabilities	Assets
1 day	439.27	1520.93	0.00	0.00	18.33	217.40
2 – 7 days	1421.93	548.68	83.55	0.00	0.44	32.37
8 – 14 days	1233.23	485.79	96.43	0.00	1.83	52.09
15 - 30 days	1322.07	1508.06	50.00	0.00	3.88	98.09
31 days to 2 months	6699.90	677.50	518.69	1.36	11.84	151.99
Over 2 months & up to 3 months	6641.30	1315.83	350.09	11.50	7.10	98.15
Over 3 months & up to 6 months	13515.91	2663.78	503.49	25.20	32.22	78.02
Over 6 months & up to 1 year	23116.05	3121.80	1592.03	44.90	50.07	1.95
Over 1 year & up to 3 years	22129.64	9721.01	4150.10	123.37	72.65	16.75
Over 3 years & up to 5 years	13422.51	10309.89	4922.70	0.00	17.96	101.33
Over 5 years	12195.20	31753.28	30013.79	0.00	0.00	0.00
Total	**102137.01**	**63626.55**	**42280.87**	**206.33**	**216.32**	**848.14**

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b) Liquidity Coverage Ratio

Rs. In Crore

		30.06.2021		30.09.2021		31.12.2021		31.03.2022	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets		22279.75		26699.46		28305.55		28592.30
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which	60694.60	6023.22	61885.56	6141.23	63756.78	6326.75	65024.49	6465.25
(i)	Stable Deposits	924.70	46.23	946.46	47.32	978.53	48.93	744.00	37.20
(ii)	Less stable deposits	59769.90	5976.99	60939.10	6093.91	62778.25	6277.82	64280.49	6428.05
3	Unsecured wholesale funding of which	10267.32	4779.67	9706.98	4646.79	8726.35	4112.48	9766.76	4535.15
(i)	Operational Deposits (all counterparties)	0	0	0	0	0	0	0	0
(ii)	Non -operational deposits (all counterparties)	10267.32	4779.67	9706.98	4646.79	8726.35	4112.48	9766.76	4535.15
(iii)	Unsecured debt	0	0	0	0	0	0	0	0
4	Secured wholesale funding		0		0		0		0
5	Additional requirements, of which	3066.67	657.59	3348.07	824.28	4217.73	1049.33	3653.48	986.73
(i)	Outflows related to derivative exposures and other collateral requirements	509.76	509.76	682.16	682.16	868.18	868.18	842.44	842.44
(ii)	Outflows related to loss of funding on debt product	0	0	0	0	0	0	0	0
(iii)	Credit and liquidity facilities	2556.91	147.83	2665.91	142.12	3349.55	181.15	2811.04	144.29
6	Other contractual funding obligations	0	0	0	0	0	0	0	0
7	Other contingent funding obligations	9403.00	397.90	9241.83	390.98	9295.83	392.69	10992.04	478.81
8	Total Cash Outflows		11858.38		12003.28		11881.25		12465.94
Cash Inflows									
9	Secured lending (e.g.reverse repos)	1363.63	0	2871.53	0	3213.04	0	3077.76	0
10	Inflows from fully performing exposures	1566.03	814.40	1328.17	813.05	1117.89	817.45	1027.39	662.36
11	Other Cash Inflows	706.54	706.54	532.07	532.07	613.53	613.53	566.77	566.77
12	Total Cash Inflows	3636.20	1520.94	4731.77	1345.12	4944.46	1430.98	4671.92	1229.13
13	TOTAL HQLA		22279.75		26699.46		28305.55		28592.30
14	Total Net Cash Outflows		10337.44		10658.16		10450.27		11236.81
15	Liquidity Coverage Ratio(%)		215.52%		250.51%		270.86%		254.45%
		The Liquidity Coverage Ratio arrived for the quarter ended 30.06.2021 is 215.52% (on basis of simple averages of daily observations during the period 01-04-2021 to 30-06-2021) against the regulatory requirement of 100%		The Liquidity Coverage Ratio arrived for the quarter ended 30.09.2021 is 250.51% (on basis of simple averages of daily observations during the period 01-07-2021 to 30-09-2021) against the regulatory requirement of 100%		The Liquidity Coverage Ratio arrived for the quarter ended 31.12.2021 is 270.86% (on basis of simple averages of daily observations during the period 01-10-2021 to 31-12-2021) against the regulatory requirement of 100%		The Liquidity Coverage Ratio arrived for the quarter ended 31.03.2022 is 254.45% (on basis of simple averages of daily observations during the period 01-01-2022 to 31-03-2022) against the regulatory requirement of 100%	

c) Net Stable Funding ratio (NSFR) **(Rs. in crore)**

NSFR DisclosureTemplate						
Particulars		**Un-weighted value by residualmaturity**				**Weighted value**
		No maturity*	**< 6 months**	**6 months to <1yr**	**≥1yr**	
Available Stable Funds						
1	Capital:(2+3)	14686.63	0	0	1237.30	15923.93
2	Regulatory capital	14686.63	0	0	1237.30	15923.93
3	Other capital instruments	-	-	-	-	.
4	Retail deposits and deposits from small business customers:(5+6)	32877.77	15906.94	15054.20	7897.81	65378.86
5	Stable deposits	23.87	274.83	222.01	154.23	648.90
6	Less stable deposits	32853.90	15632.11	14832.19	7743.58	64729.96
7	Wholesale funding:(8+9)	1650.65	19604.77	6816.83	2416.10	14840.49
8	Operational deposits	0	0	0	0	.
9	Other wholesale funding	1650.65	19604.77	6816.83	2416.10	14840.49
10	Other liabilities:(11+12)	0	0	646.57	118.28	118.28
11	NSFR derivative liabilities	0	0	646.57	0	0
12	All other liabilities and equity not included in the above categories	0	0	0	118.28	118.28
13	**Total ASF(1+4+7+10)**	49215.05	35511.71	22517.60	11669.49	96261.56
Required Stable Funds						
14	Total NSFRhigh-quality liquid assets(HQLA)	[redacted]				1400.42
15	Deposits held at other financialinstitutionsfor operationalpurposes	0	0	0	0	0
16	Performing loansand securities:(17+18+19+21+23)	0	10243.08	16360.15	41621.35	47259.06
17	Performing loans tofinancial institutionssecuredbyLevel1 HQLA	0	0	0	0	0
18	Performing loans to financial institutions secured by non-Level 1 HQLAand unsecured performing loans to financial institutions	0	0	1314.55	0	657.28
19	Performing loans tonon- financial corporate clients, loans to retail and small business customers,and loans to sovereigns, central banks, and PSEs, ofwhich:	0	10174.40	14952.33	23169.93	31670.68
20	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	0	0	0	2935.65	1908.17
21	Performing residential mortgages, of which:	0	68.67	93.27	4567.29	3129.60
22	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	0	0	0	4167.83	2709.09
23	Securities that are notin default and do not qualify as HQLA, including exchange- traded equities	0	0	0	13884.12	11801.50
24	Other assets: (sum of rows 25to 29)	0	2702.19	1373.53	30249.39	32208.79
25	Physical traded commodities, including gold	0	0	0	0	
26	Assets posted as initial margin for derivative contracts and contributions to default funds ofCCPs	0	0	0	523.03	444.58
27	NSFR derivative assets	0	0	0	0	
28	NSFR derivative liabilities before deduction of variation margin posted	0	0	0	0	
29	All other assets notincluded in the abovecategories	0	2702.19	1373.53	29726.35	31764.21
30	Off-balance sheetitems	0	0	0	18234.22	837.70
31	Total RSF	0	12945.27	17733.68	90104.96	81705.97
32	Net Stable Funding Ratio(%)				.	117.81%

3. Investments

a) Composition of Investment Portfolio as on 31.03.2022

(Rs. in crore)

	Investments in India							Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	21629.25	0.00	0.00	11788.99	0.00	26.98	33445.21	0.00	0.00	0.00	0.00	33445.21
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	21629.25	0.00	0.00	11788.99	0.00	26.98	33445.21	0.00	0.00	0.00	0.00	33445.21
Available for Sale												
Gross	5443.46	0.00	354.13	3195.20	0.00	328.24	9321.04	0.00	0.00	0.00	0.00	9321.04
Less: Provision for depreciation and NPI	0.00	0.00	201.14	283.77	0.00	0.47	485.38	0.00	0.00	0.00	0.00	485.38
Net	5443.46	0.00	152.99	2911.43	0.00	327.77	8835.66	0.00	0.00	0.00	0.00	8835.66
Held for Trading												
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments	**27072.71**	**0.00**	**354.13**	**14984.19**	**0.00**	**355.22**	**42766.25**	**0.00**	**0.00**	**0.00**	**0.00**	**42766.25**
Less: Provision for non-performing investments	0.00	0.00	189.64	243.78	0.00	0.00	433.42	0.00	0.00	0.00	0.00	433.42
Less: Provision for depreciation and NPI	0.00	0.00	11.50	39.99	0.00	0.47	51.96	0.00	0.00	0.00	0.00	51.96
Net	**27072.71**	**0.00**	**153.00**	**14700.42**	**0.00**	**354.75**	**42280.87**	**0.00**	**0.00**	**0.00**	**0.00**	**42280.87**

Composition of Investment Portfolio as on 31.03.2021

(Rs. in crore)

	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	11385.62	0.00	0.00	7620.18	0.00	10.52	19016.32	0.00	0.00	0.00	0.00	19016.32
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	11385.62	0.00	0.00	7620.18	0.00	10.52	19016.32	0.00	0.00	0.00	0.00	19016.32
Available for Sale												
Gross	7938.95	1.49	321.41	3237.83	0.00	2002.42	13502.09	0.00	0.00	0.00	0.00	13502.09
Less: Provision for depreciation and NPI	0.00	0.00	199.70	295.64	0.00	0.30	495.64	0.00	0.00	0.00	0.00	495.64
Net	7938.95	1.49	121.71	2942.19		2002.12	13006.46	0.00	0.00	0.00	0.00	13006.46
Held for Trading												
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments	**19324.57**	**1.49**	**321.41**	**10858.01**	**0.00**	**2012.93**	**32518.41**	**0.00**	**0.00**	**0.00**	**0.00**	**32518.41**
Less: Provision for non- performing	0.00	0.00	189.64	295.64	0.00	0.00	485.28	0.00	0.00	0.00	0.00	485.28
Less: Provision for depreciation and NPI	0.00	0.00	10.06	0.00	0.00	0.30	10.36	0.00	0.00	0.00	0.00	10.36
Net	**19324.57**	**1.49**	**121.71**	**10562.37**	**0.00**	**2012.64**	**32022.77**	**0.00**	**0.00**	**0.00**	**0.00**	**32022.77**

b) **Movement of Provisions for Depreciation and Investment Fluctuation Reserve**

b) **Movement of Provisions for Depreciation and Investment Fluctuation Reserve**			
			(Rs. in crore)
	Particulars	**2021-22**	**2020-21**
i)	**Movement of provisions held towards depreciation on investments**		
	a) Opening balance	495.64	394.28
	b) Add: Provisions made during the year	86.01	102.30
	c) Less: Write off / write back of excess provisions during the year	96.27	0.94
	d) Closing balance	485.38	495.64
ii)	**Movement of Investment Fluctuation Reserve**		
	a) Opening balance	0.00	0.00
	b) Add: Amount transferred during the year	186.42	0.00
	c) Less: Drawdown	0.00	0.00
	d) Closing balance	186.42#	0.00
iii)	**Closing balance in IFR as a percentage of closing balance of investments* in AFS and HFT/Current category**	2%	0.00

*Carrying value less net depreciation (ignoring net appreciation) i.e .the net amount reflected in the balance sheet.

Amount Transferred to Investment Fluctuation Reserve during the Year 2021-22 is Rs.186,42,07,781.00

c) **Sale and transfers to/from HTM category**

i) During the year ending March, 22 the Bank has shifted Govt. securities amounting to Rs.1972.66 crore (Face value) (Rs.1951.78 Cr B.V) from "Held till Maturity (HTM)" to "Available for Sale (AFS)" category and Rs. 1769.31 crore (Face Value) (Rs.1808.59 Cr B.V) from "Available for Sale (AFS)" to "Held till Maturity (HTM)" category. During the period, MTM loss of Rs.19.21 crore was booked upfront on shifting of securities from AFS to HTM. However, gain on shifting of securities from HTM to AFS was not booked upfront and gain/loss was recognized on sale of such securities during the year.

ii)The value of shifting/ sales from HTM category (excluding onetime shifting at the beginning of year and sale under pre – announced OMO auctions) during the year does not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

iii) Gross profit (without netting of Taxes) on sale of securities under HTM categories are transferred to Capital Reserve Account.

d) **Non-SLR investment portfolio**

i) **Non-performing non-SLR investments**

(Rs. in crore)

Sr. No.	Particulars	2021-22	2020-21
a)	Opening balance	485.28	468.36
b)	Additions during the year since 1st April	34.97	17.05
c)	Reductions during the above period	86.83	0.14
d)	Closing balance	433.42	485.28
e)	Total provisions held	433.42	485.28

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ii) Issuer composition of non-SLR investments

(Rs. in crore)

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of ' Unlisted' Securities	
(1)	(2)	(3)		(4)		(5)		(6)		(7)	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
a)	PSUs	12996.17	8615.9	12764.62	8331.36	0.00	0.00	12787.48	8353.55	12596.83	8073.94
b)	FIs	630.70	951.73	14.60	14.6	0.00	0.00	46.66	46.66	14.60	14.60
c)	Banks	390.32	1525.02	0.00	0	0.00	0.00	270.41	24.90	247.56	0
d)	Private Corporates	1615.85	2049.79	485.23	238.64	494.33	549.60	374.32	286.53	367.76	614.29
e)	Subsidiaries/Joint Ventures	0.00	0	0.00	0	0.00	0.00	0.00	0	0.00	0
f)	Others	60.50	49.91	60.50	49.91	31.79	37.29	60.50	49.91	60.50	49.91
g)	Provision held towards depreciation (including NPA)	-485.38	-495.64	-273.16	-229.12	-448.2	-495.64	-263.75	-258.97	-262.96	-258.18
	Total	15208.16	12696.71	13051.79	8405.39	77.90	91.25	13275.62	8502.58	13024.29	8494.56

e) Repo transactions (in face value terms)

(Rs. in crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31, 2022
i) Securities sold under repo				
a) Government securities	-	-	-	-
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-
ii) Securities purchased under reverse repo				
a) Government securities	-	4700.00	2982.49	1540.00
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-

4. Asset quality						
a) Classification of advances and provisions held as on 31.03.2022*						
						(Rs. in crore)
	Standard	**Non-Performing**				**Total**
	Total Standard Advances	**Sub-standard**	**Doubtful**	**Loss**	**Total Non-Performing Advances**	
Gross Standard Advances and NPAs						
Opening Balance	58477.17	1501.48	4743.66	3088.86	9334.00	67811.17
Add: Additions during the year	23737.40	778.54	1264.58	21.51	2064.63	
Less: Reductions during the year	20392.31	785.39	819.77	1228.65	2833.81	
Closing balance	61822.26	833.13	5568.83	2162.86	8564.82	70387.00
Reductions in Gross NPAs due to:						
i) Up gradation		647.79	40.30	0.92	689.01	
ii) Recoveries (excluding recoveries from upgraded accounts)		137.40	679.64	194.21	1011.26	
iii) Technical/ Prudential Write-offs		0.00	16.29	1033.14	1049.43	
iv) Write-offs other than those under (iii) above		0.20	83.53	0.38	84.11	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	1594.32				6816.70	8411.02
Add: Fresh provisions made during the year	295.13				1964.75	2259.88
Less: Excess provision reversed/ Write-off loans	1177.75				2025.22	3202.97
Closing balance of provisions held	711.70				6756.23	7467.93
Net NPAs						
Opening Balance					2461.95	
Add: Fresh additions during the year					597.96	
Less: Reductions during the year					1317.64	
Closing Balance					1742.27	
Floating Provisions						
Opening Balance	NIL					
Add: Additional provisions made during the year						
Less: Amount drawn down during the						

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year			
Closing balance of floating provisions			
Technical write-offs and the recoveries made thereon			
Opening balance of Technical/ Prudential written-off accounts	[redacted]	5058.57	
Add: Technical/ Prudential write-offs during the year	[redacted]	1049.43	
Less: Recoveries made from previously technical/ prudential written-off accounts during the year	[redacted]	287.05	
Closing balance	[redacted]	5820.95	

4. Asset quality

a) Classification of advances and provisions held as on 31.03.2021*

(Rs. in crore)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	53689.63	2562.35	6006.49	305.73	8874.57	62564.20
Add: Additions during the year	17406.09	1486.69	66.96	3.06	1556.71	
Less: Reductions during the year	12618.54	321.83	657.29	118.16	1097.28	
Closing balance	58477.18	1501.48	4743.66	3088.86	9334.00	67811.18
Reductions in Gross NPAs due to:						
i) Up gradation		106.67	41.40	0.00	148.07	
ii) Recoveries (excluding recoveries from upgraded accounts)		214.80	545.70	118.14	878.64	
iii) Technical/ Prudential Write-offs		0.00	0.00	0.00	0.00	
iv) Write-offs other than those under (iii) above		0.36	70.20	0.01	70.57	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	309.96				4138.79	4448.75
Add: Fresh provisions made during the year	1284.45				3101.96	4386.41
Less: Excess provision reversed/ Write-off loans	0.09				424.05	424.14

Closing balance of provisions held	1594.32	[redacted]			6816.70	8411.02
Net NPAs						
Opening Balance	[redacted]				4684.15	[redacted]
Add: Fresh additions during the year					1244.79	
Less: Reductions during the year					3466.99	
Closing Balance					2461.95	
Floating Provisions						
Opening Balance	NIL					
Add: Additional provisions made during the year						
Less: Amount drawn down during the year						
Closing balance of floating provisions						
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts	[redacted]				5210.17	
Add: Technical/ Prudential write-offs during the year					0.00	
Less: Recoveries made from previously technical/ prudential written-off accounts during the year					151.60	
Closing balance					5058.57	

Ratios&(in per cent)	2021-22	2020-21
Gross NPA to Gross Advances	12.17%	13.76%
Net NPA to Net Advances	2.74%	4.04%
Provision coverage ratio (With TWO)	87.89%	82.89%
Provision coverage ratio (Without TWO)	79.66%	73.62%

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b) **Sector-wise Advances and Gross NPAs**

Sr.No.	Sector	2021-22			2020-21		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
i)	**PrioritySector**	29068.76	3127.63	11%	27039.94	3454.13	13%
a)	Agriculture and allied	10933.87	944.05	9%	10637.51	917.79	9%
b)	Advances to industries sector eligible as priority	4874.73	715.84	15%	4351.80	849.22	20%
c)	Services	8698.56	1122.19	0%	7208.23	1253.02	17%
d)	Personalloans	4561.60	345.55	8%	4842.40	434.10	9%
	Subtotal(i)	29068.76	3127.63	11%	27039.94	3454.13	13%
ii)	**Non-prioritySector**	41318.32	5437.19	13%	40771.23	5879.87	14%
a)	Agriculture and allied activities	0	0	0	0	0	0
b)	Industry	17762.36	2028.41	11%	16338.44	2545.11	16%
c)	Services	16380.28	3157.40	19%	20142.82	3093.44	15%
d)	Personalloans	7175.68	251.38	4%	4289.97	241.32	6%
	Sub-total(ii)	41318.32	5437.19	13%	40771.23	5879.87	14%
	Total (I +ii)	**70387.08**	**8564.82**	**12%**	**67811.17**	**9334.00**	**14%**

c) **Overseas assets, NPAs and revenue**

(Rupees. in Crores)

Particulars	2021-22	2020-21
Total Assets	134.67	106.00
Total NPAs	0	0
Total Revenue	0.28	0.31

d) **Particulars of resolution plan and restructuring**

The Bank holds additional standard asset provision in respect of 02 borrower's account in terms of RBI Circular DBR No. BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 on "Prudential Framework for Resolution of Stressed Assets" amounting to Rs.53.70 Crore. The details are as under:-

(Rs. In Crore)

Amount of Loans Impacted by RBI Circular (A)	Amount of Loans to be classified as NPA (B)	Amount of Loans as 31.03.2022, out of classified as NPA (C)	Addl. Provision required for loans covered under RBI Circular (D)	Provision out of already made 31.03.2022 (E)
152.37	-	-	53.70	53.70

e) **Divergence in asset classification and provisioning**

In compliance with the Risk Assessment Report (RAR) for the year ended 2020-21, non-performing assets as per report have duly been classified and additional provision has been made. In conformity with RBI Circular No. BR.BP.BC.NO>63/21.04.018/2016-17 dated 18th April 2017 & DBR.BP.BC.No.32/21.04.018/2018-19 dated April I, 2019 and SEBI Circular No. CIR/CFD/CMD/80/2017 dated July 18, 2017, the required disclosure is detailed below-

(Rs. in crore)

Sr.	Particulars	Amount
1.	Gross NPAs as on March 31, 2021* as reported by the bank	9333.99
2.	Gross NPAs as on March 31, 2021 as assessed by Reserve Bank of India	9362.99
3.	Divergence in Gross NPAs (2-1)	29.00
4.	Net NPAs as on March 31, 2021 as reported by the bank	2461.95
5.	Net N PAs as on March 31, 2021 as assessed by Reserve Bank of India	2473.95
6.	Divergence in Net NPAs (5-4)	12.00
7.	Provisions for NPAs as on March 31, 2021 as reported by the bank	6816.70
8.	Provisions for NPAs as on March 31, 2021 as assessed by Reserve Bank of India	6833.70
9.	Divergence in provisioning (8-7)	17.00
10	Report Profit before Provisions and Contingencies for the year ended March 31, 2021	772.03
11.	Reported Net Profit after Tax (PAT) for the year ended March 31, 2021	-2732.90
12.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2021 after considering the divergence in provisioning	-2749.90

*March 31, 2021 is the close of the reference period in respect of which divergences were assessed.

f) Disclosure of transfer of loan exposures

In the case of stressed loans transferred or acquired, thefollowing disclosures should bemade:

Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA)			
(all amounts in ₹ crore)	To ARCs	To permitted transferees	To other transferees (please specify)
No: of accounts	NIL	NIL	NIL
Aggregate principal outstanding of loans transferred	NIL	NIL	NIL
Weighted average residual tenor of the loans transferred	NIL	NIL	NIL
Net book value of loans transferred (at the time of transfer)	NIL	NIL	NIL
Aggregate consideration	NIL	NIL	NIL
Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL	NIL

Details of loans acquired during the year		
(all amounts in ₹ crore)	**From SCBs, RRBs, UCBs, StCBs, DCCBs, AIFIs, SFBs and NBFCsincluding Housing Finance Companies (HFCs)**	**From ARCs**
Aggregate principal outstanding of loans acquired	NIL	NIL
Aggregate consideration paid	NIL	NIL
Weighted average residual tenor of loans acquired	NIL	NIL

In accordance with RBI circular no.DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021, in respect of the details of loans transferred/acquired during the year ended March 31, 2022, the Bank has not transferred and acquired NPA and Special Mention Account (SMA)

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Distribution of the SRs held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on March 31, 2022:

Recovery Rating Band	Book Value (Rs. In Crore)
RR1+	Nil
RR1	31.79
RR2	Nil
RR3	Nil
RR4	Nil
RR5	Nil
Rating Withdrawn	Nil
Total	31.79

g) Fraud accounts

Particulars	2021-22	2020-21
Number of frauds reported	159	144
Amount involved in fraud (Rs in crore)	454.59	3825.86
Amount of provision made for such frauds (Rs in crore)*	238.73	3804.08
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (Rs in crore)	0.00	0.00

*Provision of Rs.215.17 crore has already been made in previous years.

h) Disclosure under Resolution Framework for COVID-19-related Stress

i) A special window under the Prudential Framework was extended vide circular DOR.No.BP.BC /3/21.04.048/2020-21 dated August 6, 2020 to enable the lenders to implement a resolution plan in respect of eligible corporate exposures, and personal loans, while classifying such exposures as Standard. Banks shall make disclosures in the format prescribed below every half-year, i.e., in the financial statements as on September 30 and March 31, starting from the half- year ending September 30, 2021 till all exposures on which resolution plan was implemented are either fully extinguished or completely slip into NPA, whichever is earlier.

The details of resolution plan implemented under the Resolution framework for COVID-19 related stress as per RBI Circular dated August 6, 2020 are given below (TABLE-A):-

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan (Rs. in crores)	(C) of (B) aggregate amount of debt that was converted into other securities (Rs. in crores)	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation (Rs. in crores)	(E) Increase in provisions on account of the implementation of the resolution plan (Rs. in crores)
(i) Personal loans*	4824	447.81	-	-	54.40
(ii) Corporate persons	4585	743.29	-	-	172.53
Of Which MSME	4565	275.86	-	-	25.86
(iii) Others	522	31.60	-	-	3.75
Total	9931	1222.70	-	-	230.68

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Status of accounts in TABLE-A as on 31.03.2022 is given below:

(Rs. In crores)

Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of the previous half year (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of this half year
(i) Personal loans	460.57	82.02	0	18.49	363.45
(ii) Corporate persons#	1337.47	72.92	0	57.02	1277.21
Of Which MSME	338.18	72.92	0	10.16	255.91
(iii) Others	34.53	5.62	0	1.76	26.60
Total	1832.57	160.56	0	77.27	1667.26
#as defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					

*There were NIL Borrower accounts where resolution plans has been implemented and now modified under RBI's resolution framework 2.0 dated May 5, 2021.

(ii) Details of resolution plan implemented under the RBI Resolution Framework – 2.0: Resolution of COVID-19 related stress of individuals and Small Businesses dated May 5, 2021 are given below:-

SI.No	Description	Individual Borrowers		Small Businesses
		Personal Loans	Business Loan	
(A)	Number of requests received for invoking resolution process under Part A	9791	-	-
(B)	Number of accounts where resolution plan has been implemented under this window	7415	-	-
(C)	Exposure to accounts mentioned at (B) before implementation of the plan. (Rs. In Crores)	648.08	-	-
(D)	Of (C), aggregate amount of debt that was converted into other securities. (Rs. In Crores)	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation. (Rs. In Crores)	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan. (Rs. In Crores)	87.63	-	-

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	5. Exposures:			
	a) Exposure to Real Estate Sector			
				(Rs. in crore)
	Category		2021-22	2020-21
	i) Direct Exposure			
	(a)	Residential Mortgages		
	i.	Lending fully secured by mortgages of residential property that is or will be occupied by the borrower or that is rented	7354.21	7084.69
	ii.	Individual housing loans eligible for inclusion in priority sector advances	4105.23	4542.00
		Exposure would also include non fund based (NFB)		
	(b)	Commercial Real Estate		
		Lending secured by mortgages of commercial real estates (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc) Exposure would also include non fund based (NFB) limits;	1242.12	1833.36
	(c)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures	-	-
		a. Residential	-	-
		b. Commercial Real Estate	-	-
	ii) Indirect Exposure [Fund based and Non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)]		2858.43*	3209.37*
	Total Exposure to Real Estate Sector		11454.76	12127.42

* includes Rs 1019.83 crore (Previous year Rs. 1040.67 crore) by way of Investment in NHB & Housing Finance Companies.

	b) Exposure to Capital Market			
				(Rs.in crore)
	Particulars		2021-22	2020-21
	1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	374.92	342.20
	2	Advances against shares/ bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	1.72	-
	3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken	-	-

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		as primary security;		
	4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances;	-	-
	5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	7.35
	6	Loans sanctioned to corporates against the security of shares/ bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
	7	Bridge loans to companies against expected equity flows/ issues;	-	-
	8	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
	9	Financing to stockbrokers for margin trading;	-	-
	10	All exposures to Venture Capital Funds (both registered and unregistered)	28.71	12.61
	Total Exposure to Capital Market		405.35	362.16

c) Risk Category wise Country Exposure

The net country-wise funded exposure of the Bank in respect of Foreign Exchange Transactions in respect of each country is within 1% of the total assets of the Bank. Hence, no provision is required as per RBI guidelines.

d) Unsecured Advances

(Amount Rs. in crore)

Particulars	2021-22	2020-21
Total unsecured advances of the bank		481.30
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority etc.	0	477.29
Estimated Value of such intangible Securities i.e charge over the rights, licenses, authority etc.	0	477.29

e) **Factoring Exposures : Nil**

f) Intra-Group Exposures

(Rs. In crore)

S. No.	Particulars	2021-22		2020-21	
		Sanc Loan/limit	Balance O/s	Sanc Loan/limit	Balance O/s
(a)	Total amount of intra-group exposures	**NIL**	**NIL**	**NIL**	**NIL**
(b)	Total amount of top-20 intra-group exposures	**NIL**	**NIL**	**NIL**	**NIL**
(c)	Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	**NIL**	**NIL**	**NIL**	**NIL**
(d)	Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	**NIL**	**NIL**	**NIL**	**NIL**

g) Un-hedged Foreign Currency Exposure

The Bank has estimated the liability towards Unhedged Foreign Currency Exposure in terms of RBI circular DBOD.No.BP.BC.85/21.06.200/2013-14 dated January 15, 2014 and is holding a provision of Rs 0.097 crore as on March 31,2022.

6. a) Concentration of Deposits

(Rupees In crore)

Particulars	2021-22	2020-21
Total Deposits of twenty largest depositors	18724.52	14835.83
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	18.33%	15.44%

b) Concentration of Advances

(Rupees In crore)

Particulars	2021-22	2020-21
Total Advances to twenty largest borrowers	15873.10	15380.41
Percentage of Advances to twenty largest borrowers to Total Advances	22.55%	22.68%

c) Concentration of Exposures*

(Rupees In crore)

Particulars	2021-22	2020-21
Total Exposure to twenty largest borrowers/ customers	16907.74	21125.35
Percentage of Exposure to the twenty largest borrowers/ customers to Total Exposure of the bank on borrowers/ customers	19.53%	27.35%

*Exposure to Central Govt and Central Govt guaranteed have been excluded.

d) Concentration of NPAs

(Rupees In crore)

Particulars	2021-22	2020-21
Total Exposure to the top twenty NPA Accounts	4109.52	4211.80

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Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	47.98%	45.12%

7. Derivatives

In derivate segment, Bank only deals in merchant forward contract and the value of outstanding Forward contract is Rs 1334.54 crore.

a) Forward rate agreement/Interest rate swap

(Rs. In Crore)

Sr. No	Particulars	2021-22	2020-21
i)	The notional principal of swap agreements	-	-
ii)	Losses which would be incurred if counterparties failed to full fill their obligations under the agreements	-	-
iii)	Collateral required by the bank upon entering into swaps	-	-
iv)	Concentration of credit risk arising from the swaps	-	-
v)	The fair value of the swap book	-	-

b) Exchange traded interest rate derivatives

(Rs. In Crore)

Sr. No	Particulars	2021-22	2020-21
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)	-	-
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31[st]March 2022 (instrumentwise)	-	-
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	-	-
iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not' highly effective' (instrument wise)	-	-

c) Disclosures on risk exposure in derivatives

i) Qualitative disclosures

Bank has not entered into any derivative transactions in respect of Forward rate agreement/Interest Rate Swap/ Exchange Traded Interest Rate Derivatives during the year 2021-22. Accordingly, qualitative and quantitative disclosures under RBI guidelines with respect to derivative transactions are not required.

i) Quantitative disclosures

(Rs. in crore)

Sr.No	Particular	2021-22		2020-21	
		Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
a)	Derivatives (Notional Principal Amount)	NIL	NIL	NIL	NIL
	i) For hedging	NIL	NIL	NIL	NIL
	ii) For trading	NIL	NIL	NIL	NIL
b)	Marked to Market Positions	NIL	NIL	NIL	NIL
	i) Asset(+)	NIL	NIL	NIL	NIL
	ii) Liability(-)	NIL	NIL	NIL	NIL
c)	Credit Exposure	NIL	NIL	NIL	NIL
	Likely impact of one percentage change in interest rate(100*PV01)	NIL	NIL	NIL	NIL

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d)	i) on hedging derivatives	NIL	NIL	NIL	NIL
	ii) on trading derivatives	NIL	NIL	NIL	NIL
e)	Maximum and Minimumof100*PV01 observed during the year	NIL	NIL	NIL	NIL
	i) on hedging	NIL	NIL	NIL	NIL
	ii) on trading	NIL	NIL	NIL	NIL

d) Credit default swaps

Bank has not entered into any Credit Default Swaps during the year 2021-22.

8. Disclosures relating to securitization

(Numbers/Rs in Crore)

Sr. No				Particulars	2021-22	2020-21
1.	No of SPEs sponsored by the bank for securitization transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)				NIL	NIL
2.	Total amount of securitized assets as per books of the SPEs				NIL	NIL
3.	Total amount of exposures retained by the originator to comply Minimum Retention Requirement (MRR) as on the date of balance sheet.				NIL	NIL
	a)	Off-balance sheet exposures			NIL	NIL
		*	First loss		NIL	NIL
		*	Others		NIL	NIL
	b)	On-balance sheet exposures			NIL	NIL
		*	First loss		NIL	NIL
		*	Others		NIL	NIL
4.	Amount of exposures to securitization transactions other than MRR				NIL	NIL
	a)	Off-balance sheet exposures			NIL	NIL
		i)	Exposure to own securitizations		NIL	NIL
			*	First loss	NIL	NIL
			*	Others	NIL	NIL
		ii)	Exposure to third party securitizations		NIL	NIL
			*	First loss	NIL	NIL
			*	Others	NIL	NIL
	b)	On-balance sheet exposures			NIL	NIL
		i)	Exposure to own securitizations		NIL	NIL
			*	First loss	NIL	NIL
			*	Others	NIL	NIL
		ii)	Exposure to third party securitizations		NIL	NIL
			*	First loss	NIL	NIL
			*	Others	NIL	NIL
5.	Sale consideration received for the securitized assets and gain/loss on sale on account of securitization				NIL	NIL
6.	Form and quantum (outstanding value) of services provided by way of credit enhancement, liquidity support, post- securitization asset servicing ,etc.				NIL	NIL

7.	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided. (a) Amount paid (b) Repayment received © Outstanding amount	NIL	NIL
8.	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	NIL	NIL
9.	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans, etc.	NIL	NIL
10.	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	3	5

9. Off balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

(Rs. in crore)

Name of the SPV sponsored			
Domestic		**Overseas**	
31.03.2022	**31.03.2021**	**31.03.2022**	**31.03.2021**
Not Applicable	Not Applicable	NIL	NIL

10. Transfers to Depositor Education and Awareness Fund (DEA Fund)			
			(Rs. in crore)
Sr. No	**Particulars**	**2021-22**	**2020-21**
i)	Opening balance of amounts transferred to DEA Fund	316.65	215.37
ii)	Add: Amounts transferred to DEA Fund during the year	117.46	103.42
iii)	Less: Amounts reimbursed by DEA Fund towards claims	4.08*	2.14*
iv)	Closing balance of amounts transferred to DEA Fund	430.03	316.65

*Principal

11. Disclosure of complaints				
a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman*				
Sr. No	**Particulars**		**2021-22**	**2020-21**
	Complaints received by the bank from its customers			
1		Number of complaints pending at beginning of the year	96	139
2		Number of complaints received during the year	23973	14449
3		Number of complaints disposed during the year	23867	14492
	3.1	Of which, number of complaints rejected by the bank	186	248
4		Number of complaints pending at the end of the year	202	96
	Maintainable complaints received by the bank from Office of Ombudsman			

5		Number of maintainable complaints received by the bank from Office of Ombudsman	655	793
	5.1.	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	620	731
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	27	45
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	Nil	Nil
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

b) Top five grounds* of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
	2021-22				
Ground – 1 Internet/ Mobile/ Electronic Banking	8	10287	381%	119	2
Ground – 2 ATM/Debits Cards	62	10151	14.90%	32	3
Ground – 3 Loans and advances	4	717	51.60%	18	6
Ground – 4 Levy of charges without prior notice/excessive charges/ foreclosure charges	Nil	193	188%	5	Nil
Ground – 5 Staffs behaviour	3	118	-26.70%	5	1
Others	19	2507	-7.20%	23	2
Total	96	23973	65.90%	202	14
	2020-21				
Ground – 1ATM/Debits Cards	39	8831	-51.11%	62	3
Ground – 2Internet/Mobile/ Electronic Banking	25	2138	73.96%	8	2
Ground – 3Loans and advances	17	473	5.58%	4	1
Ground – 4Staffs behaviour	2	161	-13.44%	3	Nil
Ground – 5 Cheques/ drafts/ bills	1	143	217.77%	0	Nil
Others	55	2703	16.82%	19	12
Total	139	14449	-35.18%	96	18

12. Disclosure of penalties imposed by the Reserve Bank of India

(Rs. in crore)

Particulars	2021-22	2020-21
A. Penalty imposed by RBI on account of advances sanctioned in contravention of RBI directions for onward lending to group companies / subsidiaries and affiliates by NBFC	1.00	0.00
B. Penalty imposed by RBI on account of unusual cyber securities and incidents of suspected unauthorized internet banking transactions	0.25	0.00

13. Disclosures on Remuneration - Not Applicable

14. Other Disclosures

a) Business Ratios

(Rs. in crore)

Particular	2021-22	2020-21
i) Interest Income as a percentage to Working Funds	5.80	6.52
ii) Non-interest income as a percentage to Working Funds	0.78	0.84
iii) Cost of Deposits	4.28	5.06
iv) Net Interest Margin	2.80	2.62
v) Operating Profit as a percentage to Working Funds	1.09	0.72
vi) Return on Assets	0.85%	-2.55%
vii) Business (deposits plus advances) per employee	19.75	18.49
viii) Profit per employee (In Rs. Crore)	0.12	-0.31

b) Disclosure of Fees/ Remuneration Received in respect of Bancassurance Business

(Rs. in crore)

	2021-22	2020-21
A. Fee/ Remuneration from Life Insurance Business	13.14	9.20
B. Fee/ Remuneration from General Insurance Business	3.08	2.67
C. Commission on APY	0.80	1.33

c) Disclosure of Fees/ Remuneration Received in respect of Marketing and Distribution Function (Excluding Bancassurance Business)

(Rs. in crore)

	2021-22	2020-21
Commission on Sovereign Gold Bond Scheme	0.85	0.79

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

Bank has sold 2600 units under Priority Sector Lending certificates (PSLCs) to the tune of Rs.650 Crore under Micro Enterprises and earned commission income of Rs.12.30 Crore during the year ended 31.3.2022.

e) Provisions and contingencies

(Rs. in crore)

Provision debited to Profit and Loss Account	2021-22	2020-21
Provisions for NPI	-51.86	102.17
Provision towards NPA	988.96	2677.9

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12. Disclosure of penalties imposed by the Reserve Bank of India

(Rs. in crore)

Particulars	2021-22	2020-21
A. Penalty imposed by RBI on account of advances sanctioned in contravention of RBI directions for onward lending to group companies / subsidiaries and affiliates by NBFC	1.00	0.00
B. Penalty imposed by RBI on account of unusual cyber securities and incidents of suspected unauthorized internet banking transactions	0.25	0.00

13. Disclosures on Remuneration - Not Applicable

14. Other Disclosures

a) Business Ratios

(Rs. in crore)

Particular	2021-22	2020-21
i) Interest Income as a percentage to Working Funds	5.80	6.52
ii) Non-interest income as a percentage to Working Funds	0.78	0.84
iii) Cost of Deposits	4.28	5.06
iv) Net Interest Margin	2.80	2.62
v) Operating Profit as a percentage to Working Funds	1.09	0.72
vi) Return on Assets	0.85%	-2.55%
vii) Business (deposits plus advances) per employee	19.75	18.49
viii) Profit per employee (In Rs. Crore)	0.12	-0.31

b) Disclosure of Fees/ Remuneration Received in respect of Bancassurance Business

(Rs. in crore)

	2021-22	2020-21
A. Fee/ Remuneration from Life Insurance Business	13.14	9.20
B. Fee/ Remuneration from General Insurance Business	3.08	2.67
C. Commission on APY	0.80	1.33

c) Disclosure of Fees/ Remuneration Received in respect of Marketing and Distribution Function (Excluding Bancassurance Business)

(Rs. in crore)

	2021-22	2020-21
Commission on Sovereign Gold Bond Scheme	0.85	0.79

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

Bank has sold 2600 units under Priority Sector Lending certificates (PSLCs) to the tune of Rs.650 Crore under Micro Enterprises and earned commission income of Rs.12.30 Crore during the year ended 31.3.2022.

e) Provisions and contingencies

(Rs. in crore)

Provision debited to Profit and Loss Account	2021-22	2020-21
Provisions for NPI	-51.86	102.17
Provision towards NPA	988.96	2677.9

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Provision made towards Income tax		147.63	-671.34
Other Provisions and Contingencies (with details)		-793.69	1396.20

f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

As part of the Banks strategy to implement IND-AS, Bank had appointed a consultant with considerable experience in the field of implementation of IND-AS. The appointment terms, interalia, also require them to provide guidance to the Bank in matters related to IND-AS and also assist the Bank to comply with the provisions and reporting requirements of statutory authorities in relation to Ind AS. Further, it is also planned to give specialized training to staff so as to build relevant expertise which would ultimately result in smooth implementation of IND-AS as and when implemented.

g) Payment of DICGC Insurance Premium

(Rs. in crore)

Sr. No.	Particulars	2021-22	2020-21
i)	Payment of DICGC Insurance Premium	136.06	116.01
ii)	Arrears in payment of DICGC premium	0	0

h) Not Applicable.

i) Disclosure on amortization of expenditure on account of enhancement in family pension of employees of banks

The estimated additional Pension liability on account of revision in family pension was Rs.236.84 crore. RBI vide its Circular RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated 4th October 2021, has permitted all member Banks of Indian Banks Association to amortize the said additional liability over a period not exceeding five years beginning with the financial year ending 31st March 2022, subject to a minimum of 1/5th of the total amount being charged every year. The Bank will amortize the said liability over a period, not exceeding 5 years commencing from the financial year ending 31st March 2022, subject to a minimum of Rs.47.37 crore every year. Accordingly, the Bank has charged an amount of Rs.47.37 crore to the Profit & Loss account for the current financial year ended 31st March 2022 and the balance unamortized amount of Rs.189.47 crore has been carried forward.

15. Disclosure as per Accounting Standard (AS)

15.1 AS-5 Net Profit or Loss for the period, prior period items and changes in accounting policies

15.1.1 There are no material prior period items included in Profit & Loss Account required to be disclosed as per AS-5 read with RBI guidelines except those disclosed elsewhere in the notes.

15.2 AS-9 Revenue Recognition

Certain items of income are recognized on realization basis as disclosed at point no. 8 – "Revenue Recognition" of **Schedule 17 – Significant Accounting Policies**. However, in terms of RBI guidelines, the said income is not considered to be material.

15.3 AS-10 Property Plant & Equipment

During the year 31.03.2022, bank has revalued immovable properties based on the reports obtained from the external independent valuer. The closing balance of revaluation reserve as on 31.03.2022 (Net of amount transferred to revenue reserve) is Rs.919.90 crore (Previous year Rs.918.44 crore)

Out of 59 properties owned by the bank (excluding leasehold properties having a lease term up to 30yers), cost of 38 properties are segregated into land and superstructure.

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15.4 **AS 15 - Employees Benefit**

Provisions for Pension, Gratuity, Leave Encashment and Other long term benefits have been made in accordance with the Revised Accounting Standard (AS - 15) Employees Benefits issued by the ICAI.

The summarized position of post-employment benefits recognized in the Profit & Loss A/c and Balance Sheet is as under:

Changes in the Present value of the Obligation

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2021-22	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Present Value of defined benefit obligation as at 1st April	4199.43	3629.86	324.96	278.57	227.27	186.59
Interest cost	265.98	216.20	21.71	17.73	15.41	12.04
Past Service Cost	0	0	0	0	0	0
Current service cost	173.47	167.10	22.47	30.76	21.61	16.69
Benefits paid	(459.09)	(385.24)	(50.96)	(46.23)	(29.36)	(26.25)
Actuarial loss/ (gain) on obligations	431.16	571.51	1.40	44.13	23.00	38.20
Present value of defined Benefit obligation at 31st March	4610.95	4199.43	319.58	324.96	257.93	227.27

Changes in the Present Value of Plan Assets

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2021-22	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Fair value of Plan Assets as at 1st April	3952.38	3603.70	313.18	275.19	219.38	145.20
Expected return of Plan Assets	317.77	295.86	25.37	21.90	15.84	10.53
Contributions	546.16	436.27	36.73	60.34	55.15	85.55
Benefits paid	(459.09)	(385.24)	(50.96)	(46.23)	(29.36)	(26.25)
Actuarial gain/(loss)	(34.24)	1.79	(3.24)	1.98	1.40	4.35
Fair value of Plan Assets as at 31st March	4322.98	3952.38	321.08	313.18	262.41	219.38
Actual return on Plan Assets	283.53	297.65	22.13	23.88	17.24	14.88

Net Actuarial Loss/ (Gain)

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2021-22	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Actuarial loss/(gain) on Obligation. (A)	431.16	571.51	1.40	44.13	23.00	38.20
Actuarial loss/(gain) on Plan Assets (B)	34.24	(1.79)	3.24	(1.98)	(1.40)	(4.35)
Net Actuarial loss/(gain)	465.40	569.72	4.64	42.15	21.60	33.85
Actuarial loss/(gain) recognized in the period	465.40	569.72	4.64	42.15	21.60	33.85
Unrecognized actuarial loss/ (Gain) at the end of the year	NIL	NIL	NIL	NIL	NIL	NIL

Amount recognized in the Balance Sheet

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2021-22	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Present value of defined benefit obligation as at 31st March	4610.95	4199.43	319.58	324.96	257.93	227.27
Less: Fair value of Plan Assets as at 31st	4322.98	3952.38	321.08	313.18	262.41	219.38

March						
Excess net Asset / (Unfunded Liability) Recognized in the balance sheet	(287.97)	(247.05)	1.50	(11.78)	4.48	(7.89)
Higher Provisioning kept	NIL	NIL	Nil	Nil	NIL	Nil
Transitional liability recognized during the year	---	---	---	---	----	---
Unrecognized transitional liability	---	---	---	---	---	---
Excess net Asset / (Unfunded Liability) Recognized in the balance sheet	(287.97)	(247.05)	1.50	(11.78)	4.48	(7.89)

Expenses recognized in the Profit & Loss Account

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2021-22	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Current service cost	173.47	167.10	22.47	30.76	21.61	16.69
Past Service Cost	--	--	--	--	--	--
Interest cost	265.98	216.20	21.71	17.73	15.41	12.04
Expected return on plan assets	(317.77)	(295.86)	(25.37)	(21.90)	(15.84)	(10.53)
Net Actuarial (gain)/ loss recognized during the year	465.40	569.72	4.64	42.15	21.60	33.85
Deferred Pension Expenditure	(189.47)	--	--	--	--	--
Net (Benefit)/ Expense	397.61	657.16	23.45	68.74	42.78	52.05

Movements in the liability recognized in the Balance Sheet

(Rs. in crore)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2021-22	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Opening net Liability/(Asset)	247.05	26.16	11.78	3.38	7.89	41.39
Add: Deferred Pension Expenditure	189.47	--	--	--	--	--
Add: Net benefit expense	397.61	657.16	23.45	68.74	42.78	52.05
Less: Contribution paid	546.16	436.27	36.73	60.34	55.15	85.55
Closing liability/(Asset)	287.97	247.05	(1.50)	11.78	(4.48)	7.89
Add: Higher Provisioning Kept	Nil	Nil	Nil	Nil	Nil	Nil
Closing liability/(Asset)	287.97	247.05	(1.50)	11.78	(4.48)	7.89

Investment percentage maintained by the trust

(in % age)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2021-22	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Central Government Securities	8.04	10.40	--	--	Nil	Nil
State Government Securities	16.10	23.95	21.65	22.77	Nil	Nil
High Safety Bonds/TDRs	11.71	23.15	21.53	31.20	81.53	100.00
Other investments	64.15	42.50	56.82	46.03	18.47	Nil

Principal Actuarial assumptions at the Balance Sheet date

(in % age)

Particulars	Pension (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
	2021-22	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Discount rate	6.70	6.29	7.25	6.94	7.25	6.94
Expected rate of return on plan assets	8.04	8.21	8.10	7.96	7.22	7.25
Rate of escalation in salary	5.00	5.00	5.00	5.00	5.00	5.00
Attrition rate	1.00	1.00	1.00	1.00	1.00	1.00
Mortality Table	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
Method used	PUC	PUC	PUC	PUC	PUC	PUC

Basis of Actuarial Assumptions considered

Particulars	Basis of assumption
Discount rate	Discount rate has been determined by reference to market yield on the balance sheet date on Government Bonds of term consistent with estimated term of the obligation.
Expected rate of return on plan assets	The expected return on Plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation.
Rate of escalation in salary	The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion, and other relevant factor, such as supply and demand in employee market.
Attrition rate	Attrition rate has been determined by reference to past and expected future experience and includes all type of withdrawals other than death but including those due to disability.
Mortality Table	A mortality table, also known as a life table or actuarial table, shows the rate of deaths occurring in a defined population during a selected time interval, or survival rates from birth to death.

Other long term employee benefit (Non funded)

Particulars	LTC/LFC Encashment *		Silver jubilee Bonus		Medical Benefits *		Retirement Gifts	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Present Value of Obligation	6.77	6.37	1.23	1.26	0.77	0.76	1.29	1.39
Transitional Liability	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Transitional liability recognized during the year	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Unrecognized transitional liability	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Higher Provisioning kept	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Liability recognized in the Balance Sheet	6.77	6.37	1.23	1.26	0.77	0.76	1.29	1.39

*As assessed by the management

15.5 AS 17 – Segment Reporting:

Part A : Business Segment **(Rs. In crores)**

Particulars	Year Ended	
	31.03.22 (Audited)	31.03.21 (Audited)
1. Segment Revenue		
a) Treasury	2365.32	2289.58
b) Corporate/ Wholesale Banking	3179.63	3282.31
c) Retail Banking	2493.31	2292.62
d) Other Banking Operations	16.93	13.02
Total	**8055.19**	**7877.53**
2. Segment Result		
a) Treasury	1014.08	963.08
b) Corporate/ Wholesale Banking	474.00	284.56
c) Retail Banking	371.69	198.76
d) Other Banking Operations	16.93	13.02
Total	**1876.70**	**1459.42**
3. Unallocated Expenses	546.61	687.39
4. Operating Profit	**1330.09**	**772.03**
5. Provisions & Contingencies	143.40	4176.26
6. Income Tax	147.64	-671.33
7. Extra Ordinary Profit/ Loss	0.00	0.00
8. Net Profit	**1039.05**	**-2732.90**
Other Information:		
9. Segment Assets		

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a) Treasury	42863.74	32515.17
b) Corporate/ Wholesale Banking	41987.21	44309.60
c) Retail Banking	32924.40	30949.29
d) Other Banking Operations	0.00	0.00
e) Unallocated Assets	3292.20	2707.83
Total Assets	**121067.55**	**110481.89**
10. Segment Liabilities		
a) Treasury	38911.83	30774.43
b) Corporate/ Wholesale Banking	38116.11	41937.43
c) Retail Banking	29888.87	29292.38
d) Other Banking Operations	0.00	0.00
e) Unallocated Liabilities	140.15	114.64
Total Liabilities	**107056.96**	**102118.88**

Note: For the purpose of segment reporting in terms of AS-17 of ICAI and as prescribed in RBI guidelines, the business of the Bank has been classified into four segments i.e. a) Treasury Operations, b) Corporate/Wholesale Banking, c) Retail Banking and d) Other Banking Operations.

Segmental Revenue, Results, Assets & Liabilities in respect of Corporate / Wholesale and Retail Banking segment have been bifurcated on the basis of exposure to these segments.

Part B Geographical Segment:
Since the Bank does not have any overseas branch, reporting under Geographic Segment is not applicable.

15.6 AS 18 – Related Party Disclosures
Key Managerial Personnel:

Mr. S. Krishnan	Managing Director & CEO w.e.f. 04.09.2020
Mr.Kollegal V Raghvendra	Executive Director w.e.f. 10.03.2021
Mr. Ram Jas Yadav	Executive Director w.e.f. 21.10.2021
Mr.Ajit Kumar Das	Executive Director w.e.f. 01.04.2020 upto 31.03.2021
Mr. S. Harisankar	Managing Director & CEO w.e.f. 20.09.2018 upto 03.09.2020
Mr.Fareed Ahmed	Executive Director w.e.f. 17.02.2017 upto 31.07.2020

Remuneration Paid to Key management personnel:

(Rs. in lacs)

Name and Designation	2021-22	2020-21
Mr. S. Krishnan, Managing Director & CEO	33.08	16.58
Mr.Kollegal V Raghvendra, Executive Director	27.26	1.47
Mr. Ram Jas Yadav, Executive Director	12.82	
Mr.Ajit Kumar Das, Executive Director	Nil	26.15
Mr. S. Harisankar,	Nil	12.78
Mr.Fareed Ahmed	Nil	9.12

(Rs in lacs)

Items/ Related Party	Key Management Personnel* (2021-22)	Key Management Personnel* (2020-21)
Borrowings	NIL	NIL
Deposits	52.69	134.23
Max During Year	57.51	213.78
Placement of Deposits	NIL	NIL
Advances	NIL	NIL
Investments	NIL	NIL

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Non Funded Commitments	NIL	NIL
Leasing/HP arrangements availed	NIL	NIL
Leasing/HP arrangements provided	NIL	NIL
Purchase of fixed assets	NIL	NIL
sale of fixed assets	NIL	NIL
Interest Paid	2.06	3.71
Interest Received	NIL	NIL
Rendering services	NIL	NIL
receiving of servises	NIL	NIL
Management contracts	NIL	NIL

a) Loans granted to Key Managerial Personnel & their relatives:

Particulars	**As on 31.03.2022**	**As on 31.03.2021**
Loans outstanding	NIL	NIL

15.7 AS 20 - Earning Per Share

(Rs. in crore)

Particulars	**2021-22**	**2020-21**
Net Profit After tax available for equity Shareholders	1039.05	-2732.90
Weighted Average Number of Equity Shares in crore	406.01	76.53
Basic and Diluted Earnings per Share (Rs.)	2.56	-35.71
Nominal Value per Share (Rs.)	10.00	10.00

15.8 AS 21 – Consolidated Financial Statement

The Bank does not have any subsidiary/associate and as such AS 21 is not applicable.

15.9 AS 22 – Accounting for Taxes on Income

15.9.1 The Bank has accounted for Income Tax in compliance with Accounting Standard-22 'Accounting for taxes on Income' issued by ICAI

15.9.2 Major components of deferred tax assets/liabilities are as under: (Rupees in Cr)

Head		**Deferred Tax Assets**		**Deferred Tax Liabilities**	
		31.03.2022	**31.03.2021**	**31.03.2022**	**31.03.2021**
1	Depreciation on Fixed Assets	-	-	20.36	19.43
2	Special Reserve u/s 36(1)(viii)	-	-	70.06	67.05
3	Provision for NPA on Investments	151.45	169.58		-
4	Provision for Bad & Doubtful Debts (NPAs)	2033.75	1964.86		-
5	Provision for diminution in FV of Restructured Assets	1.50	18.44		-
6	Accumulated loss	72.05	249.58		-
	Total	**2258.75**	**2402.46**	**90.42**	**86.48**

15.9.3 Provision for Income Tax and Deferred Tax held by the Bank is considered adequate taking into account the opinion of legal experts and favorable judicial pronouncements.

15.9.4 Review made by the bank on reasonable certainty of availability of future taxable income on which timing differences arising on account of provision for bad and doubtful debt, that can be realized and accordingly during the year 2021-22, the Bank has recognized Deferred Tax Asset of Rs. 68.89 crore on the above timing differences.

15.9.5 No provision has been considered necessary in respect of disputed demands of Income aggregating to Rs.541.82 crore (Previous year Rs.595.48 crore) in view of decisions of appellate authorities / judicial pronouncements / opinions of legal experts.

15.9.6 The Government of India, vide the Taxation Laws (Amendment) Act, 2019, inserted section 115BAA in the Income Tax Act 1961 w.e.f. April 1, 2019. The Bank has evaluated the options available under section 115BAA of The Income Tax Act, 1961 and opted to continue to recognize the Taxes on Income for the quarter and year ended 31.03.2022 as per the earlier provisions.

15.10 AS 23 – Accounting for Investments in Associates in consolidated Financial Statements

The Bank does not have any subsidiary/associate and as such AS 23 is not applicable.

15.11 AS 26 – Intangible Assets

The application software in use in the Bank has been developed in house and has evolved over a period of time. Hence ,the costs of software is essentially part of Bank's operational expenses like wages etc. and as such are charged to the respective heads of expenditure in the Profit and Loss Account.

15.12 Accounting Standard 28 - Impairment of Assets

Fixed Assets possessed by Bank are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by AS-28. In the opinion of the Management, there is no impairment of the 'Fixed Assets' of material amount as of 31.03.2022, requiring recognition in terms of AS-28 issued by the ICAI. The impairment of other assets has been provided for as per Prudential Norms prescribed by the Reserve Bank of India.

15.13 Accounting Standard 29 - Provisions, Contingent Liability and Contingent Assets

15.13.1 As per AS-29 - Provisions, Contingent Liabilities and Contingent Assets, issued by the Institute of Chartered Accountants of India, the Bank recognizes no provision for –

a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank, or

b) Any present obligation from the past events but is not recognized because

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

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15.13.2 Movement of Provision against Contingent Liabilities:

(Rs. in crore)

Particulars	Opening Balance		Additions during the year		Reduction during the year		Closing Balance	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Claims against the Bank not acknowledged as Debt	24.58	24.35	1.02	0.93	0.07	0.70	25.53	24.58
Invoked Bank Guarantees	7.62	7.62	0.01	0.00	Nil	0.00	7.63	7.62
L.C Devolved	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

15.14 Other significant accounting policies has been disclosed at the appropriate places in the Notes forming part of the accounts.

16. Additional disclosures:

(Rs. in crore)

Break up of 'Provisions & Contingencies' shown under the head Expenditure in Profit & Loss Account	2021-22	2020-21
Provision for Non Performing Advances	988.96	2677.90
Provision for Standard Assets	-882.61	1284.36
Provision for diminution in FV Restructured (Standard)	-48.47	39.27
Provision for Non Performing Investments	-51.86	102.17
Provision for Depreciation in the value of Investments	0	0
Other Provisions	137.39	72.57
Provision for Taxation:		
Current Tax	37.76	0
Deferred Tax	147.63	-565.71
MAT Credit Entitlement-Current Year	-37.76	-105.63
MAT Credit Entitlement Reversed	0	0
Previous Year Tax Expenses	0	0
Total	**291.04**	**3504.93**

17. Disclosures in Terms of MSMED Act 2006

Guideline given in Micro, Small and Medium enterprises development act 2006 have been complied with for purchases made during FY 2021-22 and payments have been made to the vendors in time as per Act. Since there had been no delay in payment, therefore no penal interest had been paid during FY 2021-22.

18. In terms of Reserve Bank of India (RBI) circular DBR.No.BP.BC.1/21.06.201/2015-16, dated July 1, 2015, on 'Basel III Capital Adequacy' and RBI circulars DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standard Amendments', Banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework which are being made available on the Bank's website. The Disclosures have not been subjected to audit by Statutory Central Auditors of the Bank. These details are being made available on our website www.punjabandsindbank.co.in

19. As per the Reserve Bank of India directions for initiating Insolvency Process- Provisioning Norms, vide letter No. DBR. No. BP:15199/21.04.048/2016-17 dated June 23, 2017, and DBR.No.BP.1907/21.04.048/2017-18 dated August 28, 2017, the bank is holding the provisioning of Rs.281.56 crores (Previous Year – 481.59 crores) as against the balance outstanding of Rs.281.56 crores (Previous Year – 481.59 crores) as on 31st March, 2022 in respect of NPA borrowal accounts referred in aforesaid circular.

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20. The spread of COVID-19 pandemic across the globe has resulted in decline in economic activities. In this situation, bank is gearing up itself on all fronts to meet the challenges. Major challenges for the Bank could be from extended working capital cycles, fluctuating cash flow trends and probable inability of the borrowers to meet their repayments obligations. A definitive assessment of the impact of COVID-19 is dependent upon circumstances and uncertainties as they evolve in the subsequent period. To absorb the shock of impact on its Profit & Loss Account in ensuing quarters, the bank has proactively made an additional provision of Rs.70.65 crore during the quarter ended March 31, 2022. The aforesaid provisions are in addition to the provisions held as per RBI guidelines as regards loan provisions.

21. Details of Single Borrower Limit (SGL), Group Borrower Limit (GBL) exceeded by the Bank

During the year 2021-22, the Bank has exceeded the LEF limits set by RBI to single borrower/ group borrower in the following cases:-

Name of the Borrower	Maximum Limit during the year	Limit of Exposure as per LEF(%)	Limit / Liability as on 31.03.2022	Exposure (%) w.r.t. Tier-1 Capital as on 31.03.2021
NIL				

22. In terms of Ministry of Finance, Department of Financial Services notification no.CG-DL-E-23032020-218862 dated March 23, 2020 amending the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1980, Bank has appropriated accumulated losses of Rs.3577.55 crore from its available share premium account on 23.08.2021 after complying with the regulatory requirements and after obtaining all necessary approvals.

23. During the year ended March 31, 2022, Government of India vide Gazette Notification No. F. No. 4(17)-B (W&M)/2020 dated 23.02.2022 has infused Rs. 4600 Crore towards Preferential allotment of equity share capital. Further, the bank subscribed an equivalent amount to Non- Interest bearing (Non-Transferable) Special GOI Security which was issued at par and having date of maturity from February 24, 2032 to February 24, 2037 and held under HTM category as per GOI Notification dated 23.02.2022. The aforesaid securities would not be considered as an eligible investment which the bank is required to make in Government securities in pursuance of any statutory provisions or directions applicable to the bank.

24. The bank has exposure of Rs.75.10 crore in one account which is under litigation and Hon'able Delhi High court has granted stay on downgrading. The bank has made provisions of 25% for the account which is higher than the required provisions as per IRAC norms.

25. The figures of the previous year have been re-grouped / re-arranged wherever necessary except where information was not available.

Sl. No	STATEMENT OF DISCLOSURE OF RESTRUTURED ACCOUNTS AS ON 31.03.2022																			Amount in Crore		
	Type of Restructuring -->		Under CDR Mechanism					Under SME Debt Restructuring Mechansim					Others					Total				
	Asset Classification		Std	Sub Std.	Doubtful	Loss	Total	Std	Sub Std.	Doubtful	Loss	Total	Std	Sub Std.	Doubtful	Loss	Total	Std	Sub Std.	Doubtful	Loss	Total
	Details																					
1	Restructured accounts as on April 1 of the FY (Opening Figures)	No. of Borrower	-	-	-	-	-	7329	734	125	2	8190	5322	1161	24	3	6510	12651	1895	149	5	14700
		Amt O/s	-	-	-	-	-	556.91	81.59	13.52	0.02	652.04	1037.88	120.50	30.60	0.04	1189.02	1594.79	202.09	44.12	0.06	1841.06
		Prov. thereon	-	-	-	-	-	45.41	14.88	4.71	0.02	65.02	116.24	24.70	29.70	0.04	170.68	161.65	39.58	34.41	0.06	235.70
2#	Fresh Restructuring during the year	No. of Borrower	-	-	-	-	-	2869	369	88	3	3329	6025	298	111	5	6439	8894	667	199	8	9768
		Amt O/s	-	-	-	-	-	475.94	27.3	6.68	2.28	512.2	1367.86	29.58	17.81	3.60	1418.85	1843.8	56.88	24.49	5.88	1931.05
		Prov. thereon	-	-	-	-	-	46.32	4.49	2.48	2.28	55.57	189.41	5.15	6.02	3.60	204.18	235.73	9.64	8.5	5.88	259.75
3#	Upgradation to restructured std. category during the FY	No. of Borrower	-	-	-	-	-	155	-155			0	424	-424			0	579	-579			0
		Amt O/s	-	-	-	-	-	22.36	-22.36			0	49.75	-49.75			0	72.11	-72.11			0.00
		Prov. thereon						1.35	-1.35			0	4.96	-4.96			0	6.31	-6.31			0.00
4	Restuctured Std. Adv. which cease to attract higher prov. And/or additional risk weight at the end of the FY and hence need not to be shown as restructured Std. Advances at the beginning of the next FY	No. of Borrower	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amt O/s	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Prov. thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5#	Dowgradation of restructured accounts during the FY	No. of Borrower	-	-	-	-	-	-1563	1514	31	18	0	-480	455	22	3	0	-2043	1969	53	21	0
		Amt O/s	-	-	-	-	-	-62.11	56.41	2.90	2.80	0	-33.12	31.95	1.15	0.02	0	-95.23	88.36	4.05	2.82	0.00
		Prov. thereon	-	-	-	-	-	-13.66	10	0.86	2.8	0	-5.86	5.30	0.54	0.02	0	-19.52	15.3	1.4	2.82	0.00
6#	Write-offs of restructured accounts during the FY *	No. of Borrower	-	-	-	-	-	-1422	-556	410	2	-1566	-1036	-716	535	2	-1215	-2458	-1272	945	4	-2781
		Amt O/s	-	-	-	-	-	-195.32	-51.49	31.72	2.44	-212.65	-229.75	-67.73	56.45	3.81	-237.22	-425.07	-119.22	88.17	6.25	-449.87
		Prov. thereon	-	-	-	-	-	-13.01	-11.99	16.59	2.44	-5.97	-33.10	-19.17	19.18	3.81	-29.30	-46.11	-31.16	35.77	6.25	-35.27
7	Restructured accounts as on March 31 of the FY (Closing Figures)	No. of Borrower	-	-	-	-	-	7368	1906	654	25	9953	10255	774	692	13	11734	17623	2680	1346	38	21687
		Amt O/s	-	-	-	-	-	797.78	91.45	54.82	7.54	951.59	2192.62	64.55	106.01	7.47	2370.65	2990.40	156.00	160.83	15.01	3322.24
		Prov. thereon	-	-	-	-	-	66.41	16.03	24.64	7.54	114.62	271.65	11.02	55.44	7.47	345.58	338.06	27.05	80.08	15.01	460.20

Excludes the figure of Standard Restructured Advance which do not attract higher provisioning or Risk Weight (If applicable)

* Write-off includes the closed accounts, write-off and reduction due to recovery.

JAIPUR Chartered Accountants

SHIV & ASSOCIATES NEW DELHI Chartered Accountants

CHATURVEDI & CO. KOLKATA CHARTERED ACCOUNTANTS

Manohar Chowdhry & Associates Chennai Chartered Accountants

DECLARATION

Our Bank certifies that all relevant provisions of Chapter VI read with Schedule VII of the ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI read with Schedule VII of the ICDR Regulations and that all approvals and permissions required to carry on the business have been obtained, are currently valid and have been complied with.

Our Bank further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by

Sd/-	Sd/-
Swarup Kumar Saha	**Arnab Goswamy**
Managing Director and Chief Executive Officer	Chief Financial Officer

Date: March 24, 2025
Place: New Delhi

NAME OF THE ISSUER AND HEAD OFFICE
PUNJAB & SIND BANK
Head Office: 21, Rajendra Palace, New Delhi – 110 008, Delhi, India. **Corporate Office**: NBCC Office Complex, Block 3, East Kidwai Nagar, New Delhi - 110023 **Telephone:** +91 011-40175169 **Website:** https://punjabandsindbank.co.in/ **Email:** complianceofficer@psb.co.in.

ADDRESS OF THE COMPLIANCE OFFICER
Saket Mehrotra Company Secretary and Compliance Officer NBCC Office Complex, Block 3, East Kidwai Nagar, New Delhi **Telephone**: +91 011-40175169 **Email**: complianceofficer@psb.co.in.

BOOK RUNNING LEAD MANAGERS		
IDBI Capital Markets & Securities Limited 6th floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai - 400 005, Maharashtra, India.	**BNP Paribas** 1 North Avenue, Maker Maxity, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India	**Equirus Capital Private Limited** 12th Floor, C Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai - 400 013, Maharashtra India

DOMESTIC LEGAL ADVISOR TO THE ISSUE	INTERNATIONAL LEGAL ADVISOR WITH RESPECT TO INTERNATIONAL LAW
M/s. Crawford Bayley & Co. State Bank Buildings, 4th Floor N.G.N. Vaidya Marg, Fort Mumbai 400 023 Maharashtra, India	**Hogan Lovells Lee & Lee** 50 Collyer Quay, #10-01 OUE Bayfront Singapore 049321

STATUTORY CENTRAL AUDITORS			
M/s S P Chopra & Co **Chartered Accountants** 31-F, Connaught place, New Delhi - 110001 Firm Registration Number: 000346N	**M/s Gupta Sharma & Associates** **Chartered Accountants** 142, Sector 3, Trikuta Nagar, Jammu-180012 Firm Registration Number: 001466N	**M/s. O P Totla & Co** **Chartered Accountants** 302 Alankar Point, Geeta Bhawan Square, A.B. Road, Indore-452001 Firm Registration Number: 000734C	**M/s. NBS & Co** **Chartered Accountants** 14/2, Western India House, Sir P. M. Road, Fort, Mumbai - 400001 Firm Registration Number: 110100W

SAMPLE APPLICATION FORM

Following is the indicative Application Form that formed part of this Preliminary Placement Document

APPLICATION FORM

PUNJAB & SIND BANK

Head Office: 21, Rajendra Place, New Delhi-110008

Website: https://punjabandsindbank.co.in/

Tel: +91 011-40175169

Email: complianceofficer@psb.co.in.

(a) Name of the Bidder: ______________________________

(b) Form No.: ___________

(c) Date: _______________

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH, AT A PRICE OF ₹[●] PER EQUITY SHARE (THE "ISSUE PRICE"), INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, AGGREGATING UP TO ₹[●] CRORE IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), THE BANKING COMPANIES (ACQUISITION AND TRANSFER OF UNDERTAKINGS) ACT, 1980 READ WITH THE BANKING REGULATION ACT, 1949 AND THE NATIONALISED BANKS (MANAGEMENT AND MISCELLANEOUS PROVISIONS) SCHEME, 1980 (THE "NATIONALISED BANKS SCHEME") AND PUNJAB & SIND BANK (SHARES & MEETINGS) REGULATIONS, 2008, AS AMENDED (THE "PUNJAB & SIND BANK REGULATIONS") BY PUNJAB & SIND BANK (THE "BANK") (AND SUCH ISSUE, THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 40.38 PER EQUITY SHARE AND OUR BANK MAY OFFER A DISCOUNT OF UPTO 5% ON THE FLOOR PRICE, AS APPROVED BY ITS SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or other applicable laws, including foreign exchange related laws; or (b) prohibited or debarred by any regulatory authority from buying, selling or dealing in securities, and are eligible to invest in this Issue. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs participating through Schedule II of the FEMA Rules. Further, except as provided in (ii) above, other nonresident QIBs including foreign venture capital investors and multilateral and bilateral development financial institutions are not permitted to participate in the Issue. Also, please note that AIFs or VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules are not permitted to participate in this Issue

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. Accordingly, the Equity Shares offered in the Issue are being offered and sold only outside the United States in "*Offshore Transactions*" as defined in, and in compliance with Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, please see "*Selling Restrictions*" on page 255. Also see, "*Transfer Restrictions*" on page 264 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

ONLY ELIGIBLE QIBs ARE PERMITTED TO PARTICIPATE IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH SCHEDULE II OF THE FEMA RULES, IN THIS ISSUE, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS, INCLUDING THE BANKING COMPANIES ACT, IN THIS REGARD. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. AIFs AND VCFs WHOSE SPONSOR AND MANAGER ARE NOT INDIAN OWNED AND CONTROLLED IN TERMS OF THE FEMA RULES, OR FVCIs, MULTILATERAL OR BILATERAL DEVELOPMENT FINANCIAL INSTITUTIONS ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

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To,

The Board of Directors

Punjab & Sind Bank

Head Office: 21, Rajendra Place, New Delhi-110008

Dear Sir/ Madam,

On the basis of the serially numbered PPD of the Bank and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, on the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179 of the SEBI ICDR Regulations or other applicable laws, including foreign exchange related laws; or (b) been prohibited or debarred by any regulatory authority from buying, selling or dealing in securities, and are eligible to invest in this Issue. We are not a promoter of the Bank (as defined in the SEBI ICDR Regulations) or any person related to the promoter of the Bank, directly or indirectly.

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STATUS (Please tick for applicable category)			
FI	Scheduled Commercial Bank and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds
NIF	National Investment Fund	**FPI**	Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Funds**
SI-NBFC	Systematically Important Non – Banking Financial Companies	**OTH**	Others ________________ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "Application Form" under Issue Procedure section of the Preliminary Placement Document.

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.*

*** Sponsor and Manager should be Indian owned and controlled.*

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Further, we confirm that we do not have any right under a shareholders' agreement, veto rights or right to appoint any nominee director on the Board. We confirm that we are either an Eligible QIB resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules nor a FVCI or a multilateral or bilateral development financial institution participating in this Issue. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation of the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020 and that we are neither an entity of a country which shares a land border with India nor is the beneficial owner of our investment situated in or a citizen of such country and that our investment is in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India. We confirm that the bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid does not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We further understand and agree that our names, address, contact details, PAN number and bank account details will be recorded by the Bank and the percentage of our post-Issue shareholding in the Bank will be disclosed in the Placement Document pursuant and, the Bank will place our name in the register of members of the Bank or the relevant depository will record our name in the beneficial owner records maintained by the respective depositories, as a holder of such Equity Shares that may be Allotted to us. Further, we are aware and agree that if we together with any other QIBs belonging to the same group or under common control are Allotted more than 5% of the Equity Shares in the Issue, the Bank will disclose our name along with the name of such other Allottees and the number of Equity Shares Allotted to us and such other Allottees on the websites of National Stock Exchange of India Limited and BSE

Limited (together referred to as the "**Stock Exchanges**"), and we consent to such disclosure. We are aware that, in accordance with Section 12B of the Banking Regulation Act, 1949 and the Master Direction – Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023 issued by the RBI on January 16, 2023 read together with the Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies issued by the Reserve Bank of India on January 16, 2023, no person (along with his relatives, associate enterprises or persons acting in concert with) can acquire or hold 5% or more of the total paid-up share capital of our Bank, or be entitled to exercise 5% or more of the total voting rights of our Bank, without prior approval of the RBI. Accordingly, a Bidder's aggregate holding in the paid-up share capital of our Bank, whether beneficial or otherwise: after subscription to the Equity Shares in the Issue by such Bidder, his or her relatives, associate enterprises or persons acting in concert with such Bidder, aggregated with any pre-Issue shareholding in the Bank of such Bidder, his or her relatives, associate enterprises or persons acting in concert; or after subscription to the Equity Shares in the Issue aggregated with any pre-Issue shareholding in our Bank of such Bidder, his or her relatives, associate enterprises or persons acting in concert; shall not amount to 5% or more of the total paid-up share capital of our Bank or would not entitle such Bidder to exercise 5% or more of the total voting rights of our Bank, except with the prior approval of the RBI. Accordingly, we hereby represent that our (direct or indirect) aggregate holding in the paid-up share capital of the Issuer, whether beneficial or otherwise: (i) after subscription to the Equity Shares in the Issue by us, our relatives, our associate enterprises or persons acting in concert with us, aggregated with any pre-Issue shareholding in the Bank of us, our relatives, our associate enterprises or persons acting in concert; or (ii) after subscription to the Equity Shares in the Issue by us aggregated with any pre-Issue shareholding in the Bank of us, our relatives, our associate enterprises or persons acting in concert with us shall not amount to 5% or more of the total paid-up share capital of the Bank or would not entitle us to exercise 5% or more of the total voting rights of the Bank, except with the prior approval of the RBI. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations and other applicable laws. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations. and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the price and amount of Equity Shares to be Allotted under each such scheme. We undertake that we will sign and submit all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the undersigned is duly authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue. We note that the Board of Directors of the Bank, or any duly authorized committee thereof is entitled, in consultation with the BRLMs (as defined hereunder) in its absolute discretion, to accept or reject this Application Form without assigning any reason thereof. We hereby accept the Equity Shares that may be Allocated to us pursuant to the CAN and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of this Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to or on Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole and absolute discretion of the Bank, in consultation with the IDBI Capital Markets & Securities Limited, BNP Paribas, Equirus Capital Private Limited **("BRLMs")**; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Bank is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount has been paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Bank to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

By signing and submitting this Application Form, we hereby confirm and agree (i) that the representations, warranties, acknowledgements and agreements as provided in the sections "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" of the Preliminary Placement Document (ii) and the terms, conditions and agreements mentioned herein, are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Bank and the BRLMs, each of which is entitled to rely on and is relying on these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Bank, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the CAN and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment and in compliance with the restrictions included in the section titled "Transfer Restrictions and Purchaser Representations" in the PPD; (4) we will not have

the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Bank in consultation with the BRLMs and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) the number of Equity Shares Allotted to us pursuant to the Issue , together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue. For the purposes of this representation: The expression Eligible QIBs 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations i.e. entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, amongst the Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations; (8) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the Banking Companies Act, the Banking Regulation Act, the Punjab & Sind Bank Regulations and the Nationalised Banks Scheme, other applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

We acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. By submitting this Application Form and checking the applicable box above, we hereby represent that we are located outside the United States and purchasing the Equity Shares in an "*offshore transaction*" as defined in, and in compliance with Regulation S and in reliance on the applicable laws of the jurisdiction where those offers and sales are made.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of an Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		**FAX NO.**	
MOBILE NO.			
EMAIL ID			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO. ______________________________		
FOR MF	SEBI MF REGISTRATION NO		
FOR AIFs***	SEBI AIF REGISTRATION NO.		
FOR VCFs***	SEBI VCF REGISTRATION NO.		
FOR SI-NBFC	RBI REGISTRATION DETAILS		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS. ______________________________		

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Bank and the BRLMs.*

*** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

NO. OF EQUITY SHARES BID FOR		PRICE PER EQUITY SHARE (RUPEES)	
(In Figures)	(In Words)	(In Figures)	(In Words)
BID AMOUNT (RUPEES)			
(In Figures)		(In Words)	

DEPOSITORY ACCOUNT DETAILS								
Depository Name	National Securities Depository Limited							Central Depository Services (India) Limited
Depository Participant Name								
DP – ID	I	N						
Beneficiary Account Number								(16-digit beneficiary A/c. No. to be mentioned above)

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Bid Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

PAYMENT DETAILS
REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 3.00 p.m. (IST), [●], ("Issue Closing Date")

ESCROW BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	PSB QIP 2025 – Escrow Account	**Account Type**	Escrow Account
Name of Bank	Punjab & Sind Bank	**Address of the Branch of the Bank**	Ground Floor, 21 Rajendra Place, New Delhi – 110008
Account No.	06061100068766	**IFSC**	PSIB0000606
LEI Number	335800SUILZU95L98637	**Email**	d0606@psb.co.in

The Bid Amount should be transferred pursuant to this Application Form only by way of electronic fund transfers, towards the Escrow Account. Payment of the entire Bid Amount should be made along with this Application Form on or before the closure of the Issue Period i.e. prior to or on the Bid/Issue Closing Date. All payments must be made in favor of "PSB QIP 2025 – Escrow Account". The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in this Application Form.

You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by you. The Bank and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Mobile No.		Email:	

OTHER DETAILS		ENCLOSURES ATTACHED
PAN*		• Copy of PAN Card or PAN allotment letter** • FIRC • Copy of the SEBI registration certificate as a Mutual Fund • Copy of the SEBI registration certificate as an Eligible FPI
Signature of Authorised Signatory (may be signed either physically or digitally)		

		• Copy of the SEBI registration certificate as an AIF • Copy of the SEBI registration certificate as a VCF • Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank • Copy of the IRDA registration certificate • Intimation of being part of the same group • Certified true copy of the power of attorney • Other, please specify ___________________

**A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.*
***Please note that the Bidder should not mention the GIR number or any other identification number instead of the PAN, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961, as the application is liable to be rejected on this ground.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD.

Note 2: This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Bank in consultation with the BRLMs.

The Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.

(Note: The format of the Application Form included herein above is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Bank, in consultation with the BRLMs, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format above.)