

**FOR THE ELIGIBLE SHAREHOLDERS OF OUR BANK ONLY  
NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS**

This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated February 10, 2017 (“Letter of Offer”). You are encouraged to read greater details available in the Letter of Offer. Capitalised terms not specifically defined herein shall have the meaning ascribed to them in the Letter of Offer.

**THIS ABRIDGED LETTER OF OFFER CONTAINS 12 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

The Bank has dispatched hard copy of the Abridged Letter of Offer along with the Composite Application Form to the Eligible Shareholders at their Indian addresses registered with their depository. You may also download the Letter of Offer from the website of SEBI, the Stock Exchanges where the Equity Shares of our Bank are listed i.e. BSE Limited and the National Stock Exchange of India Limited and the website of the Lead Manager to the Issue i.e. SBI Capital Markets Limited at [www.sebi.gov.in](http://www.sebi.gov.in), [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and [www.sbicaps.com](http://www.sbicaps.com), respectively.



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**ISSUE DETAILS, LISTING AND PROCEDURE**

**ISSUE OF 5,42,99,105 EQUITY SHARES WITH A FACE VALUE OF ₹ 10 (TEN) EACH (“RIGHTS EQUITY SHARES”) FOR CASH AT A PRICE OF ₹ 207 INCLUDING A PREMIUM OF ₹ 197 PER RIGHTS EQUITY SHARE (“ISSUE PRICE”) AGGREGATING TO ₹ 11,239.91 MILLION ON RIGHTS BASIS IN THE RATIO OF 1 (ONE) RIGHTS EQUITY SHARE FOR EVERY 10 (TEN) FULLY PAID UP EQUITY SHARES HELD BY SUCH ELIGIBLE EQUITY SHAREHOLDER ON THE RECORD DATE I.E. FEBRUARY 20, 2017 (“RIGHTS ISSUE”/ “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 20.7 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR MORE DETAILS, PLEASE REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 239 OF THE LETTER OF OFFER.**

The existing Equity Shares of our Bank are listed on the BSE Limited (“BSE”), and the National Stock Exchange of India Limited (“NSE”). Our Bank has received “in-principle” approvals from BSE and NSE for listing the Rights Equity Shares arising from this Issue vide their respective letters dated January 27, 2017. NSE is the Designated Stock Exchange for this Issue.

**Procedure:** If you wish to know about processes and procedures applicable to rights issues, you may refer section titled “Terms of the Issue” on page 239 of the Letter of Offer. You may also download the Letter of Offer from the websites of SEBI, the Stock Exchanges and the Lead Manager to the Issue i.e. SBI Capital Markets Limited at [www.sebi.gov.in](http://www.sebi.gov.in), [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and [www.sbicaps.com](http://www.sbicaps.com), respectively. You can also request the Lead Manager to the Issue or BSE Limited and National Stock Exchange of India Limited to provide a hard copy of Letter of Offer. Please note that in terms of Regulation 61(3) of SEBI ICDR Regulations the Lead Manager and the Stock Exchanges may charge a reasonable amount for providing hard copy of the Letter of Offer.

**ELIGIBILITY FOR THE ISSUE**

Our Bank is eligible to undertake the Issue in terms of Chapter IV and to make disclosure as per clause (5) Part E of Schedule VIII and under Regulation 10 of the SEBI Regulations.

Whether the Bank is compulsorily required to allot at least 75% of the net offer to public, qualified institutional buyers - Not Applicable, being a rights issue of equity shares.

**INDICATIVE TIMETABLE**

<b>Issue Opening Date</b>	March 2, 2017	<b>Finalisation of basis of allotment with the Designated Stock Exchange (on or about)</b>	March 27, 2017
<b>Last date for receiving requests for SAFs</b>	March 9, 2017	<b>Initiation of Refund (on or about)</b>	March 31, 2017
<b>Issue Closing Date</b>	March 16, 2017	<b>Date of credit of Rights Equity Shares (on or about)</b>	March 31, 2017

**Commencement of trading of Rights Equity Shares on the Stock Exchanges (on or about) – April 7, 2017**

The above time table is indicative and does not constitute any obligation on the Bank or the Lead Manager.

## GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Rights Equity Shares being offered in the issue have not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of the Letter of Offer. The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”) and are being offered and sold outside the United States to non – U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act (“**Regulation S**”). Investors are advised to refer to the section titled “Risk Factors” on page 13 of the Letter of Offer and on page 6 of the Abridged Letter of Offer before making an investment in this Issue.

**Price information of lead manager to the Issue: Not applicable since this is a rights issue.**

<b>Names of Lead Manager and contact details</b>	<b>SBI CAPITAL MARKETS LIMITED</b> 202, Maker Tower E, Cuffe Parade, Mumbai, India, Pin-400005 <b>Tel:</b> +91 22 22178300; <b>Fax:</b> +91 22 22188332 <b>E-mail:</b> canara.rights@sbicaps.com; <b>Contact person:</b> Mr. Aditya Deshpande / Mr. Ronak Shah
<b>Names of Syndicate Members</b>	Not Applicable, being a rights issue of equity shares.
<b>Name of Registrar to the Issue and contact details</b>	<b>Karvy Computershare Private Limited</b> Karvy Selenium Tower-B, Plot No. 31-32, Gachibowli Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032; <b>Telephone:</b> + 91 40 67162222; <b>Facsimile:</b> + 91 4023431551 <b>E-mail:</b> canarabank.rights@karvy.com <b>Contact Person:</b> Mr. Murali Krishna
<b>Name of Statutory Auditor</b>	The Joint Statutory Central Auditors of our Bank, being: <b>(a) Ramraj &amp; Co.</b> , Chartered Accountants; <b>(b) V.K. Niranjan &amp; Co.</b> , Chartered Accountants; <b>(c) J.L. Sengupta &amp; Co.</b> , Chartered Accountants; <b>(d) J. Singh &amp; Associates</b> , Chartered Accountants.
<b>Name of Credit Rating Agency and the rating or grading obtained, if any</b>	Not Applicable, being a rights issue of equity shares.
<b>Name of Debenture trustee, if any</b>	Not Applicable, being a rights issue of equity shares.
<b>Self Certified Syndicate Banks</b>	The list of banks is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html">www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html</a>
<b>Banker to the Issue and Refund Banker</b>	<b>ESCROW BANKERS</b> <b>CANARA BANK</b> Prime Corporate Branch, No. 25, Shankararayan Building, M.G. Road, Bengaluru - 560001; <b>Tel:</b> +91 80 25599257; <b>Fax:</b> +91 80 25599108 <b>Email:</b> cb2636@canarabank.com / rpkumar@canarabank.com <b>Contact Person:</b> Mr. R Pradeep Kumar  <b>HDFC BANK LIMITED</b> FIG-OPS Department –Lodha,, I Think Techno Campus O-3 Level, Next to Kanjurmargin Railway Station, Kanjurmargin (East) Mumbai - 400042 <b>Tel:</b> +91 22 30752927 / 28 / 2914; <b>Fax:</b> +91 22 25799801; <b>Email:</b> vincent.dsouza@hdfcbank.com / siddharth.jadhav@hdfcbank.com / prasanna.uchil@hdfcbank.com <b>Contact Person:</b> Mr. Siddharth Jadhav / Mr. PrasannaUchil / Mr. Vincent Dsouza  <b>REFUND BANK</b> <b>HDFC BANK LIMITED</b> FIG-OPS Department –Lodha, I Think Techno Campus O-3 Level, Next to Kanjurmargin Railway Station, Kanjurmargin (East) Mumbai - 400042 <b>Tel:</b> +91 22 30752927 / 28 / 2914 <b>Fax:</b> +91 22 25799801 <b>Email:</b> vincent.dsouza@hdfcbank.com / siddharth.jadhav@hdfcbank.com / prasanna.uchil@hdfcbank.com <b>Contact Person:</b> Mr. Siddharth Jadhav / Mr. PrasannaUchil / Mr. Vincent Dsouza
<b>Non Syndicate Registered Brokers</b>	Not Applicable, being a rights issue of equity shares.

Details regarding website address(es)/link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	Not Applicable, being a rights issue of equity shares.
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### PROMOTERS OF OUR BANK

The promoter of our Bank as identified in the filings made by our Bank with the Stock Exchanges

Brief profile of promoter and disclosure relating to group companies: Since this is a rights issue pursuant to Part E of Schedule VIII of SEBI Regulations, the disclosures relating to brief profile of Promoters and disclosure relating to group companies are not applicable.

### BUSINESS MODEL/ BUSINESS OVERVIEW AND STRATEGY

We are one of the leading public sector commercial banks in India, offering banking products and services to corporate, small and medium-sized enterprises, retail and agricultural customers. Our Bank was founded in July 1906 as a private entity and was nationalised in July 1969. According to data published by the Indian Banks' Association, as of March 31, 2016, we were among the top five public sector banks in terms of assets as of March 31, 2016. Our Bank is also one of the largest nationalised banks in India in terms of total advances and deposits as of September 30, 2016, which amounted to ₹ 8,117.73 billion (on a consolidated basis) and we have over 75.77 million customers, as of November 30, 2016. As of September 30, 2016, the Government of India owned 66.30% of our Bank and, accordingly, exercises control over our management and operations.

#### Our Strategies:

(i) Grow our international presence; (ii) Expansion of domestic delivery channels; (iii) Increase in our CASA deposits; (iv) Enhancement of credit portfolio; (v) Increase our fee based income; (vi) Focus on capital efficiency and profit maximization; (vii) Improve asset quality and increase cash recoveries; (viii) Utilise technology to enhance delivery of banking services and cost reduction; (ix) Focus on branch transformation for a customer friendly experience; and (x) Divestment in non-core business

We organise our business into four business lines:

- Corporate Lending, which comprises a wide variety of banking activities including large and medium corporations.
- Priority Sector and Retail Sector Lending, under which we provide funding to sectors identified by the Government as a Priority Sector, including loans to agriculture, MSME, housing and education, and retail banking activities including home, vehicle and personal loans.
- International Banking, through which we cater to the financial requirements of Indian exporters and importers.
- Other Services, which include bancassurance, cross-selling of mutual fund products, executor, trustee and taxation related services, depository related services, Government business, agricultural consultancy and merchant banking.

### BOARD OF DIRECTORS

Sr. No.	Name	Designation	Experience
1	Shri. T. N. Manoharan	Part-Time Non-Official Director & Non-Executive Chairman	Shri. T. N. Manoharan, was appointed as the Part-Time Non-Official Director & Non-Executive Chairman of our Bank with effect from August 14, 2015. He holds a postgraduate in commerce, a graduate degree in law and is a fellow Chartered Accountant with 32 years of experience. He was the President of the Institute of Chartered Accountants of India (ICAI) during 2006-2007 and is founder partner of M/s Manohar Chowdhry & Associates. Shri. T. N. Manoharan was previously associated with the central statutory audit department of the Corporation Bank and has around two decades of experience in areas of auditing branches of various public sector banks such as the Indian Overseas Bank, the Punjab National Bank and the Indian Bank. Further, Shri. T. N. Manoharan was nominated by the Government as a special director for revival of the Satyam Computer Services Limited and was a recipient of many awards including but not limited to the "Business Leadership Award" of NDTV Profit in October 2009 and "Indian of the year 2009" by CNN IBN. He was conferred the "Padma Shri" (the fourth highest civilian award) by the President of India on April 7, 2010.

2	Shri. Rakesh Sharma	Managing Director & CEO	Shri. Rakesh Sharma was appointed the Managing Director and CEO of our Bank, with effect from September 11, 2015 and up to July 31, 2018 (i.e., the date of his attaining the age of superannuation or until further orders, whichever is earlier) by Government notification dated August 14, 2015. He holds a postgraduate degree in economics and is a certified associate of the Indian Institute of Bankers. Shri. Sharma has over 30 years of experience in banking including in areas relating to retail and wholesale banking, asset liability management, loan syndication, trade finance and personnel development. Previously, Shri. Sharma was associated with the State Bank of India (SBI) as the Chief General Manager where he handled most of the important portfolios and was also the head of mid-corporate accounts in the Andhra Pradesh region, overseeing the retail operations in the states of Rajasthan, Uttarakhand and Western Uttar Pradesh. Shri. Sharma also held the post of MD&CEO of Lakshmi Vilas Bank since March 7, 2014 until he took over charge as MD&CEO of the Bank. Shri. Sharma has extensive knowledge in the areas of international banking and while at SBI has had the experience of administrating banking operations for the International Banking Group encompassing consolidation of balance sheets for all the foreign offices of the bank. He was also the in-charge of overall functioning of SBI's branches in Japan. Additionally, Shri. Sharma possesses experience in the areas of relationship management, statutory compliance and efficient business operations, credit and industrial relations.
3	Shri. Harideesh Kumar B	Executive Director	Shri. Harideesh Kumar B was appointed an Executive Director of our Bank, with effect from March 11, 2015 and up to May 31, 2017 (i.e., the date of his attaining the age of superannuation or until further orders, whichever is earlier). He holds a postgraduate degree in Arts and Science and a bachelor's degree in law. Shri. Harideesh Kumar B has worked in various capacities in banks across the country in his distinguished career of over 38 years.
4	Shri. Dina Bandhu Mohapatra	Executive Director	Shri. Dina Bandhu Mohapatra was appointed an Executive Director of our Bank on January 22, 2016. As an Executive Director of our Bank, he oversees various departments of our Bank including international operations, strategic planning and development, retail resources, marketing, selling and cross-selling, government business and fee income vertical, corporate debt reorganisation and stressed accounts. He holds a degree in law and a Master's degree in Arts and CAIIB. Previously, Shri. Dina Bandhu Mohapatra was associated with Bank of India. During his career spanning over three decades, he has headed various banking branches and departments across the country. Shri. Dina Bandhu Mohapatra has over thirty one years of experience in various areas of banking, including being the head of Hongkong and Singapore branches of the Bank of India.
5	Smt. P V Bharathi	Executive Director	Smt. P V Bharathi, the General Manager of our Bank took charge as an Executive Director of our Bank on September 15, 2016. She holds a postgraduate degree in arts and a bachelor's degree in Science and Education. Smt. Bharathi has vast banking experience of over 30 years and has worked for our Bank's rural, semi-urban, urban and metropolitan branches in addition to having worked at our Bank's administrative offices. Additionally, she is a certified associate of the Indian Institute of Bankers.
6	Shri. Suchindra Misra	Government Nominee Director	Shri. Suchindra Misra, currently the Government Nominee Director was nominated to the Board on June 14, 2016. He holds a bachelor's degree in science and a postgraduate diploma in business management in marketing and finance. As of the date of the Letter of Offer, he is the Joint Secretary at the Department of Financial Services, Ministry of Finance, Government of India where he joined the Defence Accounts department on October 19, 1992.
7	Smt. Uma Shankar	RBI Nominee Director / Woman Director	Smt. Uma Shankar, currently the RBI Nominee Director was nominated to the Board of our Bank on February 23, 2015. She holds a masters degree in arts and is a certified associate of the Indian Institute of Bankers. Smt. Shankar started her career as a direct recruit Grade B officer in the year 1982 and held important posts in various capacities and departments of the RBI in Chennai, Hyderabad, Mumbai and Bangalore. As of the date of the Letter of Offer, she is working as the Chief General Manager, Department of Currency Management at the RBI office in Mumbai. Previously she also acted as the Regional Director of the RBI, Bangalore, as well as served on the Boards of Corporation Bank and UCO Bank.
8	Shri. Krishnamurthy H	Shareholder Director	Shri. Krishnamurthy H, currently the Shareholder Director was appointed to the Board on July 27, 2016. He holds a masters degree in engineering and is the chief research scientist at the Indian Institute of Science, Bangalore. His areas of interest include banking technologies including communications and networking in particular.
9	Shri. Mahadev Nagendra Rao	Shareholder Director	Shri Mahadev Nagendra Rao, currently the Shareholder Director was appointed to the Board on July 27, 2016. He holds a masters degree in physics and is a Certified Associate of the Indian Institute of Bankers. Shri. Mahadev Nagendra Rao is a retired Deputy Managing Director of the State Bank of India and has also previously held the positions of a Nominee Director in various subsidiaries of the State Bank of India as well as worked as the managing director and chief executive officer of SBI Life Insurance Company Limited.
10	Shri. Venkatachalam Ramakrishna Iyer	Shareholder Director	Shri Venkatachalam Ramakrishna Iyer, currently the Shareholder Director was appointed to the Board on 27 July 2016. He holds a bachelor's degree in science and is a CAIIB and is a retired Deputy Managing Director of SBI. Previously he was the Nominee Director on the Boards of SBI General Insurance Company Limited and SBI Global Factors Private Limited. As of the date of the Letter of Offer, he is a Nominee Director of SBI in Usha Martin Limited, Kolkata.

## OBJECTS OF THE ISSUE

The objects of the Issue are to augment our capital base to meet the business and capital requirements and growth in our assets. The Banking Companies Act enables us to undertake the existing activities and the activities for which funds are raised by us through this Issue.

### Requirement and Sources of Funds

Particulars	Amount (₹ in Million)
Augment our capital base to meet our capital adequacy requirements arising out of growth in our business	11,239.91
<b>Total</b>	<b>11,239.91</b>

### Schedule of Deployment

Our Bank proposes to deploy the proceeds in the aforesaid object in the current Fiscal.

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Bank in the preceding 10 years.** - Not Applicable.

**Name of monitoring agency, if any:** In terms of the Regulation 16(1) of the SEBI ICDR Regulations, as the Issuer is a bank, a monitoring agency is not required to be appointed. Our Bank is raising capital to meet future capital adequacy related requirements and not for any specified project(s).

**Terms of Issuance of Convertible Security, if any:** Not Applicable, being issue of equity shares.

## SHAREHOLDING PATTERN AS ON DECEMBER 31, 2016

Sr. no.	Particulars	Pre Issue number of Shares	% Holding of Pre issue
1	Promoter & Promoter Group	35,99,91,054	66.30%
2	Public	18,30,00,000	33.70%
	<b>Total</b>	<b>54,29,91,054</b>	<b>100.00%</b>

**Number/ amount of Equity Shares proposed to be sold by selling shareholders, if any** – Not Applicable, being a rights issue.

## AUDITED FINANCIALS\*

### STANDALONE FINANCIALS

(₹ In Millions)

Particulars	Half year ended 30.09.2016 (limited reviewed)	FY 2016 (audited)	FY 2015 (audited)
<b>Total Income (including other income)</b>	239,734.7	488,973.65	483,002.93
<b>Net Profit / (Loss) for the year</b>	5,858.6	(28,128.23)	27,026.24
<b>Equity Share Capital</b>	5,429.9	5,429.91	4,751.97
<b>Reserves and Surplus</b>	315,738.2	310,602.10	313,840.36
<b>Net worth</b>	321,168.1	316,032.01	318,592.33
<b>Basic earnings per share (Rs.)</b>	10.79*	(53.61)	58.59
<b>Diluted earnings per share (Rs.)</b>	10.79*	(53.61)	58.59
<b>Return on net worth (%)</b>	4.46%#	(10.86%)	10.29%
<b>Net asset value per share (Rs.)</b>	484.29	493.83	569.19

\* Not Annualised

# Annualised

(Source: Annual reports for Financial Year 2016 and Limited reviewed un-audited standalone financials for half year ended September 30, 2016)

### CONSOLIDATED FINANCIALS

(₹ In Millions)

Particulars	Half year ended 30.09.2016 (limited reviewed)	FY 2016 (audited)	FY 2015 (audited)
<b>Total income from operations (net)</b>	240,840.41	491,707.45	485,468.19
<b>Net Profit / (Loss) for the year</b>	7,125.56	(26,070.08)	28,646.68
<b>Equity Share Capital</b>	5,429.91	5,429.91	4,751.97
<b>Reserves and Surplus</b>	324,821.20	318,666.83	320,165.11
<b>Net worth</b>	330,251.11	324,096.74	324,917.08
<b>Basic earnings per share (Rs.)</b>	13.12*	(49.69)	62.10
<b>Diluted earnings per share (Rs.)</b>	13.12*	(49.69)	62.10
<b>Return on net worth (%)</b>	5.24%#	(9.74%)	10.64%
<b>Net asset value per share (Rs.)</b>	501.35	510.22	583.87

\*Not annualized

#Annualised

(Source: Annual reports for Financial Year 2016 and Limited reviewed un-audited consolidated financials for half year ended September 30, 2016)



Basic and diluted earnings per share	Net profit / (loss) after tax attributable to equity shareholders
	Total number of weighted average equity shares outstanding at the end of the year/period
Return on Net worth %	Net profit/ (loss) after tax attributable to equity shareholders
	Net worth at the end of the year/period
Net assets value per equity share	Net worth at the end of the year/period
	Total number of weighted average equity share outstanding at the end of the year/ period

\* Restated Audited Financials - Not applicable, since this is a rights issue pursuant to Part E of Schedule VIII of SEBI Regulations.

### INTERNAL RISK FACTORS - Top 5 risk factors as per the Letter of Offer

1. We are involved in certain material legal proceedings which if determined against us, could affect our business, results of operation and financial condition.
2. Deterioration in the performance of any of the industry sectors to which we have significant exposure may adversely affect our business and, in turn, our results of operations.
3. If we are not able to control or reduce the level of non-performing assets in our portfolio or any increase in our NPA portfolio, RBI mandated provisioning requirements may materially and adversely affect our business and results of operations.
4. 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.
5. Our loan portfolio contains significant advances to the MSME sectors.

### SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

#### A. Total number of outstanding litigations against our Bank and amount involved

Summary of outstanding legal proceedings, having material adverse effect, initiated against our Bank (in respect of matters relating to our Bank), as on date of the Letter of Offer:

Category	Bank	
	Total number of Cases	Amount Involved in ₹ million (to the extent quantifiable)
Civil proceedings	1	Non-quantifiable
Criminal proceedings	2	Non-quantifiable
Tax proceedings	2	2,416.46

#### B. Brief details of top 5 material outstanding litigations against the Bank and amount involved

Our Bank has 5 (five) outstanding litigations, details of which have been provided below:

Sr. No.	Particulars	Litigation filed by	Current status
1	The Petitioner is a registered Trade Union of the Deccan Chronicle Holding Limited Chennai ("Company") unit. The Petitioner has alleged that, they were informed about the closure of the Chennai Unit of the Company as the Company was a sick industrial undertaking and was classified as a Non-Performing Asset ("NPA") by Prime Corporate Branch of our Bank, being Respondent No. 5 and 6. Further, the Company was subjected to SARFAESI proceedings due to non-payment of outstanding dues culminated in to invocation of Section 13(4) of the SARFAESI Act and issuance of composite sale of notice for all the movable and immovable properties and appointment of Advocate Commissioner to take physical possession of the properties. The Petitioner alleged that, without providing any alternate source of income in the interest of about 600 direct and indirect employees, the above mentioned arbitrary exercise of powers would amount to violation of the provisions under right to life guaranteed under Article 21 of the Constitution of India. Accordingly, the Petitioner filed a writ petition before the Hon'ble Court directing the Respondent No. 5 and 6 to run the unit by appointing an Administrator/Commissioner/common expert to continue the business without taking possession, but with their administrative supervision and to deposit the generated income from the revenue towards the loan account on day to day basis. Accordingly, the Chennai Unit should be run by appointing an Administrator/Commissioner/common expert to continue the business without taking possession and to deposit the generated income from the revenue towards the loan account on day to day basis. The Petitioner also submitted an ad-interim injunction before the Hon'ble court to restrain our Bank being the Respondant No. 4, 5 and 6 from taking possession of the Petitioner's Chennai Unit until the disposal of the writ petition. The Respondent No. 4, 5 and 6 filed a written statement stating that, the SARFAESI Act merely regulates the exercise of private rights of any Bank or Financial Institutions to enforce its security. The right to receive any compensation by any workmen who comes under the definition of "Workmen" under the Industrial Disputes Act 1947 is only available during winding up of a company. Further, the Company had not created any security interest over its business or part of business in favour of our Bank and the individual assets sought to be enforced by the bank are immovable and movable properties and that the credit facilities granted to the Company were classified as NPA. Our Bank also alleged that, the Petitioner is only a proxy who has been propped up by the Company to defeat the realization of public money and such a construction would negate the entire object of the SARFAESI Act and contended that the writ petition be dismissed. The Hon'ble Court passed an order thereby directing the Company to pay ₹5 million by way of demand draft to the Respondent No. 4 and 5.	Deccan Chronicles Employees' Union	The matter is pending adjudication

2	The Complainant has alleged that the Respondent No. 1 had credited certain funds from its Vostro Account of Bank for Economic Affairs account (BFEA) to Indian Overseas Bank (Madras) and the ANZ Grindlays Bank Limited and had not filed certain forms as part of the remittances. Therefore, it is had violated the provisions of the Exchange Control Manual read with Section 6 (4), (5) and Section 49 of the Foreign Exchange Regulation Act, 1973.	S Parvez , Enforcement Officer, Enforcement Directorate, Bombay	The matter is pending adjudication
3	The Complainant has alleged that the Respondent No.1 had abetted the Indian Overseas Bank, Madras in the transfer of certain funds from its Vostro Account of our Bank for Economic Affairs account (BFEA) to the non-resident convertible rupee account in the name of Bank of Ireland U.K. Therefore, it is had violated the provisions of the Exchange Control and Sections 9(1)(a), 9(1)(e) and 8 (1) read with 6(4), 6(5), 49 and 73 (3) of the Foreign Exchange Regulation Act, 1973.	S Parvez , Enforcement Officer, Enforcement Directorate, Bombay	The matter is pending adjudication
4	The Assessing Officer ("AO") processed the return of income filed by our Bank for the AY 1999-2000 under Section 143 (1) (a) of the Income Tax Act and consequently issued a demand notice. Consequently an order under Section 263 was passed by the CIT for setting aside the assessment order u/s. 143(3) of the Income Tax Act and the AO was directed to re-do the assessment on certain points indicated therein. Accordingly notice u/s 142(1) of the Income Tax Act was issued to our Bank calling for specific details on the issues in the order passed by the CIT u/s. 263 of the Income Tax Act. Our Bank preferred an appeal before the CIT (A) on the issue of disallowance of bad debts and the said authority was decided against the department. The Appellants preferred an appeal before the Income Tax Appellate Tribunal ("ITAT") against the order passed and the ITAT dismissed the appeal filed by the revenue authorities.  The Appellants have preferred an appeal before the High Court of Karnataka on the following substantial questions of law inter alia (i) whether the Tribunal was correct in upholding the order of the CIT(A) deleting the addition made on account of disallowance of claim of bad and doubtful debts having regard to the provisions; (ii) whether the Tribunal was correct in dismissing the appeal of the revenue for want of permission from the COD and not recording a finding for subsequent restoration of appeal on receipt of COD's approval on the issue of adjustments to book profits for the purpose of tax under Section 115JA. The High Court passed an order stating that the issue can also be remanded to the tribunal for deciding it afresh on merits and accordingly the appeal is disposed of. The disputed tax liability is ₹1,634.85 million.	The Commissioner of Income Tax, The Assistant Commissioner of Income Tax (Appellants)	The matter is pending adjudication
5	The Assessing Officer ("AO") completed the assessment under Section 143(3) of the Income Tax Act for the AY 1998-99, AY 1999-2000, AY 2000-2001, AY 2001-2002. The AO had disallowed an income under Section 14A of the Income Tax Act. Aggrieved by the order of the AO, our Bank had preferred an appeal before the CIT(A) on additional grounds that the AO has not considered the loss on CANSTAR units which was claimed under part V of the return. The CIT partly allowed our appeal. Aggrieved by the order of the CIT, our Bank and the Assistant Commissioner of Income Tax filed cross appeals before the Income Tax Appellate Tribunal (ITAT). The ITAT partly allowed the appeal filed by our Bank and dismissed the appeal filed by the Assistant Commissioner of Income Tax. Thereafter, our Bank has filed an appeal before the High Court of Karnataka. The High Court allowed the appeal filed by our Bank and set aside the findings of the authorities and remitted the matter back to the AO for fresh calculations of the deduction and to grant exemption treating the loss on CANSTAR units as a business loss under Section 37(1) of Income Tax Act. Subsequently, the Assistant Commissioner of Income Tax has filed the present Special Leave Petitions (SLPs) before the Hon'ble Supreme Court of India <i>inter alia</i> on the grounds (i) Allowability of deduction in respect of repurchase of units of Canara Bank Mutual Fund as a revenue expenditure; (ii) disallowance under Section 14A of the Income tax Act. The total amount of dispute with respect to re-purchase of Canara Bank mutual fund is ₹ 4,990.5 million. The disputed tax liability is ₹1,781.61 million.	The Assistant Commissioner of Income Tax	The matter is pending for admission

**C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters / Group companies in last 5 financial years including outstanding action, if any:**

Not applicable, since this is a rights issue pursuant to Part E of Schedule VIII of SEBI Regulations.

**D. Brief details of outstanding criminal proceedings against Promoters**

Not applicable, since this is a rights issue pursuant to Part E of Schedule VIII of SEBI Regulations.

**OTHER IMPORTANT INFORMATION**

**Procedure for Application**

The CAF for the Rights Equity Shares would be printed for all Eligible Equity Shareholders. In case the original CAF is not received by the Eligible Shareholder or is misplaced by the Eligible Shareholder, the Eligible Shareholder may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID, Client ID and their full name and address. In case the signature of the Eligible Shareholder(s) does not match with the specimen registered with our Bank or the DP, the application is liable to be rejected.

Please note that neither our Bank nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF/duplicate CAF attributable to postal delays or if the CAF/duplicate CAF are misplaced in the transit. Eligible Equity Shareholders should note that those who are making the application in such duplicate CAF should not utilize the original CAF for any purpose, including renunciation, even if the original CAF is received or found subsequently. If any Eligible Equity Shareholders violates any of these requirements, they shall face the risk of rejection of both applications

Please note that in accordance with the provisions of the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 QIB Applicants, Non-Institutional Investors and other Applicants whose application amount exceeds ₹ 2,00,000 complying with the eligibility conditions prescribed under the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily participate in the Issue only through the ASBA process. Further, all QIBs and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if the application amount does not exceed ₹ 200,000. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors or (iii) Investors whose application amount is not more than ₹ 2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process

All Renounees (including Renounees who are individuals) are not eligible ASBA investors and must only apply for the Rights Equity Shares through the non ASBA process irrespective of the application value.

## No Offer In The United States

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (“United States” or “U.S.”), or to, or for the account or benefit of “U.S. persons” (as defined in Regulation S of the Securities Act), except in a transaction not subject to, or exempt from the registration requirements of the Securities Act. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, the Letter of Offer / Abridged Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirement of the Securities Act. Neither we nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who we or any person acting on our behalf has reason to believe is, either a U.S. Person or otherwise in the United States when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. We are making the Issue on a rights basis to Eligible Shareholders and the Letter of Offer / Abridged Letter of Offer and CAF will be dispatched only to Eligible Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, (ii) it is not a U.S. Person and does not have a registered address (and is not otherwise located) in the United States when the buy order is made, and (iii) it is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

We reserve the right to treat any CAF as invalid which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a U.S. Person and does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) appears to us or our agents to have been executed by a U.S. Person; (iv) where a registered Indian address is not provided; or (v) where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF.

Rights Entitlements may not be transferred or sold to any person in the United States.

### Application on Plain Paper (Non-ASBA)

An Eligible Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with an account payee cheque drawn on a bank payable at par, pay order/demand draft, net of bank and postal charges and the Investor should send the same by registered post directly to the Registrar to the Issue. Please see “*Modes of Payment*” on page 249 of the Letter of Offer. Applications on plain paper will not be accepted from any address outside India.

The envelope should be super scribed “**CANARA BANK - RIGHTS ISSUE**” and should be postmarked in India. The application on plain paper, duly signed by the investor including joint holders, in the same order and as per specimen recorded with our Bank /Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

1. Name of our Bank, being Canara Bank;
2. Name and address of the Eligible Shareholder including joint holders;
3. Registered Folio Number/ DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Share certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
6. Allotment option preferred - physical or demat form, if held in physical form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for;
9. Number of additional Rights Equity Shares applied for, if any;
10. Total number of Equity Shares applied for;
11. Total amount paid at the rate of ₹ 207 per Rights Equity Share;
12. Particulars of cheque/ demand draft;
13. Savings/ current account number and name and address of the bank where the Eligible Shareholder will be depositing the refund order. In case of Equity Shares held in dematerialized form, the Registrar shall obtain the bank account details from the information available with the Depositories;
14. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Shareholder and for each Eligible Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;
15. If the payment is made by a draft purchased from NRE/FCNR/NRO account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR/NRO account;
16. Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Bank /Depositories); and
17. Additionally, all such Applicants are deemed to have accepted the following:

*“I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933 (“Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof*



*("United States") or to or for the account or benefit of a „U.S. Person as defined in Regulation S under the Securities Act ("Regulation S"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that neither the Bank, nor the Registrar, the Lead Manager or any other person acting on behalf of the Bank will accept subscriptions from any person, or the agent of any person, who appears to be, or who, the Bank, the Registrar, the Lead Manager or any other person acting on behalf of the Bank have reason to believe is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

*I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by me/us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. I/We satisfy, and each account for which I/we am/are acting satisfies, all suitability standards for Investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence.*

*I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.*

*I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Equity Shares is/ are, outside the United States, (ii) am/ are not a "U.S. person" as defined in Regulation S, and (iii) is/ are acquiring the Rights Entitlement and/ or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.*

*I/ We acknowledge that the Bank, the Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."*

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Eligible Shareholder violates such requirements, he/ she shall face the risk of rejection of both the applications. Our Bank shall refund such application amount to the Eligible Shareholder without any interest thereon. In cases where multiple CAFs are submitted, including cases where an investor submits CAFs along with a plain paper application, such applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Bank and the Directors not having any liability to the Investor. The plain paper application format will be available on the website of the Registrar to the Issue at [www.karvycomputershare.com](http://www.karvycomputershare.com)

#### **Application on Plain Paper under the ASBA process**

An Eligible Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

The envelope should be super scribed "**CANARA BANK - RIGHTS ISSUE**" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Bank /Depositories, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of Issuer, being Canara Bank;
2. Name and address of the Eligible Shareholder including joint holders;
3. Registered Folio Number/ DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Number of Rights Equity Shares entitled to;
6. Number of Rights Equity Shares applied for;
7. Number of additional Rights Equity Shares applied for, if any;
8. Total number of Rights Equity Shares applied for;
9. Total amount paid at the rate of ` 207 per Rights Equity Share;
10. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
11. In case of Non-Resident Investors, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
12. Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Shareholder and for each Eligible Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;
13. Signature of the Eligible Equity Shareholders to appear in the same sequence and order as they appear in our records; and
14. Additionally, all such Applicants are deemed to have accepted the following:

*"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933 ("**Securities Act**") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("**United States**") or to or for the account or benefit of a 'U.S. Person' as defined in Regulation S under the Securities Act ("**Regulation S**"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that neither the Bank, nor the Registrar, the Lead Manager or any other person acting on behalf of the Bank will accept subscriptions from any person, or the agent of any person, who appears to be, or who, the Bank, the Registrar, the Lead Manager or any other person acting on behalf of the Bank have reason to believe is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

*I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by me/us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. I/We satisfy, and each account for which I/we am/are acting satisfies, all suitability standards for Investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence.*

*I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.*

*I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Equity Shares is/ are, outside the United States, (ii) am/ are not a "U.S. person" as defined in Regulation S, and (iii) is/ are acquiring the Rights Entitlement and/ or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.*

*I/ We acknowledge that the Bank, the Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."*

In cases where multiple CAFs are submitted, including cases where an investor submits CAFs along with a plain paper application, such applications shall be liable to be rejected.

#### **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to Eligible Shareholders in the ratio of one Rights Equity Share for every 10 (Ten) fully paid-up Equity Shares on the Record Date. For Rights Equity Shares being offered in the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 10 (Ten) fully paid-up Equity Shares or not in the multiple of 10 (Ten) fully paid-up Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. Eligible Equity Shareholders whose fractional entitlements are being ignored as above would be given preferential consideration for the Allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares over and above their Rights Entitlement, if any.

Those Eligible Equity Shareholders holding less than 10 (Ten) fully paid-up Equity Shares, will therefore be entitled to 'zero' Rights Equity Shares under the Issue and shall be dispatched a CAF with 'zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and would be given preference in the Allotment of one additional Rights Equity Shares. However, they cannot renounce the same in favour of third parties. CAFs with zero entitlement will be non-negotiable/non-renounceable

#### **Renunciation**

The Issue includes a right exercisable by you to renounce the Rights Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Bank shall not Allot and/or register the Rights Equity Shares in favour of the following Renounees: (i) more than three persons (including joint holders); (ii) partnership firm(s) or their nominee(s); (iii) minors (except applications by minors having valid demat accounts as per the demographic details provided by the Depositories); (iv) HUF (however, you may renounce your Rights Entitlements to the Karta of an HUF acting in his capacity of Karta); or (v) any trust or society (unless the same is registered under the Societies Registration Act, 1860, as amended or the Indian Trust Act, 1882, as amended or any other applicable law relating to societies or trusts and is authorized under its constitutions or bye-laws to hold equity shares, as the case may be). Additionally, the Eligible Equity Shareholders may not renounce in favour of "U.S. persons" (as defined in Regulation S) or persons or entities which would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.

The RBI has, pursuant to a letter dated January 06, 2017 conveyed its no-objection for the renunciation of Rights Entitlement by, and to, persons resident in India and persons resident outside India, subject to adherence of Regulation 6 of FEMA 20/2000-RB dated May 3, 2000 as amended from time to time.

In terms of Regulation 6 of Notification No. FEMA 20 12000-RB dated 3rd May 2000, as amended from time to time, only the existing Non-Resident shareholders may subscribe for additional equity shares over and above the equity shares offered on rights basis by our Bank.

#### **Renunciations by OCBs**

By virtue of the circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, the existing Equity Shareholders who do not wish to subscribe to the Equity Shares being offered but wish to renounce the same in favour of Renounee shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

The RBI has however clarified in its circular, A.P. (DIR Series) circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/ 2000- RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. Shareholders renouncing their rights in favour of OCBs may do so provided such Renounee obtains a prior approval from the RBI. On submission of such approval to us at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Part 'A' of the CAF must not be used by any person(s) other than those in whose favour the Issue has been made. If used, this will render the application invalid. Submission of the CAF to the Escrow Bankers at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be the conclusive evidence for our Bank of the fact of renouncement to the person(s) applying for Equity Shares in Part 'C' of the CAF for the purpose of Allotment of such Rights Equity Shares. The Renounees applying for all the Rights Equity Shares renounced in their favour may also apply for additional Rights Equity Shares. Renounee(s) will have no right to further renounce any Rights Equity Shares in favour of any other person. In terms of Regulation 6 of Notification No. FEMA 20/2000-RB dated May 3, 2000, as amended from time to time, only the existing Non-Resident shareholders may subscribe for additional equity shares over and above the equity shares offered on rights basis by our Bank.

The right of renunciation is subject to the express condition that our Board shall be entitled in its absolute discretion to reject the application from the Renounees without assigning any reason thereof.

#### **Procedure for renunciation**

##### **To renounce all the Rights Equity Shares offered to an Eligible Shareholder in favour of one Renounee**

If you wish to renounce your Rights Entitlement indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF. The person in whose favour renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renounees, all joint Renounees must sign Part 'C' of the CAF.

**To renounce in part/or renounce the whole to more than one person(s)**

If you wish to either (i) accept this offer in part and renounce the balance, or (ii) renounce your entire Rights Entitlement in favour of two or more Renounees, the CAF must be first split into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs as provided herein. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Shareholder(s), who has renounced the Rights Equity Shares, does not match with the specimen registered with our Bank / Depositories, the application is liable to be rejected.

**Renounee(s)**

The person(s) in whose favour the Rights Equity Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Escrow Bankers or any of the collection branches as mentioned on the reverse of the CAFs on or before the Issue Closing Date along with the Application Money in full.

**Change and/or introduction of additional holders**

If you wish to apply for Rights Equity Shares jointly with any other person(s), not more than three persons (including you), who is/are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

**Renunciation under the ASBA Process**

ASBA Investors can neither be Renounees, nor can renounce their Rights Entitlement.

**Additional Rights Equity Shares**

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered to you without renouncing them in whole or in part in favour of any other person(s). Applications for additional Rights Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, subject to sectoral caps and prescribed limits as per applicable laws and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under "*Basis of Allotment*" on page 260.

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. Renounee(s) applying for all the Rights Equity Shares renounced in their favour may also apply for additional Rights Equity Shares by indicating the details of additional Rights Equity Shares applied in place provided for additional Rights Equity Shares in Part C of CAF. In terms of Regulation 6 of Notification No. FEMA 20/2000-RB dated May 3, 2000, as amended from time to time, only the existing Non-Resident shareholders may subscribe for additional equity shares over and above the equity shares offered on rights basis by our Bank.

Where the number of additional Rights Equity Shares applied for exceeds the number of Rights Equity Shares available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

**Subscription by our Promoter**

Our Promoter has vide their Undertaking dated January 20, 2017 confirmed that they intend to subscribe to the full extent of our rights entitlement in the Issue in compliance with Regulation 10 (1)(i) of the SEBI (ICDR) 2009. Our Promoter does not intend to apply for the unsubscribed portion of the shares over and above their rights entitlement. However, in case their rights entitlement in the Issue is less than a sum of ₹ 7480 million, they shall apply for the unsubscribed portion in such manner that their total contribution in the issue does not exceed ₹ 7480 million. Their entitlement to subscribe to the Issue would be restricted to ensure that the public shareholding in the Bank after the Issue does not fall below the permissible minimum level as specified in the applicable laws, including but not limited to, Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and entered with the Stock Exchanges and the Securities Contract (Regulations) Rules, 1957.

**Offer Document of last public or rights issue**

A copy of the offer document of the immediately preceding public issue is available to the public for inspection as a material document.

**Ex-rights Price**

The ex-rights price of the Equity Shares as per Regulation 10 (4) (b) of the Takeover Regulations is ₹ 286.14.

**Rights Entitlement Ratio**

The Rights Equity Shares are being offered on a rights basis to Eligible Shareholders in the ratio of 1 Rights Equity Share for every 10 fully paid-up Equity Shares held on the Record Date i.e. February 20, 2017.

**DECLARATION BY OUR BANK**

We hereby certify that no statement made in the Letter of Offer contravenes any of the provisions of the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970, as amended, and the Securities and Exchange Board of India Act, 1992 the rules or regulations issued thereunder, as the case may be. We further certify that all the legal requirements connected with the said Issue as also the regulations, guidelines, instructions etc. issued by SEBI, Reserve Bank of India, Government of India and any other competent authority in this behalf have been duly complied with. We further certify that all disclosures made in the Letter of Offer are true and correct.

**Date** : February 10, 2017

**Place** : Bangalore

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