Preliminary Placement Document
Subject to completion
Not for circulation
Strictly confidential
Serial number ____

The Issue is meant only for QIBs 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 or buy the Equity Shares in any jurisdiction where such offer or sale is not permitted. It is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be Allotted through the Placement Document.

BANK OF MAHARASHTRA

Our Bank was incorporated on September 16, 1935 as "*The Bank of Maharashtra Limited*". Our Bank was constituted as 'Bank of Maharashtra' under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 as amended ("**Banking Companies Act**") on July 19, 1969. For further details with respect to constitution of our Bank, please see section "*General Information*" on page 310.

Head Office: "Lokmangal", 1501, Shivajinagar, Pune – 411005, Maharashtra, India.
Telephone: +91 20 2553 2731, 2553 2728; **Website:** www.bankofmaharashtra.in, **Email:** investor_services@mahabank.co.in

Bank of Maharashtra (the "**Issuer**" or the "**Bank**") is issuing up to [●] 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 ₹[●] million (the **"Issue"**). For further details, see "*Summary of the Issue*" on page 27.

THIS 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 "SEBI ICDR REGULATIONS"), THE BANKING COMPANIES ACT, THE BANKING REGULATION ACT, 1949, AS AMENDED (THE "BANKING REGULATION ACT"), BANK OF MAHARASHTRA (SHARES AND MEETINGS) REGULATIONS, 2004, AS AMENDED (THE "BANK OF MAHARASHTRA REGULATIONS") AND THE NATIONALISED BANKS (MANAGEMENT AND MISCELLANEOUS PROVISIONS) SCHEME, 1970 (THE "NATIONALISED BANKS SCHEME")

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

YOU ARE NOT AUTHORISED TO, AND MAY NOT (1) DELIVER THIS 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 TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "RISK FACTORS" ON PAGE 42 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS ISSUE. PROSPECTIVE INVESTORS OF THE EQUITY SHARES OFFERED SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR.

Invitations for subscription, offer and sale of the Equity Shares shall only be made pursuant to this Preliminary Placement Document together with the respective Application Form and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "*Issue Procedure*" on page 253. 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 and persons retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this 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.

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

The outstanding Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE on September 27, 2024 was ₹60.25 and ₹60.29 per Equity Share, respectively. In-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("**SEBI Listing Regulations**") for listing of the Equity Shares have been received from BSE and NSE each on September 30, 2024. Applications to the Stock Exchanges will be made for obtaining listing and trading approvals for the Equity Shares offered through the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on BSE and NSE should not be taken as an indication of the merits of the business of our Bank or the Equity Shares.

A copy of this Preliminary Placement Document has been delivered to the Stock Exchanges and a copy of the Placement Document will also be delivered to the Stock Exchanges. This Preliminary Placement Document has not been and will not be filed as a prospectus with the 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 the RoC. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges or the RoC or any other regulatory or listing authority and is intended only for use by the Eligible 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 other applicable securities laws of any state of the United States, unless so registered, may not be offered, sold or delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and 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 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 270. Also see, "*Transfer Restrictions*" on page 278 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

This Preliminary Placement Document is dated September 30, 2024.

IDBI Capital Markets & Securities Limited	**Systematix Corporate Services Limited**	**Batlivala & Karani Securities India Private Limited**	**Centrum Capital Limited**	**Emkay Global Financial Services Limited**	**JM Financial Limited**	**Motilal Oswal Investment Advisors Limited**

CONTENTS

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 the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Bank and the Equity Shares which is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Bank and the Equity Shares are, in all material respects, true and accurate and not misleading, and the opinions and intentions expressed in this 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. The information contained in this Preliminary Placement Document has been provided by our Bank and other sources identified herein.

IDBI Capital Markets & Securities Limited, Systematix Corporate Services Limited, Batlivala & Karani Securities India Private Limited, Centrum Capital Limited, Emkay Global Financial Services Limited, JM Financial Limited and Motilal Oswal Investment Advisors 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 respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by any of the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with the Issue or the distribution of the Equity Shares. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied on either the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Bank and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Bank or by or on behalf of the Book Running Lead Managers. The delivery of this 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 to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including SEBI, the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-U.S. regulatory authority. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined, and in compliance with, Regulation S and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares will be transferable only in accordance with the restrictions described under "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 270 and 278, respectively.

The subscribers of the Equity Shares offered in the Issue will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*", "*Transfer Restrictions*" and "*Issue Procedure*" on pages 1, 3, 270270, 278 and 253, respectively.

The distribution of this Preliminary Placement Document and the issuance of Equity Shares pursuant to the 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 anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. No action has been taken by the Bank and the Book Running Lead Managers which would permit an issue of the Equity Shares offered in the Issue or the distribution of this 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 Issue may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" on page 270.

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 such QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any offering material in connection with 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 the Issue. In addition, neither our Bank nor the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under applicable legal, investment or similar laws or regulations. Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Bank under Indian law, including Chapter VI of the SEBI ICDR Regulations and is not prohibited by SEBI or any other regulatory, statutory or judicial authority from buying, selling or dealing in securities.

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

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

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 or Subsidiary or Associate 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 270 and 278, 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 270 and 278 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, 1970 read with the Banking Regulation Act, 1949, the Nationalised Banks (Management And Miscellaneous Provisions) Scheme, 1970 and the Bank of Maharashtra (Shares and Meetings) Regulations, 2004 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 270 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" on page 270 and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;

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

q. if you are outside the United States and you are subscribing for the Equity Shares in an "offshore transaction" as defined in, and in compliance with, Regulation S, and you are not our Bank's or the BRLMs' affiliate or a person acting on behalf of such an affiliate;

r. you are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act;

s. you understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Transfer Restrictions*" on page 278 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Transfer Restrictions*" on page 278, 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 Regulation Act, 1949, Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and in the event of your holding of the Equity Shares reaches any applicable limits as may be prescribed you will make the appropriate disclosures and obtain the necessary permissions in this regard from the relevant authorities/RBI;

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

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

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;

oo. 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;

pp. 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;

qq. 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;

rr. 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;

ss. 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 Pune, 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.

tt. 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 THE 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 AND OTHER INFORMATION

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 Bank of Maharashtra, on a standalone basis. All references to the "we", "us" or "our" are to the Bank of Maharashtra, its Subsidiary and Associate on a consolidated basis, 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 standalone and consolidated financial statements for Fiscal 2022 read along with the notes and auditors report thereto (the "**Fiscal 2022 Audited Financial Statements**"); (ii) audited standalone and consolidated financial statements for Fiscal 2023 read along with the notes and auditors report thereto (the "**Fiscal 2023 Audited Financial Statements**"); (iii) audited standalone and consolidated 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 standalone and consolidated financial results of our Bank, which comprises of the standalone and consolidated balance sheet as of June 30, 2023 and the related standalone and consolidated profit & loss account for the three months period ended June 30, 2023 and selected explanatory notes thereon, subjected to a limited review, as filed with the Stock Exchanges on July 19, 2023 (the "**Unaudited June 2023 Financial Results**") and (v) unaudited reviewed standalone and consolidated financial results of our Bank, which comprises of the standalone and consolidated balance sheet as of June 30, 2024 and the related standalone and consolidated profit & loss account for the three months period ended June 30, 2024 and selected explanatory notes thereon, subjected to a limited review, as filed with the Stock Exchanges on July 15, 2024 (the "**Unaudited June 2024 Financial Results**" and collectively with Unaudited June 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. For further information on the transition to Ind AS, see "*Risk Factors – Indian accounting principles differ from those which prospective investors may be familiar with in other countries. In addition, the effects of the planned convergence with, and adoption of, IFRS are uncertain*" on page 55.

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 "*Management's Discussion and Analysis of Financial Condition and Results of Operations*") are derived from our Audited Financial Statements. Although the Bank possesses a subsidiary namely The Maharashtra Executor & Trustee Co. Private Limited, it believes that the impact of those entities on the Bank's consolidated financial statements is not significant. Accordingly, the Bank's management primarily utilizes the Bank's standalone financial information to monitor the operational strength and performance of the Bank's business. For more information on the Bank's financial information on a consolidated basis, see the Bank's consolidated financial statements, which have been included in this Preliminary Placement Document. For more information on the Bank's subsidiary, see " *Our Business– Our Subsidiary and Associate*" on page 178.

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 19, 86 and 116, 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 86.

EXCHANGE RATE INFORMATION

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

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

(₹ per US$)

	Period End(1)	**Average**(2)	**High**(3)	**Low**(4)
Fiscal Ended:				
March 31, 2024	83.37	82.79	83.40	81.65
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
Months ended:				
August 31, 2024	83.87	83.90	83.97	83.73
July 31, 2024	83.74	83.59	83.74	83.40
June 30, 2024	83.45	83.47	83.59	83.07
May 31, 2024	83.30	83.39	83.52	83.08
April 30, 2024	83.52	83.41	83.52	83.23
March 31, 2024	83.37	83.00	83.37	82.68

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

Period end, high, low and average rates are based on the FBIL/ RBI reference rates and rounded off to two decimal places. The RBI reference rates are rounded off to two decimal places.

Notes:

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

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

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

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

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

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

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:

- Failures of our internal control system may cause significant operational errors;
- Inability to control or reduce the level of non-performing assets in our portfolio or any increase in our NPA portfolio;
- Ability to manage value of our collateral and delays in enforcing collateral or failure to recover the expected value of collateral;
- Ability to manage credit, market and operational risks;
- External or internal fraud;
- Increased competition as a result of consolidation of public sector banks;
- Default by any large borrower or premature withdrawal of deposits;
- Our ability to secure long-term funding for our operations; and
- Laws, rules, regulations, guidelines and norms applicable to the banking industry, including priority sector lending requirements, capital adequacy and liquidity requirements.

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, 86, 161 and 178 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.

ENFORCEMENT OF CIVIL LIABILITIES

Our Bank is a nationalised bank under The Banking Companies (Acquisition and Transfer of undertakings) Act, 1970. All of our Bank's Directors, key managerial personnel and members of senior management are residents of India and a substantial portion of the assets of our Bank are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Bank or such persons outside India, or to enforce judgments obtained against such parties in courts outside of India.

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

- where the judgment has not been pronounced by a court of competent jurisdiction;

- where the judgment has not been given on the merits of the case;

- where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable;

- where the proceedings in which the judgment was obtained are opposed to natural justice;

- where the judgment has been obtained by fraud; and

- where the judgment sustains a claim founded on a breach of any law in force in India.

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

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

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

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 capitalized terms used in this Preliminary Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

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

The words and expressions used in this 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 Statements*" on pages 116, 288, 161, 304 and 311, respectively, shall have the meaning given to such terms in such sections.

Bank Related Terms

Term	Description
Our "Bank", the "Bank", the "Issuer",	Bank of Maharashtra was incorporated on September 16, 1935, as "*The Bank of Maharashtra Limited*". Our Bank was constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended and nationalized on July 19, 1969, having its Head Office at "Lokmangal", 1501, Shivajinagar, Pune – 411005, Maharashtra, India.
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Bank together with our Subsidiary and Associate
Associate	Maharashtra Gramin Bank
Audit Committee	The Audit Committee constituted by the Board of our Bank
Audited Financial Statements	Collectively, the Fiscal 2022 Audited Financial Statements, Fiscal 2023 Audited Financial Statements, the Fiscal 2024 Audited Financial Statements pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of SEBI Listing Regulations.
Auditors/Statutory Auditors	The statutory central auditors of our Bank being Kirtane & Pandit LLP, Chartered Accountants, M/s. Sundaram & Srinivasan, Chartered Accountants and M/s. G D Apte & Co., Chartered Accountants
Board or Board of Directors	Board of directors of our Bank
CFO	Chief financial officer of our Bank, namely Vijay Prakash Srivastava
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Bank, namely Nehal Rawat
Directors	Directors on our Board
Equity Shares	Equity shares of face value ₹ 10 each of our Bank
Financial Statements	Audited Financial Statements and Reviewed Financial Results
Fiscal 2022 Audited Financial Statements	Audited standalone and consolidated financial statements read along with the notes thereto of our Bank prepared under Indian GAAP for Fiscal 2022
Fiscal 2023 Audited Financial Statements	Audited standalone and consolidated financial statements read along with the notes thereto of our Bank prepared under Indian GAAP for Fiscal 2023
Fiscal 2024 Audited Financial Statements	Audited standalone and consolidated financial statements read along with the notes thereto of our Bank prepared under Indian GAAP for Fiscal 2024
Head Office	The head office of our Bank situated at "Lokmangal", 1501, Shivajinagar, Pune – 411005, Maharashtra, India.
Management Committee	The Management Committee constituted by the Board of the Bank
Managing Director and Chief Executive Officer	Managing Director and Chief Executive Officer of our Bank, namely Shri Nidhu Saxena.
Nationalized Banks Scheme	The Nationalized Banks (Management & Miscellaneous Provisions) Scheme 1970
Promoter	The promoter of our Bank namely, the President of India, acting through the Ministry

Term	Description
	of Finance, Government of India
Risk Management Committee	The Risk Management Committee constituted by the Board of the Bank
Reviewed Financial Results	Collectively, the Unaudited June 2023 Financial Results and the Unaudited June 2024 Financial Results
Senior Management	Members of the senior management of our Company 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 219.
Shareholders	The holder(s) of Equity Shares of our Bank, unless otherwise specified in the context thereof
Subsidiary	The Maharashtra Executor and Trustee Company Private Limited
Unaudited June 2023 Financial Results	Unaudited reviewed standalone and consolidated financial results of our Bank, which comprises of the standalone and consolidated balance sheet as of June 30, 2023 and the related standalone and consolidated profit & loss account for the three-month period ended June 30, 2023 and selected explanatory notes thereon, subjected to a limited review, as filed with the Stock Exchanges on July 19, 2023
Unaudited June 2024 Financial Results	Unaudited reviewed standalone and consolidated financial results of our Bank, which comprises of the standalone and consolidated balance sheet as of June 30, 2024 and the related standalone and consolidated profit & loss account for the three months period ended June 30, 2024 and selected explanatory notes thereon, subjected to a limited review, as filed with the Stock Exchanges on July 15, 2024

Issue Related Terms

Term	Description
Allocated/Allocation	The allocation of Equity Shares, by our Bank in consultation with the Book Running Lead Managers, following the determination of the Issue Price to successful Bidders on the basis of the Application Form and Bid Amount submitted by them, and in compliance with Chapter VI of the SEBI ICDR Regulations and other applicable laws
Allotted/Allotment/Allot	Unless the context otherwise requires, Issue and allotment of Equity Shares to successful Bidders pursuant to this Issue
Allottee	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 the Issue during the Bid/ Issue Period
Bid(s)	An indication of interest of a Bidder to subscribe for the Equity Shares in the Issue as provided in the Application Form (including all revisions and modifications thereto). The term "Bidding" shall be construed accordingly.
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 the Issue on submission of the Application Form
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	September 30, 2024, 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 the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids including any revision and/or modification thereof along with the Bid Amount.
Bidder(s)	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Book Running Lead Managers/BRLMs	The book running lead managers to the Issue, in this case being IDBI Capital Markets & Securities Limited, Systematix Corporate Services Limited, Batlivala & Karani Securities India Private Limited, Centrum Capital Limited, Emkay Global Financial Services Limited, JM Financial Limited and Motilal Oswal Investment Advisors Limited.
CAN/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.
Closing Date	The date on which Allotment of the Equity Shares pursuant to the Issue shall be

Term	Description
	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 FPIs	FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices
Eligible QIB(s)	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI Regulations which (i) is not (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or other applicable laws, including foreign exchange related laws; or (b) restricted from participating in the Issue under the applicable laws, and (ii) is a resident of India or is an Eligible FPI participating through Schedule II of the FEMA Rules In addition, Eligible QIBs are 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	The non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, to be opened in the name and style "*Bank of Maharashtra QIP 2024 Escrow Account*" with the Escrow Agent, pursuant to the term of the Escrow Agreement, into which the application monies payable by the Bidders towards subscription of the Equity Shares and for remitting refunds pursuant to the Issue shall be deposited.
Escrow Agent	Bank of Maharashtra
Escrow Agreement	The escrow agreement dated September 30, 2024 entered into amongst our Bank, the Escrow Agent and the Book Running Lead Managers.
Floor Price	The floor price of ₹60.37 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 June 12, 2024.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended.
Issue	Issue of up to [●] Equity Shares at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share, pursuant to this Preliminary Placement Document aggregating up to ₹ [●] million.
Issue Price	₹[●] per Equity Share
Issue Proceeds	The gross proceeds of the Issue. For details, see "*Use of Proceeds*".
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds
Placement Agreement	The placement agreement dated September 30, 2024 entered into amongst 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 SEBI ICDR Regulations
Preliminary Placement Document/PPD	This preliminary placement document cum application form dated September 30, 2024 issued by our Bank in accordance with Chapter VI of the SEBI ICDR Regulations, pursuant to which an Eligible QIB shall submit a Bid in the Issue
Qualified Institutional Buyers or QIBs	Qualified institutional buyers, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under chapter VI of the SEBI ICDR Regulations
Refund Amount	The aggregate amount to be returned to the Bidders, who have not been Allocated Equity Shares for all or a part of the Bid Amount submitted by such Bidder pursuant to the Issue
Refund Intimation Letter	Letters from our Bank intimating the relevant Bidders of the amount to be refunded, if any, either in part or whole, to their respective bank accounts
Relevant Date	September 30, 2024, being the date of the meeting in which our Board of Directors or any committee of Directors (duly authorised by the Board), decides to open the Issue

Term	Description
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

Conventional and General Terms/Abbreviations

Term	Description
ALCO	Asset Liability Management Committee of our Bank
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AMC	Asset management company
AOP	Association of persons
App	Mobile application
ARC	Asset Reconstruction Company
AS	Accounting Standards issued by ICAI
AY	Assessment year
Banking Companies Act	Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970
Banking Regulation Act	The Banking Regulation Act, 1949
Banking Ombudsman Scheme	Banking Ombudsman Scheme, 2006
Basel III	A global regulatory framework for more resilient banks and banking systems published by the Bank for International Settlements. RBI issued guidelines on the implementation of Basel III capital regulations in India on May 2, 2012 and revised as per notification issued by the RBI on March 27, 2014
Billion	1,000 million
BSE	BSE Limited
Calendar Year	Year ending on December 31
CBI	Central Bureau of Investigation
CBLO	Collateralized Borrowing and Lending Obligation
CCI	Competition Commission of India
CDR	Corporate debt restructuring
CDR System	A joint forum of banks and financial institutions in India established in 2001 as an institutional mechanism for corporate debt restructuring
CDSL	Central Depository Services (India) Limited
CII	Confederation of Indian Industry
CIN	Corporate identity number
CMP	Cash Management Product
Civil Code	The Code of Civil Procedure, 1908
Cr.P.C.	The Code of Criminal Procedure, 1973
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	The Consolidated FDI Policy notified by the DPIIT under DPIIT File Number 5(2)/2020- FDI Policy dated the October 15, 2020, effective from October 15, 2020
PPOP	Pre-Provision Operating Profit
DBM	Diminishing Balance Method
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018
Depository Participant	A depository participant as defined under the Depositories Act
DIIPT	Department for Promotion of Industry and Internal Trade (Formerly known as

Term	Description
	Department of Industrial Policy & Promotion)
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECB	External commercial borrowing
ECS	Electronic clearing service
EGM	Extraordinary general meeting
FCNR(B)	Foreign currency non-resident (bank)
FDI	Foreign direct investment
FEDAI	Foreign Exchange Dealers' Association of India
FEMA	The Foreign Exchange Management Act, 1999 and the regulations issued thereunder
FEMA Rules/FEMA Non-Debt Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FICCI	Federation of Indian Chambers of Commerce and Industry
FITL	Funded Interest Term Loan
Fiscal or Fiscal Year or Financial Year or FY	Period of 12 months ended 31 March of that particular year, unless otherwise stated
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FRA/IRS	Forward rate agreements/interest rate swaps
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally accepted accounting principles
GAAR	General Anti-Avoidance Rules
GDP	Gross domestic product
GECL	Guaranteed Emergency Credit Line
GIR	General index registrar
GoI/Government	Government of India, unless otherwise specified
GST	Goods and services tax; a reform to Indian tax laws relating to indirect taxes on goods and services'
HNIs	High net worth individuals
HR	Human resources
HUF	Hindu undivided family
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 Standards Board
IMF	International Monetary Fund
IND AS	Indian Accounting Standards converged with IFRS, which has been proposed for implementation by the ICAI
India	The Republic of India
Indian GAAP	Generally Accepted Accounting Principles of India as applicable to banks
IPDI	Innovative Perpetual Debt Instrument
ISO	International Standards Organisation
IT	Information technology
IT Act	The Income Tax Act, 1961
ITES	Information technology enabled services
MCA	The Ministry of Corporate Affairs, Government of India
MAT	Minimum alternate tax
METCO	The Maharashtra Executor and Trustee Company Private Limited
Mn	Million
Million	1,000,000
MNC	Multinational corporation
MoF	Ministry of Finance
MoU	Memorandum of understanding
MSEs	Micro and small enterprises

Term	Description
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Nationalised Banks Scheme	The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970
NAV	Net asset value
NEAT	National Exchange for Automated Trading
NEFT	National electronic fund transfer
NGOs	Non-government organizations
NPCI	National Payments Corporation of India
NRE	Non-resident (external)
NRI	Non-resident Indian
NRO	Ordinary non-resident
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OFAC	Office of Foreign Assets Control of the U.S. Treasury Department
PAN	Permanent account number
p.a	Per annum
PCPS	Perpetual Cumulative Preference Shares
PFRDA	Pension Fund Regulatory and Development Authority
PMLA	The Prevention of Money Laundering Act, 2002
Prudential Framework	The Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019.
Prudential Norms	Prudential norms on income recognition, asset classification and provisioning pertaining to advances issued by the RBI on July 1, 2015
PTC	Pass through certificate
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
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.
Recovery of Debts Act	The Recovery of Debts Due to Banks and Financial Institutions Act, 1993
Regulation S	Regulation S under the U.S. Securities Act
RFID	Radio frequency identification
Rs./Rupees/INR/₹	Indian Rupees
RWA	Risk weighted assets
SARFAESI Act	The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SCBs	Scheduled commercial banks
SCR (SECC) Rules	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
SEC	United States Securities and Exchange Commission
SFIO	Serious Fraud Investigation Office, Ministry of Corporate Affairs, Government of India
SIDBI	Small Industries Development Bank of India
SLM	Straight Line Method

Term	Description
STT	Securities transaction tax
U.K.	United Kingdom
U.S. GAAP	Generally Accepted Accounting Principles in the United States
U.S. Securities Act	United States Securities Act of 1933, as amended
USA/U.S. /United States	The United States of America, its territories and possessions, any State of the United States and the District of Columbia
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
WOS	Wholly owned subsidiaries
WPI	Wholesale price index
WTO	World Trade Organisation

Industry Related Terms

Term/Abbreviation	Full Form/Description
AEs	Advanced Economies
ATMs	Automated Teller Machines
BSI	Banking Stability Indicator
CPI	Consumer Price Index
CRR	Cash Reserve Ratio
CRAR	Capital to risk weighted asset ratio
DCBS	Department of Cooperative Bank Supervision
EMEs	Emerging Market Economies
EMDEs	Emerging Markets and Developing Economies
FCs	Financial Conglomerates
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNPA	Gross Non-Performing Asset
GST	Goods and Service Tax
GVA	Gross Value Added
HFC	Housing Finance Companies
IIP	Index of industrial production
LABs	Local Area Banks
LAF	Liquidity Adjustment Facility
LCR	Liquidity Cover Ratio
MFI	Micro Finance Institutions
MSME	Micro, Small and Medium Enterprises
MTM	Mark to Market
MSF	Marginal Standing Facility
NABARD	National Bank for Agriculture and Rural Development
NBFC	Non Banking Financial Companies
NHB	National Housing Bank
NDTL	Net Demand and Time Liabilities
NPA	Non-Performing Asset
NNPA	Net Non-Performing Asset
NPS	National Pension Scheme
NRO	Non-Resident Ordinary
NSFR	Net stable funding ratio
NSO	National Statistical Office
MPC	Monetary Policy Committee
OBUs	Offshore Banking Units
OMO	Open Market Operation
PCA	Prompt corrective action
PCR	Provision Coverage Ratio

Term/Abbreviation	Full Form/Description
PMI	Purchasing managers' Index
PoS	Point of Sale
PSBs	Public Sector Banks
PSLCs	Priority Sector Lending Certificates
PVBs	Private Sector Banks
Repo Rate	Re-purchase option rate; the annual rate at which RBI lends to other banks in India
Reverse Repo Rate	The rate at which RBI borrows money from banks in India
RRB	Regional rural bank
RTGS	Real time gross settlement
SBNs	Specified bank notes
SDR	Strategic Debt Restructuring
SLR	Statutory liquidity ratio (as per requirements of the RBI)
S4A	Sustainable Structuring of Stressed Assets
SME	Small and medium enterprises
SCBs	Scheduled Commercial Banks
SIDBI	Small Industries Development Bank of India
SFBs	Small Finance Banks
SMA	Special Mention Account
SPARC	Supervisory Programme for Assessment of Risk
Tier I Capital	Tier I capital instruments as defined under the guidelines on capital adequacy issued by RBI
Tier II Capital	Tier II capital instruments as defined under the guidelines on capital adequacy issued by RBI
UAN	Udyog Aadhaar Number
UCBs	Urban Cooperative Banks
VaR	Value-at-risk
WEO	World Economic Outlook
WLA	White Label ATMs
YTM	Yield to maturity

SUMMARY OF THE ISSUE

The following is a general summary of the terms of this 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", "Issue Procedure", "Description of the Equity Shares" and "Placement" on pages 42, 83, 253, 284 and 268 respectively. *The information contained in "Description of the Equity Shares" shall prevail in the event of any inconsistency with the terms set out in this section.*

Issuer	**Bank of Maharashtra**
Issue Size	Up to [●] Equity Shares at a price of ₹[●] per Equity Share, including a premium of ₹[●] per Equity Share, aggregating up to ₹[●] million. **A minimum of 10% of the Issue Size i.e. at least [●] Equity Shares shall be available for Allocation to Mutual Funds only, and the balance of [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds.** In case of under-subscription or no subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs
Face Value	₹10 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 ₹60.37 per Equity Share. 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 June 12, 2024.
Date of Board resolution authorizing the Issue	April 26, 2024
Date of Shareholders resolution authorizing the Issue	June 12, 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 253, 270, and 278, 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	7,08,13,73,639 Equity Shares
Equity Shares subscribed, issued, paid-up and outstanding immediately after the Issue	[●] Equity Shares
Dividend	For more information, see "*Description of the Equity Shares*", "*Dividend Policy*" and "*Taxation*" on pages 284, 85 and 288, respectively.
Indian Taxation	For more information, see "*Taxation*" on page 288.
Issue Procedure	The Issue is being made only to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 253.
Listing	Our Bank has obtained in-principle approvals each dated September 30, 2024 for the listing of the Equity Shares in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, from BSE and NSE. Our Bank shall apply to BSE and NSE for the final listing and trading approvals, after the Allotment and after the credit of the Equity Shares to the respective beneficiary accounts of the successful Bidders maintained with a Depository Participant.
Transfer Restriction	The Equity Shares being Allotted pursuant to the Issue shall not be sold for a

	period of one year from the date of Allotment, except on the floor of a Stock Exchange. The Equity Shares are subject to certain selling and transfer restrictions. For details, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 270 and 278 respectively.
Closing Date	The date on which Allotment of the Equity Shares pursuant to the Issue shall be expected to be made, i.e., on or about [●].
Ranking	The Equity Shares being issued shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividends. The shareholders will be entitled to participate in dividends and other corporate benefits, if any, declared by our Bank after the date of Allotment, in compliance with the Banking Companies Act, the Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings in accordance with applicable laws. For details, see "*Description of the Equity Shares*" on page 284.
Lock-up	For further details, see "*Placement - Lock up*" on page 268 for a description of restrictions on our Bank in relation to Equity Shares.
Use of Proceeds	The gross proceeds from the Issue aggregate to ₹ [●] million. The Net Proceeds of the Issue, after deduction of fees, commissions and expenses in relation to the Issue, are expected to total approximately ₹ [●] million. For further details, see "*Use of Proceeds*" on page 83.
Risk Factors	Prior to making an investment decision, Eligible Investors should consider carefully the matters discussed under "*Risk Factors*" on page 42.
Security Codes for the Equity Shares:	
ISIN	INE457A01014
BSE Code and Symbol	532525, MAHABANK
NSE Code	MAHABANK

SUMMARY OF BUSINESS

Incorporated in the year 1935 and nationalised along with 13 other banks in the year 1969, we offer a diversified portfolio of banking products and services to corporate, retail, agriculture and micro, small and medium enterprise ("**MSME**") customers. Our Bank is amongst the prominent public sector banks in the state of Maharashtra, with 45.98% of our Bank's total banking outlets and 47.35% of our Bank's total advances is contributed by customers, located within the state of Maharashtra as of June 30, 2024. Our operations are internally aligned into distinct business lines for (i) wholesale banking operations, (ii) retail banking operations, (iii) treasury operations, and (iv) other banking operations. The total business of our Bank grew at 15.94% from ₹ 4,092,021.84 million as on March 31, 2023 to ₹ 4,744,111.15 million as on March 31, 2024. Total deposits of our Bank grew at 15.66 % from ₹2,340,826.84 million as on March 31, 2023 to ₹2,707,471.68 million as on March 31, 2024. Gross advances grew at 16.30% from ₹1,751,195.00 million as on March 31, 2023 to ₹2,036,639.47 million as on March 31, 2024. CASA Deposits grew at 14.25% over the previous year from ₹1,249,609.48 million as on March 31, 2023 to ₹1,427,735.90 million as on March 31, 2024. Our net profit increased by 55.84% year-over-year, reaching ₹40,550.27 million as of March 31, 2024, compared to ₹26,020.37 million for the year ended March 31, 2023.

We offer a wide range of banking and financial services primarily to Retail Customers, Agricultural and Micro, Small and Medium enterprises ("**RAM**"). Through our corporate and commercial portfolio, we cater to the business needs of multinational companies, public enterprises and private companies. We provide deposits, loans and finance facilities to our customers by offering a variety of products such as term loans, short term loans, working capital finance including cash credit, export credit, bill discounting, line of credit, letters of credit and guarantees. We also extend financial support to the priority sectors which include agriculture, MSME, affordable housing and education but with specific focus on offering products to the MSME sector. As a percentage of our Bank's total advances, our Bank's advances in the corporate and wholesale segment accounted for 40.35%, 42.85%, 38.97%, 41.75% and 38.96% in Fiscal 2022, Fiscal 2023 and Fiscal 2024 and three-month period ended June 30, 2023 and June 30, 2024, respectively.

Our retail banking portfolio consists of savings account, current account and term deposit services. In our retail lending business, we offer loan towards housing, vehicle, education, personal and other loans including agriculture to our customers, with the maximum aggregated retail exposure to one counterpart not exceeding the threshold of ₹75 million (up till March 2023-₹50 Million) and other personal banking products. We offer our customers global debit cards and "anywhere banking" facilities, and internet and mobile banking. As a percentage of our Bank's total advances, our Bank's advances in the retail segment accounted for 26.19%, 24.80%, 25.4% and 25.43% in Fiscal 2022, Fiscal 2023 and Fiscal 2024 and three-month period ended June 30, 2024 respectively.

Our treasury segment comprises liquidity management by maintaining a level of liquidity, in compliance with the CRR and the SLR requirements of the RBI and monitoring and implementation of non-SLR investments of our Bank. We maintain the SLR through a portfolio of Central Government, State Government and Government-guaranteed securities and other approved securities that we actively manage to optimize yield and benefit from price movements. We are also involved in the trading of debt securities, equity securities and foreign exchange within permissible limits. In our international business, we are extending our banking services to NRI customer base to meet their credit requirements. As a percentage of our Bank's total assets, our Bank's net investments accounted for 29.74% 25.73%, 22.23% and 25.02% in Fiscal 2022, Fiscal 2023, Fiscal 2024 and three month period ended June 30, 2024, respectively.

We also offer other banking services such as bancassurance (distributors of life and non – life insurance products), and tax collection services (including GST). In addition to our primary segments, we offer a comprehensive range of ancillary products and services such as depository services, ASBA facility, electronically secured bank and treasury receipt (eSBTR), locker facilities, safe custody facility, bill payment services, online and off-line fee collection services, payment and remittance services. For Fiscal 2022, Fiscal 2023 Fiscal 2024 and three month period ended June 30, 2024, our Bank generated fee based income amounting to ₹12,333.42 million, ₹13,091.15 million, ₹ 15,822.31 million and ₹ 3,678.91 million, respectively, representing 7.87%, 7.20%, 6.73% and 5.44% of our Bank's total income.

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 15.71% from ₹2,022,942.92 million in Fiscal 2022 to ₹2,340,826.84 million in Fiscal 2023 and grown 15.66% from ₹2,340,826.84 million in Fiscal 2023 to ₹2,707,471.68 million in Fiscal 2024 and grown (1.23)% from ₹ 2,707,471.68 million in Fiscal 2024 to ₹2,674,155.09 million in three month period ended June 30, 2024. Our Bank's CASA ratio was 57.85% as of March 31, 2022, 53.38% as of March 31, 2023 52.73% as of March 31, 2024 and 49.86% as of June 30, 2024.

As of June 30, 2024, our Bank had a Pan-Indian presence across 28 states and 7 union territories through a network of 2499 branches and 68 fixed point outlets served by Bank Mitras, named as Customer Service Point ("**CSP**"), and 2285 ATMs (including 208 offsite and 2077 onsite ATMs), 3,163 Business Correspondents. As of June 30, 2024, our Bank had approximately 30.49 million customers. Our Bank also has internet, mobile banking and doorstep banking solutions. As of June 30, 2024, our Bank had approximately 2.57 million internet banking users and 1.32 million mobile banking users generating over 3.93 million internet banking transactions and 5.10 million mobile banking transactions. The Bank's branch network is further complemented by its online and mobile banking solutions that enable it to provide its customers with access to on-demand banking services. 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.

Our Subsidiary, The Maharashtra Executor and Trustee Company Private Limited ("METCO"), provides services auxiliary to banking services such as consultation, drafting and execution of will, management of Public and Private Trusts, Management of investments and properties under power of attorney, guardianship of minor's property. The net profit of METCO for Fiscal 2024 and three-month period ended June 30, 2024, was ₹ 8.14 million and ₹ 1.95 million, respectively. As of June 30, 2024, METCO managed 1048 public and private trusts and 1291 wills in custody for management.

Our Associate, Maharashtra Gramin Bank is a regional rural bank headquartered at Aurangabad covering 17 districts of Maharashtra through 425 branches, as of June 30, 2024. As of June 30, 2024, Maharashtra Gramin Bank had total business from deposits and gross advances of ₹277579.72 million and operating profit of ₹818.21 million.

The table below sets forth summaries of certain of the Bank's key operating and financial performance parameters, as of and for the periods indicated below:

	As of and for the years ended March 31,			**As of and for the three months ended June 30, 2023**	**As of and for the three months ended June 30, 2024**
	2022	**2023**	**2024**		
Average interest-earning assets	1,916,358.47	2,163,146.02	2,503,015.1	2423715.62	2,817,846.78
Net interest income	60,443.97	77,407.78	98,218.45	23397.15	27,991.01
Average Working Funds – AWF	2,080,864.86	2,371,358.27	2701677.07	2644807.67	3009856.77
Average yield(1)	6.24%	6.70%	7.54%	6.4%	7.81%
Cost of funds(2)(%) includes current account	4.09%	4.22%	4.45%	4.19	4.56%
Spread(3)	3.01%	3.46%	3.73%	3.71%	3.78%
Net interest margin(4)	2.90%	3.26%	3.64%	3.54%	3.72%
Return on equity (net profit as a percentage of average total shareholders' equity)	11.65%	20.64%	25.69%	20.38%	23.06%
Return on assets (net profit as a percentage of average working funds)	0.55%	1.10%	1.50%	1.33%	1.72%
Earning per share	1.72	3.87	5.78	1.29	1.83
Book value per share-tangible	15.12	18.97	24.26	21.78	26.45
Tier I capital adequacy ratio	12.38	14.25	13.72	14.36	13.40
Tier II capital adequacy ratio	4.10	3.89	3.66	3.71	3.64
Total Tier I and Tier II capital adequacy ratio	16.48	18.14	17.38	18.07	17.04
Net NPAs(5)	12765.70	4351.80	4089.90	4138.7	4147.00
Net NPAs ratio(6)	0.97	0.25	0.20	0.24	0.20

	As of and for the years ended March 31,			As of and for the three months ended June 30, 2023	As of and for the three months ended June 30, 2024
	2022	2023	2024		
Credit to deposit ratio(7)	66.85	74.81	75.22	71.89	78.17
Cost to income ratio(8)	44.26	39.14	37.55	37.23	37.87
Staff cost to income ratio	23.81	20.54	22.14	22.42	24.37
Other cost to income ratio	20.45	18.60	15.41	14.81	13.50
Interest coverage ratio(9)	4.01	4.17	8.01	6.92	10.06
Provisioning coverage ratio (including technical write-off)(10)	94.79	98.28	98.34	98.37	98.36
Credit cost	1.91	1.29	1.07	1.23	1.12
CASA ratio(11)	57.85	53.38	52.73	50.97	49.86
Slippage ratio(12)	2.41	1.44	1.23	1.26	1.18
Total business	3,375,341.00	4,092,021.84	4,744,111.15	4200411.46	4,764,466.33
Gross total advances	1,352,398.08	1,751,195.00	2,036,639.47	1756758.07	2,090,311.24
Gross Deposits	2,022,942.92	2,340,826.84	2,707,471.68	2443653.39	2,674,155.09

(₹ in million)

Notes:

(1) Average balances are daily averages for deposits/ advances/investments and all others are based on monthly averages as reported to the RBI.

(2) Cost of Fund is the ratio of interest expense to average interest-bearing liabilities.

(3) Spread is the difference between the yield on average interest earning assets and yield on average interest bearing liabilities excluding current deposits.

(4) Net interest margin is the difference between interest earned and interest expended divided by the average working funds (AWF).

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

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

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

(8) 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).

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

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

(11) Ratio of domestic current account deposits and savings account deposits to domestic deposits (including inter-bank deposits).

(12) 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 three-month period ended June 30, 2024 and June 30, 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 86 and "*Financial Statements*" on page 311, including the schedules and notes thereto, included elsewhere in this Preliminary Placement Document. Our Reviewed Financial Results and Audited Financial Statements were prepared in accordance with Indian GAAP and provisions of Banking Regulation Act, read with relevant guidelines and directions issued by RBI. 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 prepared in accordance with IFRS or other accounting principles.

Consolidated Summary Profit and Loss Account for three-month period ended June 30, 2024 and three-month period ended June 30, 2023

(₹ in million)

Particulars	**Three-month period ended June 30, 2024**	**Three-month period ended June 30, 2023**
I. Income		
Interest earned	58,746.78	47,886.62
Share of earnings/loss in Associates	14.07	11.83
Other income	8,940.86	6,292.07
Total	**67,701.71**	**54,190.51**
II. Expenditure		
Interest expended	30,752.44	24,486.51
Operating Expenses	13,989.19	11,055.38
Provisions and Contingencies	10,009.14	9,811.92
Total	**54,750.76**	**45,353.80**
III. Profit/Loss		
Net Profit/(Loss) for the year after minority interest	12,950.95	8,836.71
Profit/(Loss) brought forward	36,353.29	16,574.17
Less: Set off against share premium/other adjustment		
Total	**49,304.24**	**25,410.88**
IV. Appropriations		
Transfer to:		
Statutory Reserves	-	-
Capital Reserves	-	-
Special Reserves	-	-
Revenue Reserves	-	-
Staff Welfare Fund	-	-
Investment Fluctuations Reserve	-	-
Proposed dividend (Equity)	-	-
Balance carried over to Balance Sheet	**49,304.24**	**25,410.88**
Total	**49,304.24**	**25,410.88**
Earnings per share	**1.83**	**1.29**

Consolidated Summary Balance Sheet for Fiscals 2024, 2023 and 2022

(₹ in million)

Particulars	As of March 31, 2024	As of March 31, 2023	As on March 31, 2022
CAPITAL & LIABILITIES			
Capital	70,813.74	67,304.96	67,304.96
Reserves and Surplus	127,892.48	90,597.37	73,313.76
Deposits	2,707,264.23	2,340,641.04	2,022,752.54
Borrowings	77,188.55	107,656.58	77,467.42
Other Liabilities and Provisions	90,131.22	72,071.74	66,995.95
Total	**3,073,290.21**	**2,678,271.69**	**2,307,834.63**
ASSETS			
Cash and Cash Balances with Reserve Bank of India	211,613.42	185,077.22	1,97,219.29
Balances with Banks and Money at call and short notice	91,503.63	212.28	1,940.87
Investments	684,646.50	690,420.32	687,615.63
Loan and Advances	2,002,398.84	1,712,206.71	13,11,704.39
Fixed Assets	22,096.12	21,567.40	22,416.60
Other Assets	61,031.68	68,787.76	86,937.85
Total	**3,073,290.21**	**2,678,271.69**	**2,307,834.63**

Consolidated Summary Profit and Loss Account for Fiscals 2024, 2023, and 2022

(₹ in million)

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**	**Year ended March 31, 2022**
I. Income			
Interest earned	204,948.49	158,985.95	130,193.09
Other income	29,985.94	22,809.35	26,528.59
Total	**234,934.42**	**181,795.30**	**156,721.68**
II. Expenditure			
Interest expended	106,718.28	81,567.88	69,739.61
Operating Expenses	48,152.01	39,224.64	38,500.34
Provisions and Contingencies	39,505.73	34,974.85	36,965.36
Total	**194,376.02**	**155,767.36**	**145,205.31**
III. Profit/Loss			
Net Profit/(Loss) for the year after minority interest	40,717.80	26,050.03	11,534.29
Profit/(Loss) brought forward	16,574.17	5,901.83	1,679.57
Less: Set off against share premium/other adjustment	-	-	-
Share of earnings/ loss in Associates	159.39	22.1	17.92
Total	**57,291.97**	**31,951.86**	**13,213.86**
IV. Appropriations			
Transfer to:			
Statutory Reserves	10,179.45	6,505.09	2,878.84
Capital Reserves	221.36	122.95	836.94
Special Reserves	-	-	-
Revenue Reserves	-	-	-
Staff Welfare Fund	-	-	-
Investment Fluctuations Reserve	623.94	-	231.00
Proposed dividend (Equity)	9,913.92	8,749.65	3,365.25
Balance carried over to Balance Sheet	**36,353.29**	**16,574.17**	**5,901.83**
Total	**57,291.97**	**31,951.86**	**13,213.86**
Earnings per share	**5.80**	**3.87**	**1.73**

Consolidated Cash Flow Statement for Fiscals 2024, 2023, and 2022

(₹in million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash Flow From Operating Activities:			
Income			
Interest received during the year from advances, Investments etc.	204,948.49	158,985.95	135,943.09
Share of earnings/ loss in Associates	159.39	22.08	17.92
Other Income	29,985.94	22,809.35	26,528.59
Less: Expenditure & Provisions			
Interest Paid during the year on Deposits and Borrowings	106,718.28	81,567.88	69,739.61
Operating Expenses	48,152.01	39,224.64	38,500.34
Provisions & Contingencies	39,505.73	34,974.85	42,715.36
Net Increase In Cash due to Increase of Income over Expenses	**40,717.80**	**26,050.03**	**11,534.29**
Add : Non-Cash Items & Items Considered Separately			
Provisions & Contingencies	39,505.73	34,974.85	42,715.36
Depreciation on Fixed Assets	2,234.90	2,624.89	2,683.41
Profit/Loss on sale of Fixed Assets	(8.71)	(19.65)	(10.43)
Share of Earnings/Loss in associates	(159.39)	(22.08)	(17.92)
Interest on Bonds, PCPS and IPDI	4,375.90	3,735.44	3,156.18
Less: Direct Taxes Paid (Net)	-	-	3250.00
Cash Profit Generated From Operations (I)	**86,666.23**	**67,343.46**	**56,810.89**
Increase / (Decrease) of Operating Liabilities:			
Deposits	366,623.20	317,888.49	282,859.58
Borrowings other than Bond Borrowings	(38,208.03)	20,809.16	32,179.91
Other Liabilities & Provision	(22,610.62)	(35,283.41)	(42,072.40)
Total of Increase of Operating Liabilities	**305,804.55**	**303,414.24**	**272,967.08**
Less: Increase / (Decrease) of Operating Assets			
Investments	(5,773.80)	2,804.69	4,801.19
Advances	290,192.13	400,502.32	287,652.72
Other Assets	(7,756.08)	(18,150.09)	(31,639.32)
Total of Increase of Operating Assets	**276,662.26**	**385,156.92**	**260,814.59**
Net Increase Of Operating Liabilities Over Operating Assets (II)	**29,142.29**	**(81,742.68)**	**12,152.49**
Cash Flow From Operating Activities (A) = (I+II)	**115,808.52**	**(14,399.21)**	**68,963.38**
B. Cash Flow From Investing Activities			
Sale of Fixed Assets	34.24	1,471.64	70.79
Purchase of Fixed Assets	(2,789.06)	(3,244.49)	(3,090.52)

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Share of Earnings/Loss in associates	159.40	22.10	17.92
Net Cash Flow From Investing Activities (B)	**(2,595.43)**	**(1,750.76)**	**(3,001.80)**
C. Cash Flow From Financing Activities:			
i) Issue/ (Redemption) of Bonds	7740.00	9,380.00	2,900.00
ii) Dividend on Equity & PNCPS	(8,749.65)	(3,365.25)	-
iii) Dividend Distribution Tax			
iv) Interest on Bonds, PCPS and IPDI	(4,375.90)	(3,735.44)	(3,156.18)
v) Issue of Equity Shares /(Share Application Money)	10,000.00	-	4,037.00
Cash Flow From Financing Activities (C)	**4,614.45**	**2,279.31**	**3,780.82**
Total Cash Flow During The Year (A+B+C)	**117,827.54**	**(13,870.66)**	**69,742.37**

Notes:

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

(2). All figures in brackets represents "Cash Out Flow”

(3). Effect of exchange fluctuation on translation reserve is included in increase/(decrease) in other liabilities.

(4). Previous year figures have been regrouped and reclassified whenever necessary.

Standalone Summary Profit and Loss Account for three month period ended June 30, 2024 and three month period ended June 30, 2023

(₹ in million)

Particulars	**Three-month period ended June 30, 2024**	**Three-month period ended June 30, 2023**
I. Income		
Interest earned	58746.42	47886.08
Other income	8939.27	6288.35
Total	**67685.69**	**54174.43**
II. Expenditure		
Interest expended	30755.41	24488.93
Operating Expenses	13987.26	11053.37
Provisions and Contingencies	10,008.10	9811.36
Total	**54750.77**	**45353.66**
III. Profit/Loss		
Net Profit/(Loss) for the year after tax	12934.92	8820.77
Profit/(Loss) brought forward	35,021.10	15,367.62
Less: Set off against share premium/other adjustment	-	-
Total	**47956.02**	**24188.39**
IV. Appropriations		
Transfer to:		
Statutory Reserves	-	-
Capital Reserves	-	-
Special Reserves	-	-
Revenue Reserves	-	-
Staff Welfare Fund	-	-
Investment Fluctuations Reserve	-	-
Proposed dividend (Equity)	-	-
Balance carried over to Balance Sheet	**47956.02**	**24188.39**
Total	**47956.02**	**24188.39**
Earnings per share	**1.83**	**1.29**

Standalone Summary Balance Sheet for Fiscals 2024, 2023, and 2022

(₹ in million)

Particulars	**As of March 31, 2024**	**As of March 31, 2023**	**As on March 31, 2022**
CAPITAL & LIABILITIES			
Capital	70,813.74	67,304.96	67,304.96
Reserves and Surplus	125,925.26	88,797.68	71,543.72
Deposits	2,707,471.68	2,340,826.84	2,022,942.92
Borrowings	77,188.55	107,656.58	77,467.42
Other Liabilities and Provisions	89,979.37	71,927.84	66,854.63
Total	**3,071,378.60**	**2,676,513.90**	**2,306,113.65**
ASSETS			
Cash and Cash Balances with Reserve Bank of India	211,613.40	185,077.21	1,97,219.26
Balances with Banks and Money at call and short notice	91,503.22	211.90	1,940.47
Investments	682,741.20	688,669.51	685,899.72
Loan and Advances	2,002,398.84	1,712,206.71	13,11,704.39
Fixed Assets	22,096.00	21,567.10	22,416.55
Other Assets	61,025.94	68,781.48	86,933.27
Total	**3,071,378.60**	**2,676,513.90**	**2,306,113.65**

Standalone Summary Profit and Loss Account for Fiscals 2024, 2023, and 2022

(₹ in million)

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**	**Year ended March 31, 2022**
I. Income			
Interest earned	204,946.88	158,984.59	130,192.20
Other income	29,978.66	22,802.71	26,524.79
Total	**234,925.54**	**181,787.29**	**156,716.99**
II. Expenditure			
Interest expended	106,728.44	81,576.81	69,748.23
Operating Expenses	48,143.73	39,218.36	38,490.13
Provisions and Contingencies	39,503.10	34,971.75	36,963.27
Total	**194,375.27**	**155,766.92**	**145,201.63**
III. Profit/Loss			
Net Profit/(Loss) for the year	40,550.27	26,020.37	11,515.36
Profit/(Loss) brought forward	15,367.62	4,724.93	521.60
Less: Set off against share premium/other adjustment	-	-	-
Total	**55,917.89**	**30,745.31**	**12,036.96**
IV. Appropriations			
Transfer to:			
Statutory Reserves	10,137.57	6,505.09	2,878.84
Capital Reserves	221.36	122.95	836.94
Special Reserves	-	-	-
Revenue Reserves	-	-	-
Staff Welfare Fund	-	-	-
Investment Fluctuations Reserve	623.94	-	231.00
Proposed dividend (Equity)	9,913.92	8,749.65	3,365.25
Balance carried over to Balance Sheet	**35,021.10**	**15,367.62**	**4,724.93**
Total	**55,917.89**	**30,745.31**	**12,036.96**
Earnings per share	**5.78**	**3.87**	**1.72**

Standalone Cash Flow Statement for Fiscals 2024, 2023, and 2022

(₹ in million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash Flow From Operating Activities:			
Income			
Interest received during the year from advances, Investments etc.	204946.88	158,984.59	135,942.20
Other Income	29978.66	22,802.71	26,524.79
Less: Expenditure & Provisions			
Interest Paid during the year on Deposits and Borrowings	106728.44	81,576.81	69,748.23
Operating Expenses	48143.73	39,218.36	38,490.13
Provisions & Contingencies	39503.10	34,971.75	42,713.27
Net Increase In Cash due to Increase of Income over Expenses	**40550.27**	**26,020.37**	**11,515.36**
Add : Non-Cash Items & Items Considered Separately			
Provisions & Contingencies	39503.10	34,971.75	42,713.27
Depreciation on Fixed Assets	2234.72	2,624.77	2,683.41
Profit/Loss on sale of Fixed Assets	(8.71)	(19.65)	(10.43)
Interest on Bonds, PCPS and IPDI	4375.94	3,735.44	3,156.18
Less: Direct Taxes Paid (Net)		-	3,250.00
Cash Profit Generated From Operations (I)	**86655.33**	**67,332.68**	**56,807.79**
Increase / (Decrease) of Operating Liabilities:			
Deposits	366644.85	317,883.92	282,886.73
Borrowings other than Bond Borrowings	(38208.03)	20,809.16	32,179.91
Other Liabilities & Provision	(22616.1)	(35,283.40)	(42,098.53)
Total of Increase of Operating Liabilities	**305820.87**	**303,410.15**	**272,968.11**
Less: Increase / (Decrease) of Operating Assets			
Investments	(5928.31)	2,769.79	4,783.27
Advances	290192.13	400,502.32	287,652.72
Other Assets	(7755.54)	(18,150.79)	(31,641.42)
Total of Increase of Operating Assets	**276508.28**	**385,120.32**	**260,794.58**
Net Increase Of Operating Liabilities Over Operating Assets (II)	**29312.59**	**(81,710.17)**	**12,173.53**
Cash Flow From Operating Activities (A) = (I+II)	**115967.92**	**(14,377.49)**	**68,981.32**
B. Cash Flow From Investing Activities			
Sale of Fixed Assets	34.24	1,472.04	70.79

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Purchase of Fixed Assets	(2789.06)	(3,244.49)	(3,090.52)
Net Cash Flow From Investing Activities (B)	**(2754.82)**	**(1,772.45)**	**(3,019.72)**
C. Cash Flow From Financing Activities:			
i) Issue/ (Redemption) of Bonds	7740.00	9,380.00	2,900.00
ii) Dividend on Equity & PNCPS	(8749.65)	(3,365.25)	-
iii) Dividend Distribution Tax	-	-	-
iv) Interest on Bonds, PCPS and IPDI	(4375.94)	(3,735.44)	(3,156.18)
v) Issue of Equity Shares /(Share Application Money)	10,000.00	-	4,037.00
Cash Flow From Financing Activities (C)	**4614.42**	**2,279.31**	**3,780.82**
Total Cash Flow During The Year (A+B+C)	**117827.51**	**(13,870.66)**	**69,742.37**

Notes:

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

(2). All figures in brackets represents "Cash Out Flow"

(3). Effect of exchange fluctuation on translation reserve is included in increase/(decrease) in other liabilities.

(4). Previous year figures have been regrouped and reclassified whenever necessary.

RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. This Preliminary Placement Document contains 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. 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. 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 risks and uncertainties described in this section are not the only risks that are relevant to us, the Equity Shares or the industry and segment in which we operate. 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 161, 178, 86 and 116, 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 are to the twelve months ended March 31 of that year. Unless otherwise specified or as the context requires, financial information herein for Fiscal 2024, 2023 and 2022 and the three month periods ended June 30, 2024 and June 30, 2023 is derived from our Audited and Unaudited Financial Statements.

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

Risk relating to our Business

1. ***Our business is particularly 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 business, results of operations and financial condition.***

We largely depend on our interest earned as our primary source of revenue. Our business could be adversely impacted by a rise in generally prevailing interest rates on deposits, especially if the rise was sudden or sharp. Market interest rate changes affect the interest rates we charge on our interest-earning assets differently from the interest rates we pay on our interest-bearing liabilities and in addition, affect the value of our investments. If we are unable to increase rates charged on our loans and advances or if the volume of our interest-bearing liabilities is larger or growing faster than the volume of our interest-earning assets, an increase in interest rates could result in an increase in interest expense relative to interest earned. In the event of such increase in interest rates, our net interest margin could be adversely affected as the interest paid by us on our deposits could increase at a rate higher than the interest received by us on our advances and other investments. The requirement that we maintain a portion of our assets in fixed income government securities could also have a negative impact on our treasury income since we typically earn interest on this portion of our assets at rates that are generally less favourable than those received on our other interest-earning assets. In Fiscals 2022, 2023, 2024 and three-month period ended June 30, 2024, our Bank's net interest margin was 3.15%, 3.56%, 3.92% and 3.97%, respectively, while net interest income, as a percentage of our total income, was 38.57% 42.58%, 41.81% and 41.35%, respectively in such periods.

Any systemic decline in low-cost funding available to banks in the form of current and savings account deposits would adversely impact the Bank's net interest margin. Pursuant to a notification dated September 4, 2019, the RBI linked all new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans to micro and small enterprises extended by banks with effect from October 1, 2019, to external benchmarks ("**September Circular**"). Further, on February 26, 2020, the RBI stipulated that all new floating rate loans to the medium enterprises extended by banks from April 1, 2020, linked it to the external benchmarks as indicated in the September Circular. This change in the methodology for calculating the cost of funds may lead to lower lending rates and more frequent revisions in lending rates due to the prescribed monthly review of cost of funds. This may impact the yield on our interest-earning assets, our net interest income and our net interest margin. We are also exposed to interest rate risk through our treasury operations. Any rise in interest rates or any greater 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.

If the yield on our interest-earning assets does not increase at the same time or to the same extent as our cost of funds, or if our cost of funds does not decline at the same time or to the same extent as the decrease in yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted. Any systemic decline in low-cost funding available to banks in the form of current and savings account deposits would adversely impact our net interest margin. A slower growth in low-cost deposits compared to total deposits would result in an increase in the cost of funds and could adversely impact our net interest margin if we are not able to pass on the increase to borrowers. 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, income from treasury operations, fixed income portfolio, financial condition of the Bank and the results of operations.

2. *An increase in our portfolio of NPAs or provisioning requirements mandated by the RBI could adversely affect our business, financial condition and results of operations.*

As a result of widespread economic challenges faced by the Indian economy in general, and the corporate sector in particular, as well as changes to RBI policies and guidelines related to non-performing and restructured loans and other changes to the law affecting non-performing and restructured loans, the non-performing loans and provisions of a number of Indian banks, increased significantly in Fiscals 2022, 2023, 2024 and three-month period ended June 30, 2024. As of March 31, 2022, March 31, 2023, March 31, 2024 and June 30, 2024, our Bank's gross NPAs were ₹53,272.13 million, ₹43,340.02 million, ₹ 38,330.53 million and ₹ 38,727.63 million, respectively, representing 3.94%, 2.47%, 1.88 % and 1.85 %, respectively, of our gross advances as of such dates. As of March 31, 2022, March 31, 2023, March 31, 2024 and June 30, 2024, net NPAs were ₹12,765.70 million, ₹4,351.80 million, ₹4,089.90 million and ₹ 4,147 million, respectively, representing 0.97%, 0.25%, 0.20 % and 0.20 % respectively, of our net advances as of such dates.

In the future, our NPAs may continue to fluctuate and any significant increase in our NPAs may have a material adverse effect on our business, results of operations and financial condition. The increase in our NPAs may be due to several factors, including increased competition, macroeconomic conditions, high levels of debt involved in financing of projects, slow industrial and business growth, policies formulated by the GoI and other regulatory authorities, and significant borrowings by companies in India at relatively high interest rates.

Additional adverse economic, regulatory and legal developments, including increased competition, inconsistent industrial and business growth in recent years, high levels of exposure to certain sectors of the economy, the large number of frauds, regulatory and legal changes affecting the Bank's loan portfolio could cause further increases in the level of the Bank's NPA's. While the impact of these developments remains uncertain, they could have a material adverse impact on the quality of the Bank's loan portfolio. For more information on the factors affecting the Bank's NPA levels, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-Performing Loans and Provisioning"* on page 86. Additionally, if the systems and process established by the Bank to identify NPAs fail or are not able to identify the NPAs correctly and in a timely manner, the Bank's business, results of operations and financial condition could be adversely affected.

There can be no assurance that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs. Our retail loan portfolio has grown over the years, but there is limited data on historical loss ratios in retail loans, especially in the event of an economic slowdown or adverse macroeconomic factors. Further, global economic slowdown, inconsistent industrial growth and the impact of global and Indian economic conditions on equity and debt markets may also adversely affect our corporate loan portfolio.

A charge to our profit and loss account creates provisions for NPAs and are subject to minimum provision requirements linked to ageing of NPAs. We also consider our internal estimate for loan losses and risks inherent in the credit portfolio when deciding on the appropriate level of provisions in addition to the relevant regulatory minimum provision. The determination of a suitable level of loan losses and provisions involves a degree of subjectivity and requires that we make estimates of current credit risks and future trends, all of which may be subject to material changes. Any incorrect estimation of risk may result in our provisions not being adequate to cover any further increase in the amount of NPAs or any further deterioration in our NPA portfolio.

If there is any deterioration in the quality of our security or further ageing of the assets after being classified as NPAs, an increase in provisions will be required. This increase in provisions may adversely impact our financial performance. While we have already made provisions for NPAs, there can be no assurance that the RBI will not further increase provisioning requirements in the future. Additionally, the requirements of provisioning prescribed by the RBI may differ from our internal provisioning requirements and accordingly, we may be compulsorily required to comply with the RBI requirements. Provisions for NPAs are created by a charge to our profit and loss account and are currently subject to minimum provisioning requirements linked to the ageing of NPAs. In addition to the relevant regulatory minimum provisioning, we consider our internal estimates for loan losses and risks inherent in the credit portfolio when deciding the appropriate level of provisions. The determination of an appropriate level of loan losses and provisions involves a degree of subjectivity and requires that we make estimates of current credit risks and future trends, all of which may be subject to material changes. Any significant changes in the macroeconomic scenario along with other factors may result in our Bank's provisioning not being adequate to cover any further increase in the amount of NPAs or deterioration in our NPA portfolio. While we have already made provisions for NPAs, there can also be no assurance that the RBI will not further increase provisioning requirements in the future. The surplus from provisioning under the provision coverage ratio as against the provisioning required under the prudential provisioning norms is required to be segregated into an account termed a "countercyclical provisioning buffer". Any future increases in provisions mandated by the RBI could have an adverse impact on our business, financial condition, results of operations and cash flows. Further, the provisioning requirements prescribed by the RBI may differ from our internal provisioning requirements, and we may accordingly be required to increase our Bank's provisions to comply with the RBI's requirements. Our Bank's provision coverage ratio for Fiscals 2022, 2023, 2024 and three-month period ended June 30, 2024 was 94.79%, 98.28%, 98.34% and 98.36% respectively. The surplus from provisioning under the provision coverage ratio as against the provisioning required under the prudential provisioning norms is required to be segregated into an account termed counter cyclical provisioning buffer. Any future increases in provisions mandated by the RBI or other regulatory changes could lead to an adverse impact on our business, future financial performance and the trading price of the Equity Shares.

In April 2017, the RBI required banks to disclose the divergence in asset classification and provisioning between what banks report and what the RBI assesses through the RBI's annual supervisory process. The disclosure is required if either the additional provisioning requirement assessed by the RBI exceeds 10.00% of the published profits before provisions and contingencies for the period, or the additional gross NPAs identified by the RBI exceed 15.00% of the published incremental gross NPAs for the reference period, or both. For Fiscal 2022, Fiscal 2023 and Fiscal 2024, the divergence provisions have been absorbed in the financials of the Bank and the same is not required to be disclosed since the same was within the limit as per the RBI guideline. The RBI may take enforcement action based on divergences between assessments of asset classification and provisioning, which could adversely affect our business, financial condition and results of operations.

In addition to the debt recovery and security enforcement mechanisms available to lenders under the DRT Act and the SARFAESI Act, the RBI provides for various mechanisms that may be adopted by banks to deal with stressed assets. However, there can be no assurance that these regulatory measures implemented by the GoI and the RBI will have an encouraging impact on our efforts to recover NPAs. Any failure to recover the expected value of collateral would expose us to potential loss. We along with other banks in India are also required to share data with each other on certain categories of special mention accounts and credit information relating to the same, set up joint lenders' forums, monitor the asset quality closely and formulate action plans for resolution of these accounts. Any failure to do so may result in accelerated provisioning for such cases which may result in initiation of supervisory actions by the RBI in the event we do not comply with the corrective action plan decisions. Even if an accelerated provision were made, there is no reassurance that we will be able to recover our NPAs. Accordingly, any significant increase in our NPAs may have a material adverse effect on our business, results of operations and financial condition.

3. *Our business and financial performance may be adversely affected by an increase in level of restructured loans in our portfolio and inadequate performance of our restructured loans.*

Restructured standard loans are a part of our standard assets. As of March 31, 2022, March 31, 2023, March 31, 2024 and June 30, 2024, our Bank's gross restructured assets as a proportion of gross advance were 4.10%, 2.39%, 1.11 % and 1.00 %, respectively. As a result of slowing economic activity and the limited ability of corporations to access capital due to volatility in global markets, we have witnessed an increase in restructured loans in the banking system, including within our loan portfolio.

We restructure assets based on a borrower's potential to restore its financial health. However, in case a borrower fails to restore its financial viability and honour its loan servicing commitments to us, such assets classified as restructured may be classified as delinquent or non-performing. There can be no assurance that the debt restructuring criteria approved by us will be adequate or successful and that borrowers will ultimately be able to meet their obligations under restructured loans.

The RBI has permitted lending institutions including our Bank to offer a limited window to individual borrowers and small businesses to implement resolution plans in respect of their credit exposures while classifying the same as standard upon implementation of the resolution plan subject to certain conditions. For further details, see "*Regulations and Policies in India*" on page 235 **Error! Bookmark not defined.**. Our profitability is also adversely affected, as a result of such provisioning requirements under the applicable RBI guidelines The combination of changes in regulations regarding provisioning, and any substantial increase in the level of restructured assets and the failure of these structured loans to perform as expected could materially adversely affect our business, future financial performance and the trading price of the Equity Shares. Our profitability also has been adversely affected, as a result of such provisioning requirements under the applicable RBI guidelines.

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

4. ***In the course of our operations, we are exposed to various categories of borrowers, depositors and industry sectors, and a default by any large borrower, premature withdrawal of deposits or a deterioration in the performance of any of these industry sectors in which we have significant exposure would adversely affect our business, results of operations 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. On June 3, 2019, the RBI released the Guidelines on Large Exposures Framework ("**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 Large Exposures Framework with international norms, which superseded the previous circulars on large exposure framework. Vide a notification dated May 23, 2020, the RBI increased the limit for a bank's exposure to a group of connected counterparties from 25.00% to 30.00% with the view to facilitate a greater flow of resources to corporates on account of the COVID-19 pandemic. As at June 30, 2024 (a) the Bank's nine largest group borrowers amounted to ₹ 166735.68 million, representing 97.82% of the Bank's Tier I Capital, which is ₹170437.85 million; (b) the Bank's exposure to the single largest group borrower as per Large Exposures Framework was ₹ 22914.74 million representing 13.44% 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 ₹157721.40 million, representing 92.53% of the Bank's Tier I Capital. For further information, see "Selected Statistical Information". If any of such 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 challenging. 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, we offer loans to a wide range of industries and businesses. As of March 31, 2024, our Bank's largest fund based exposures were to agriculture and allied activity, housing and infrastructure sectors at ₹ 3,82,747.28 million, ₹ 3,25,847.68 million and ₹ 4,49,352.17 million, respectively, and representing 16.09%, 13.70% and 18.89%, respectively, of our total fund based exposure as at such date. 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, could significantly increase our NPA levels and materially and adversely affect our business, results of operations and financial condition 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.

In December 2015, the Reserve Bank of India released guidelines on the computation of lending rates based on the marginal cost of funds methodology, which is applicable on incremental lending from April 1, 2016. Further, on December 5, 2018, the RBI published a report recommending referencing floating rate advances to certain external benchmarks which came into effect on October 1, 2019. To give effect to the aforesaid, the RBI, by way of its notification dated September 4, 2019, amended the Master Direction on Interest Rate on Advances, dated March 3, 2016, pursuant to which, it linked all new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans to micro and small enterprises extended by banks with effect from October 1, 2019, to external benchmarks ("**September Circular**"). Further, on February 26, 2020, the RBI stipulated that all new floating rate loans to the medium enterprises extended by banks from April 1, 2020, shall be linked to the external benchmarks as indicated in the September Circular. This change in the methodology for calculating the cost of funds may lead to lower lending rates and more frequent revisions in lending rates due to the prescribed monthly review of cost of funds. This may impact the yield on our interest-earning assets, our net interest income and our net interest margin.

We monitor the concentration of exposures to borrowers and calculate customer exposure as required by the RBI. For Fiscals 2022, 2023, 2024 and three-month period ended June 30, 2024, our total exposure to top 20 borrowers (fund-based and non-fund based, including guarantees) was ₹271,467.60 million, ₹ 307297.40 million, ₹2,97,767.08 million, and ₹2,96,452.47 million, respectively, representing 15.20%, 13.74%, 11.56 % and 11.32 %, respectively, of our total exposure. As on June 30, 2024, our largest individual borrower on such date had an exposure of ₹ 21113.78 million, representing 1.48% of our total exposure. If any of these twenty largest customer exposures were to become non-performing, the credit quality of our portfolio and our business, results of operations and financial condition could be materially and adversely affected.

5. *A substantial portion of our Bank's branches are located in Maharashtra making us dependent on the general economic conditions and activities in these regions.*

As of June 30, 2024, 1,211 banking outlets i.e. 1,149 branches and 62 Customer Service Points out of our 2,567(47.18%) banking outlets i.e 2,499 branches and 68 Customer Service Points were located in the State of Maharashtra. Any disruption, disturbance or breakdown in the economy of the State of Maharashtra could adversely affect our business and results of operations. Further, the state of Maharashtra contributed over 62.84 % of our business (advances and deposits) as of June 30, 2024. Our concentration in Maharashtra exposes us to any adverse geological, ecological, economic, social, political circumstances and/or natural disasters, epidemics or pandemics, such as COVID-19 in that region as compared to other public and private sector banks that have a diversified national or international presence. While we have a presence in the other states of India and we are continuing expanding our operation outside of Maharashtra, if there is a sustained downturn in the economy or a sustained change in consumer preferences in Maharashtra region, our business, results of operations and financial condition may be materially and adversely affected.

We face risks with our operations in geographies where we do not possess the same level of recognition with consumer base and commercial operations. In addition, our competitors may already have established operations in the areas outside Maharashtra and we may find it difficult to attract customers in such new areas and successfully compete. We may not be able to successfully manage the risks of such an expansion by our competitors, which could have a material adverse effect on our business, results of operations and financial condition.

6. *We could be subject to volatility in income from our treasury operations, which could have an adverse effect on our business, results of operations and financial condition.*

Our treasury operations contributed to 31.54%, 23.34% 20.54% and 19.92% of our total income during Fiscal 2022, Fiscal 2023 and Fiscal 2024 and three months period ended June 30, 2024, respectively. Our income from treasury operations comprises interest on investment, profit from sale of securities and foreign exchange income. Our treasury operations are vulnerable to changes in interest rates, exchange rates, equity prices and other factors. In particular, if interest rates rise, the valuation of our portfolio may be impaired due to the negative impact on the value of certain investments such as Government securities and corporate bonds. Realised and mark-to-market gains or losses on investments in fixed income securities, including Government of India securities, are an important element of our income and are impacted by movements in market yields. A rise in yields on government securities reduces our income from this activity and the value of our fixed income investments. Any significant or sustained decline in income generated from treasury operations resulting from market volatility may adversely impact our Bank's financial performance and the trading price of the Equity Shares. Though we have operational controls and procedures in place for our treasury operations such as counterparty 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 incur losses in the course of our proprietary trading on our fixed income portfolios. Any such losses could adversely affect our business, financial condition and results of operations.

7. *We may experience delays in enforcing our collateral when borrowers default on their obligations or the value of the collateral provided by borrowers against advances may decrease, exposing us to a potential loss.*

The value of the assets that have been pledged to us as collateral could decline or significantly fluctuate due to factors beyond our control, including deterioration in global and regional economic conditions or of asset values, or as a result of adverse changes in the credit quality of our borrowers and counterparties. As of March 31, 2024, 81.89% of our Bank's advances were secured, as per the RBI guidelines by collateral, including property, real estate assets, plant, equipment, gold ornaments, current assets and pledges or charges on fixed assets, inventory receivables, bank deposits or financial assets such as marketable securities and guarantees provided by our borrowers. In the event of a decline in any of these, some of our loans may exceed the value of their underlying collateral. Changes in asset prices may cause the value of our collateral to decline. While we factor in any reduction in value to an extent, it may not be sufficient if the value of the collateral reduces substantially. This is particularly applicable in situations where the advances are secured by highly depreciating fixed assets such as, vehicles and agricultural equipment, etc.

We may not be able to realize the full value of the collateral, in the event our borrowers default on the repayment of loans, due to various reasons, including a possible decline in the realizable value of the collateral, defective title or pledge of faulty items as security, prolonged legal proceedings and fraudulent actions by borrowers, defects or deficiencies in the perfection of collateral (including due to the inability to obtain approvals that may be required from third parties), errors in assessing the value of the collateral, an illiquid market for the sale of the collateral, current legislative provisioning coverage or changes thereto, future judicial pronouncements, borrowers and guarantors not being traceable, or we may not be able to foreclose on collateral at all. The SARFAESI Act, the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, Insolvency and Bankruptcy Code, 2016, together with the Banking Regulation (Amendment) Ordinance, 2017 promulgated an ordinance dated May 4, 2017 amending the Banking Regulation Act, through which the RBI has been given extensive powers for the recovery of bad loans and resolution of stressed assets. The RBI has also strengthened the ability of lenders to recover NPAs by granting lenders greater rights to enforce security and recover amounts owed from secured borrowers. While we believe that the SARFAESI Act has contributed to our enforcement efforts, there can be no assurance that the legislation will continue to be effective in resolving NPAs. A failure to recover the expected value of collateral security could expose us to potential losses and may adversely affect our business, results of operations and financial condition.

We may not be able to realize the full value of the collateral, due to, among other things, stock market volatility, changes in economic policies of the central government, obstacles and delays in legal proceedings, borrowers and guarantors not being traceable, our records of borrowers and guarantor addresses being ambiguous or outdated, defects in the perfection of collateral, and fraudulent transfers by borrowers. In the event that a specialized regulatory agency gains jurisdiction over the borrower, creditor action can be further delayed. Pursuant to RBI's Prudential Framework for Resolution of Stressed Assets dated June 7, 2019, we may not be allowed to initiate recovery proceedings against a corporate borrower, where the borrowers aggregate total debt is ₹15,000 million or more and 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.

The fluctuations in the prices of gold and real estate may impact our recovery amount during the enforcement of security resulting in write-offs in our loan amount. Any decline in the value of the collateral securing our loans, any inability to obtain additional collateral or our inability to realize the value of collateral may require us to increase our write-offs for credit and other losses. In such a scenario our losses will increase, and our net profit will decline. We may be required to increase our provision for loan losses in case of any decline in the value of the security which could impair our ability to realize the secured assets upon any foreclosure. The amounts we receive upon sale of the secured assets, in the event of a default with respect to any of these loans, may be insufficient to recover the outstanding principal and interest on the loan. Our profitability could be adversely affected, if we are required to re-value the assets securing a loan to satisfy the debt during a period of reduced asset values or to increase our allowance for loan losses and could have a material adverse effect on our business, results of operations and financial condition.

8. *Our Bank may not be successful in implementing its strategies or penetrating new markets.*

For details on our Bank's material strategies, see "*Our Business – Our Strategies*" on page 178. These strategies may ultimately fail to contribute to our Bank's growth or profitability, and may ultimately be unsuccessful. Even if such strategies are partially successful, our Bank cannot assure you that it will be able to manage its growth effectively or fully deliver on its growth objectives.

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

- manage efficiently the operations and employees of its expanding businesses;

- maintain or grow its existing customer base;
- assess the value, strengths and weaknesses of future investments;
- finance strategic investments;
- align the current information technology systems adequately with those of a larger group;
- apply risk management policy effectively to a larger group;
- hire and train additional skilled personnel; and
- manage a growing number of branch offices without over-committing management or losing key personnel, each of which would have a potential adverse effect on our Bank's business and results of operations.

Our Bank may not be able to effectively manage this growth or achieve the desired profitability in the expected timeframe, if at all, or the expected improvement in indicators of financial performance from the expansion. For example, our Bank intends to continue to add new branches over the next few years, which will increase the size of our Bank's business and the scope and complexity of its operations and will involve significant start-up costs. Our Bank may not be able to achieve the desired growth in its deposit base, and our Bank's new branches may not perform as well as its existing branches. See below, "*Our business and financial performance are dependent on maintaining and building a successful branch network. Any failure to maintain and increase our coverage will adversely affect our growth"*. In addition, our Bank may also fail to develop or retain the technical expertise required to develop and grow its digital payments capabilities. 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.

9. Our primary source of funding is in the form of deposits, and we may not be able to secure longer-term funding for our operations when we need it or at a cost that is favourable or at a competitive cost.

We meet most of our funding requirements through short-term and medium-term funding sources, primarily in the form of customer deposits. Failure to obtain our primary sources of funding or replacing them with fresh borrowings or deposits may materially and adversely affect business, results of operations and financial condition.

A substantial portion of our customer term deposits has been a stable source of funding. Many factors affect the growth of deposits, some of which are beyond our control, such as economic and political conditions, competition, availability of better investment alternatives and changing perceptions of retail customers toward savings. For example, retail customers may reduce their deposits and increase their investment in securities for a higher return, while SMEs and mid corporate customers may reduce their deposits in order to fund projects or other capital requirements.

We have traditionally maintained high CASA deposits due to our large retail customer base spread across India. As of June 30, 2024 and March 31, 2024, the share of CASA deposit were 49.86% and 52.73% of the Bank's total deposits. Any decline in CASA share on total deposit could adversely impact the profitability of the Bank. However, our liquidity position will also be adversely affected if a substantial number of our depositors do not roll over term deposits upon maturity. Though retail deposits constitute a significant 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, results of operations and financial condition.

Our other sources of funding are primarily market borrowings such as borrowings from Reserve Bank of India, Other Institutions and Agencies, other borrowings which includes Innovative Perpetual Debt Instruments, repos and refinances. Any 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, results of operations and financial condition. Interest rate fluctuations affect our cost of funds, and as a result, we are exposed to the risk of reduction in spreads, which is the difference between the returns that we earn on our advances and investments and the amounts that we must pay to fund them, on account of changing interest rates. In addition, if we are unable to re-invest the proceeds at similar interest rates, we will also face pre-payment risk on our loans, which may result in losing future interest and reduced cash flow. We may not be able to collect prepayment charges for certain products. We are also not permitted by the extant regulatory guidelines to charge foreclosure charges or prepayment penalties on all floating-rate housing loans to individual borrowers. Further, any downgrade or potential downgrade in our credit rating would also negatively impact the pricing on our issuances of debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital and funding on a competitive basis.

In addition, we may not be able to reduce our deposits if we experience surplus liquidity. We must find ways to lend surplus funds to existing or new borrowers in order to earn interest income and protect our net interest margin. If we cannot secure sufficient loan volumes or earn sufficient interest through our lending activity, our ability to maintain and increase our net interest margin may be adversely affected along with our business, results of operations and financial condition. Any downgrade or potential downgrade in our credit rating would negatively impact the pricing on our issuances of debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital and funding on a competitive basis.

10. *Our Bank may face asset liability mismatches, which could adversely affect our liquidity and, consequently, our business, results of operations and financial condition.*

Our Bank may 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. For example, a major liquidity risk in our Bank would be on account of unanticipated withdrawals of deposits, nonrenewal of deposits and delay in anticipated repayment of advances. 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. However, our Bank implements liquidity management processes to mitigate and control this risk. Our bank has robust liquidity risk management system in place. Un foreseen 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. Also see, “Selected Statistical Information” on page 116.

We have constituted an Asset Liability Management Committee (“ALCO”) to address the abovementioned risks. The ALCO regularly reviews the asset liability mismatch and takes appropriate steps to ensure that we are not exposed to liquidity risk either, in the short or long-term. However, if the abovementioned risks materialise, we may face liquidity problem, resulting in an asset liability mismatch. As a result, we may be required to pay higher rates to attract deposits, which may have an adverse impact on our business and results of operations. Any failure on our part to minimize the asset liability mismatch resulting in higher liquidity risk may adversely affect business, results of operations and financial condition.

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

As of June 30, 2024 and March 31, 2024, government securities represented 92.93% and 93.72% of our domestic investment portfolio, respectively, and comprised 26.65% and 23.74% of our Bank’s deposits. We earn interest on such government securities at rates which are less favourable 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.

Although many of these government securities are short-term in nature, the market value of our holdings could decrease if interest rates increase. In such cases, we may have to choose between liquidating our investments and incurring losses, or holding the securities and potentially being required to recognize an accounting loss upon marking to market the value of such investments, and either outcome may adversely impact our business, results of operations and financial condition.

12. *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 Fiscals 2022, 2023, 2024 and three-month period ended June 30, 2024, our combined exposure in housing and commercial real estate sector was 14.09 %, 13.30 %, 14.96 % and 14.62 %, 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.

13. *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.*

Fee based income increased from ₹13,091.15 million in Fiscal 2023 to ₹15,822.30 million in Fiscal 2024 and from ₹ 3,280.40 million in three-month period ended June 30, 2023 to ₹ 3,678.90 million in three-month period ended June 30, 2024. We generated commission, exchange and brokerage income of ₹ 3,647.40 million for the period ended June 30, 2024, which represented 5.39% of our total income. We also offer other banking services such as bancassurance (distributors of life and non – life insurance products), trustee and tax collection services (including GST). In addition to our primary segments, we offer a comprehensive range of ancillary products and services such as depository services, ASBA facility, electronically secured bank and treasury receipt (eSBTR), locker facilities, safe custody facility, bill payment services, online and off-line fee collection services, payment and remittance services. Our Subsidiary, Maharashtra Executor and Trustee Company Private Limited ("**METCO**"), provides services auxiliary to banking services such as consultation, drafting and execution of will, management of trusts, investments and house properties, guardianship of minor's property, consultation for sale / purchase of property and filing of income tax returns for individuals. 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.

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 fund and share trading facility. We have taken several steps to introduce fee based services, chargeable value added services, upfront fees, consortium fees. 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 materially and adversely affect our business, results of operations and financial condition.

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

As of June 30, 2024, our distribution network included **2,499** branches in India across 28 States and 7 Union Territories in India. In addition, our associate, Maharashtra Gramin Bank, a regional rural bank, headquartered at Aurangabad, Maharashtra has 424 branches covering 17 districts in Maharashtra as of June 30, 2024. One of our strategies is to increase our number of branches and if we fail to do so, our growth strategy and prospects may be adversely affected. Our newly opened branches may not be profitable immediately upon their opening or may take time to break-even. In the event of a delay in achieving break even by the newly opened branches within a reasonable period as envisaged by us, our profitability may be affected. Our branch expansion plans may have an adverse effect on the capital outlay which in turn may adversely affect our business, results of operations and financial condition. There will also be increased expenditure as a result of our strategy to expand into new geographies, including those planned for our branch network expansion, and newer businesses, such as retail assets and, where our brand is not well known in the market. As a consequence of our large and diverse branch network, we may be subject to additional risks inherent with an extensive network, including but not limited to higher technology costs, upgrading, expanding and securing our technology platform in such branches, operational risks including integration of internal controls and procedures, compliance with KYC, AML and other regulatory norms, ensuring customer satisfaction, recruiting, training and retaining skilled personnel, failure to manage third-party service providers in relation to any outsourced services and difficulties in the integration of new branches with our existing branch network. Any of these reasons may result in our failure to manage a large branch presence, which may materially and adversely affect our business, results of operations and financial condition.

15. *Any downgrade of our debt ratings could adversely affect our business.*

As of the date of this Preliminary Placement Document, we have received the following credit ratings on our debt.

Type	**Amount (₹ in million)**	**Ratings**
Basel III Additional Tier I Bonds (Series-1)	2,900.00	Acuite AA (Stable) & Infomerics AA (Stable)
Basel III Additional Tier I Bonds (Series-2)	7,100.00	Acuite AA (Stable) & Infomerics AA (Stable)
Basel III Additional Tier I Bonds (Series-3)	8,800.00	Acuite AA (Stable) & Infomerics AA (Stable)
Basel III Compliant Tier II Bonds (June.2016)	5,000.00	CARE AA+ (Stable) & ICRA AA+ (Stable)
Basel III Compliant Tier II Bonds (March.2020)	6,000.00	CARE AA+ (Stable) & ICRA AA+ (Stable)
Basel III Compliant Tier II Bonds (Series-1)	2,007.00	Acuite AA+ (Stable) & Brickwork AA+ (Stable)

Type	Amount (₹ in million)	Ratings
Basel III Compliant Tier II Bonds (Series-2)	2,050.00	Acuite AA+ (Stable) & Brickwork AA+ (Stable)
Basel III Compliant Tier II Bonds (Series-3)	1,000.00	Acuite AA+ (Stable) & Brickwork AA+ (Stable)
Basel III Compliant Tier II Bonds (Series-4)	10,000.00	CARE AA+ (Stable) & Brickwork AA+ (Stable)
Basel III Compliant Tier II Bonds (Series-5)	3,480.00	Acuite AA+ (Stable) & Infomerics AA+ (Stable)
Basel III Compliant Tier II Bonds (Series-6)	5,150.00	Acuite AA+ (Stable) & Infomerics AA+ (Stable)
Basel III Compliant Tier II Bonds (Series-7)	2,590.00	Acuite AA+ (Stable) & CARE AA+ (Stable)

These ratings assess our overall financial capacity to pay our obligations and are reflective of our ability to meet financial commitments as they become due. There can be no assurance that these ratings will not be revised or changed by the above rating agencies due to various factors. Any downgrade in 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 business, results of operations and financial condition.

16. *Any regulatory investigations, fines, sanctions, relating to our operations could negatively affect our business and financial results, or cause serious reputational harm to our businesses.*

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. The following table sets forth an indicative list of penalties imposed by RBI on our Bank during the Fiscals 2022, 2023, 2024 and three-month period ended June 30, 2024.

Fiscal	Penalty amount (₹ in million)	Reason for penalty
2021-22	21.58	• Penalty for ATM Cash Out. • For failing to comply with RBI directions in respect of correct reporting/ non- reporting of borrowal accounts in Central Repository of Information on Large Credits • For failing to comply with RBI directions in respect of entering into written Service Level Agreement ("SLA") and reviewing the outsourcing arrangement for the counter at Pune International Airport. • For failing to comply with RBI Directions in respect of KYC norms. • For failing to comply with RBI directions on Lending to NBFCs and Bank Finance to NBFCs. • Penalty for deficiency observed in various Currency Chests. • Penalty for shortage/Mutilated Currency Notes/Soiled Notes/Counterfeit Notes detected while Cash Remittance to RBI.
2022-2023	11.98	• Penalty for ATM Cash Out. • Penalty for shortage/Mutilated Currency Notes/Soiled Notes/Counterfeit Notes detected while Cash Remittance to RBI. • Penalty for deficiency observed in various currency chests/branches during RBI inspection.
2023-2024	15.69	• Penalty for ATM Cash Out. • Penalty for shortage/Mutilated Currency Notes/Soiled Notes/Counterfeit Notes detected while Cash Remittance to RBI. • Penalty for deficiency observed in various currency chests/branches during RBI inspection.

Fiscal	Penalty amount (₹ in million)	Reason for penalty
		- For Contravention of RBI Directions on Loan and Advances - Statutory and other restrictions. For failing to comply with the RBI Directions on Man in the Middle (MiTM) Attacks in ATMs.
June 2024	0.15	- Penalty for ATM Cash Out. - Penalty for shortage/Mutilated Currency Notes/Soiled Notes/Counterfeit Notes detected while Cash Remittance to RBI. - Penalty for deficiency observed in various currency chests/branches during RBI inspection.

Also, in the past, deficiencies in our Bank's operations including governance and oversight, credit appraisal and monitoring, NPA identification, risk management, exposure monitoring and collateral management have been identified. For instance, in the past our Bank (a) had not followed extant regulatory guidelines on Large Exposures Framework ("**LEF**") as 10 instances of incorrect/ non reporting of borrowers under LEF were found; (b) while sanctioning housing loans for more than 2 dwelling units our Bank had not considered the exposure to housing loans from third dwelling unit onwards as categorized as Commercial Real Estate exposure under the guidelines on classification of exposures as Commercial Real Estate Exposures issued by RBI; (c) had not obtained Legal Entity Identifier (LEI) for eligible 46 borrowers aggregating ₹1,127.50 million and not reported the same under CRILC platform as on March 31, 2020, out of which timelines for reporting LEI for 26 borrowers was overdue since one year as prescribed by RBI; and (d) is yet to complete its first internal money laundering/ terrorist financing (ML/TF) risk assessment of its customers, stipulated under the risk based approach provided under the KYC master directions issued by RBI.

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 business, results of operations and financial condition.

We cannot predict the initiation or outcome of any further investigations by other authorities or different investigations by the RBI. The penalties imposed by such regulators, 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 materially and adversely affect our business, results of operations and financial condition.

17. The 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 June 30, 2024, the Bank's public shareholding constituted only 13.54% of its total outstanding Equity Shares. The Bank endeavors to take necessary steps to increase the public shareholding as per SCRR so as to comply with minimal public shareholding norms.

18. *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 eight(8) directors on our Board including three (3) Whole-Time Directors, out of which, one (1) is designated as the Managing Director and Chief Executive Officer, while two (2) directors are designated as the Executive Directors , one (1) Government of India Nominee Director, one (1) RBI Nominee Director, (1) Shareholder Director and (2) Part-Time Non-Official Directors. The Board does not have the full strength as prescribed in the Banking Companies Act as the following positions are vacant:

- one position under section 9(3)(a) of the Banking Companies Act to be nominated by the Central Government after consultation with RBI;
- one position each under sections 9(3)(e), 9(3)(f) and 9(3)(g) of the Banking Companies Act to be nominated by the Central Government; and
- three positions under sections 9(3)(h) of the Banking Companies Act to be nominated by the Central Government.

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. In particular, the RBI has issued a circular dated April 26, 2021 which prescribes certain basic requirements with regard to the chairman and meetings of boards of directors, composition of certain committees of boards of directors, age, tenure and remuneration of directors, and appointment of the whole-time directors. Further, we do not have a women director on our Board as per the SEBI Listing Regulations.

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.

19. *Our Bank may not be able to sustain the growth rate of our retail asset portfolio or maintain the quality of our portfolio.*

Over the years, our Bank has increased its focus on retail lending portfolio. Our Bank's retail asset portfolio was ₹ 531,610 million and ₹ 517,266 million as at June 30, 2024 and March 31, 2024, respectively. Our advances to the retail sector represented 25.43%, 25.40%, 24.80% and 26.19% of our total advances respectively as of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, respectively. We intend to continue our focus on increasing retail lending portfolio i.e. housing, vehicle, education, personal and other retails loans by offering new products and services and by cross selling to our customers through marketing. While we anticipate continued demand in the retail banking business, growth of our retail portfolio is subject to various factors including rationalization of branch network and manpower. We cannot assure you that we will be able to grow at the rate we have experienced in the past, which could materially and adversely affect our business, results of operations and financial condition.

In addition, the Bank's current growth strategy contemplates further growth in our retail asset portfolio. 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. As a result, our Bank's credit risk exposure is higher compared with banks operating in more developed markets. 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. As a result, our Bank is exposed to higher credit risk in the retail asset segment as compared to banks in more developed markets. If our Bank's screening process proves to be inadequate, we may experience an increase in impaired loans and we may be required to increase our provision for defaulted loans. Further, if the Bank is unable to maintain the quality of our retail loan portfolio as Bank grows its retail business, our Bank NPAs may increase, which could materially and adversely affect our business, results of operations and financial condition.

20. *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, we believe, 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 credit-worthiness 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.

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 business, results of operations and financial condition could be adversely 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 business, results of operations and financial condition could be negatively impacted by such reliance on information that is inaccurate or materially misleading. As a consequence, our ability to effectively manage our credit risk may be adversely affected.

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. 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, recognized 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. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our nonperforming and restructured assets, which could materially and adversely affect our business, results of operations and financial condition.

21. *Our Bank's retail assets portfolio has experienced significant growth. If our Bank 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:

(amount in ₹million except as stated otherwise)

	As of March 31,			**As of June 30,**	
	2022	**2023**	**2024**	**2023**	**2024**
Retail credit portfolio (₹ crore)	35422.22	43432.60	51726.59	44952.00	53161.00
Total Domestic Advance (₹ crore)	1,35,240	1,75,120	2,03,664	1,75,676	2,09,031
Retail credit portfolio, as a percentage of total loans (%)	26.19%	24.80%	25.40%	25.58%	25.43%

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.

22. *Indian accounting principles differ from those which prospective investors may be familiar with in other countries. In addition, the effects of the planned convergence with, and adoption of, IFRS are uncertain.*

Our standalone and consolidated financial statements as of, and for the years ended, March 31, 2022, March 31, 2023, March 31, 2024 and three-month period ended June 30, 2024, have been prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of other accounting principles, such as U.S. GAAP or IFRS, on the financial data included in this Preliminary Placement Document, nor have we provided a reconciliation of our financial statements to those prepared pursuant to U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in several respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Persons not familiar with Indian accounting practices should, accordingly, consult their own professional advisors before relying on the financial disclosures presented in this Preliminary Placement Document.

In addition, there may be less publicly available information about Indian body corporates, such as the Bank, than is regularly made available by body corporates/ public companies in such other countries. Body corporates in India, including the Bank, have been required to prepare financial statements under Ind AS according to the implementation roadmap drawn up by the Indian Ministry of Corporate Affairs. The Bank may be adversely affected by this transition.

The Ministry of Corporate Affairs, in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS for scheduled commercial banks, insurers, insurance companies and non-banking financial companies. This roadmap requires all financial institutions (including the Bank) to prepare Ind AS-based financial statements for the accounting periods beginning from April 1, 2018 onwards with comparatives for the periods ending March 31, 2018 and thereafter. However, the RBI through a circular dated March 22, 2019 has deferred the implementation of Ind AS for scheduled commercial banks, insurers, insurance companies and non-banking financial companies until further notice. The RBI through a circular dated February 11, 2016 required banks to submit proforma Ind AS financial statements to the RBI from the half-year ended September 30, 2016. In addition, banks are required to disclose in the annual report, the strategy for Ind AS implementation, including the progress made in this regard. Moreover, although we currently have an internal control framework in place in order to report our financial statements under Indian GAAP, we will have to modify our internal control framework and adopt new internal controls in order to report under Ind AS. These new internal controls will require, amongst others, a transition to more model-based evaluation of certain items, as well as staff that are adequately knowledgeable with Ind AS. There is no guarantee that we will be able to implement effective internal controls under Ind AS in a timely manner or at all and any failure to do so could materially adversely affect business, results of operations and financial condition.

23. *The Bank or its customers may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.*

U.S. law generally prohibits or restricts U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of sanctions (such as Cuba, North Korea, Ukraine, Russia, Iran, Sudan and Syria, among others) and with certain persons or businesses that have been specially designated by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**") or other U.S. government agencies. Other countries, governments and international or regional organizations also administer similar economic sanctions. The Bank provides transfer, settlement and other services to customers doing business with, or located in, countries to which certain OFAC-administered and other sanctions continue to apply, or was applicable in the past. Although the Bank believes it has compliance systems in place that are sufficient to block prohibited transactions, and the Bank has not been notified that any penalties or other measures will be imposed on it or its subsidiary or associate, there can be no assurance that the Bank will be able to fully monitor all of its transactions for any such potential violation.

24. ***We distribute third-party investment 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 operations and financial condition.***

We have increased our focus on fee and commission-based income over a period of years. In order to grow our non-interest income, we distribute third-party investment products, brokerage and insurance products and provide portfolio management services. We have engaged with various third parties to distribute such products. However, we have no control over the actions of such third parties and their products. Any failure on the part of such third parties, including any failure to comply with applicable regulatory norms, 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 adversely affect our business, financial position and results of operations. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreement with us or if we fail to renew their service agreement, in a timely manner, or at all, our business, financial condition and results of operations will be adversely affected.

25. ***We make significant advances to the agricultural sector and any change in lending rates applicable to this sector may adversely affect our business, financial position and results of operations.***

As of March 31, 2022, March 31, 2023, March 31, 2024 and June 30, 2024, , our Bank's loan portfolio contained significant advances to the agricultural sector amounting to ₹196,171.53 million, ₹245,194.90 million,₹ 314,418.30 million and ₹ 327,867.90 million, respectively, which represented 18.81%, 20.82%, 18.72% and 18.46% respectively, of the Bank's adjusted net credit in such periods. Public sector banks may be required by the GoI to lend to the agriculture sector at below market rates. The RBI Master Directions on "Priority Sector Lending - Targets and Classifications", stipulate that our agricultural advances shall be 18.00% of adjusted net bank credit or credit equivalent amount of off-balance sheet exposure, whichever is higher, out of which a target of nine percent is prescribed for Small and Marginal Farmers ("**SMFs**"). Further, 7.5% of the adjusted net bank credit or the credit equivalent amount of off-balance sheet exposure, whichever is higher, is prescribed for microenterprises and 12.00% is prescribed for advances to weaker sections. The targets prescribed for weaker sections and small and marginal farmers shall be implemented in a phased manner. Any revision in the definition or classification of segments eligible for priority sector lending could impact our ability to meet priority sector lending requirements. In addition, the exposure of public sector banks including us to the agricultural sector involves a higher degree of risk, as repayment of agricultural loans is significantly dependent on weather patterns and agricultural output as well as commodity price fluctuations. Further, certain state governments have in the past waived loans to certain customer segments, such as farmers, and we cannot assure you that similar measures will not be taken in the future, which may have an adverse impact on the overall loan recovery climate and may negatively affect the risk-adjusted returns of public sector banks and further, adversely affect our business, future financial performance and the trading price of the Equity Shares. In the event that we are required to increase our exposure to the agricultural sector pursuant to GoI mandated directed lending, it may adversely affect our business, financial position and results of operations.

26. ***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.***

We are required to comply with applicable anti-money laundering and anti-terrorism laws and other regulations in India. These laws and regulations require us to adopt certain measures, including, to adopt and enforce "know-your-customer/ anti-money laundering/ combating financing of terrorism" ("**KYC/AML/CFT**") policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities. Remittances and trade finance transactions are increasingly required to be scrutinized and monitored. We are also required to undertake constant review and assessment of existing control processes and programs to meet the increased regulatory expectation. We cannot assure you that we will always keep pace with frequent reviews and rapid upgrading required by such regulatory developments. While we regularly adopt policies and procedures aimed at detecting and preventing the use of our banking networks for money-laundering activities and by terrorists and terrorist-related organizations and individuals generally, such policies and procedures may not completely eliminate instances where our system may be used by other parties to engage in money-laundering and other illegal or improper activities due to, in part, the short history of these policies and procedures. In addition, there may be significant inconsistencies in the manner in which specific operational and KYC/AML/CFT policies are actually interpreted and implemented at an operational level in each of the branch and other customer interface levels.

In August 23, 2013, the RBI imposed a penalty of ₹5 million, on us for non – adherence with certain KYC and AML guidelines, like customer identification procedure, non – adherence of KYC norms for walk in customers including for sale of third party products, non – adherence to instructions on import of gold on consignment basis, non – adherence to the RBIs instructions on monitoring of transactions in customer accounts. In January 4, 2019, RBI imposed a penalty of ₹10 million on our Bank for non-compliance with Master Directions on Frauds-Classification and Reporting dated July 01, 2016 and Master Direction on KYC dated February 25, 2016 (updated as on July 08, 2016) issued by RBI. 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, instruct us to cease operations. In addition, any adverse action taken by such agencies could adversely affect our reputation, thereby affecting our business and future financial performance. For further information, see "*Legal Proceedings*" on page 304

27. We may face conflicts of interest relating to our Associate, Maharashtra Gramin Bank.

Our Associate, Maharashtra Gramin Bank ("**MGB**"), is a regional rural bank with 424 branches covering 17 out of 36 districts in Maharashtra, as at June 30, 2024. We have no agreements with MGB that restricts them from offering similar products and services as us and as a result, our relationship with MGB may cause certain conflicts of interest. Since, substantial portion of our Bank branches and MGB's branches are in Maharashtra, there can be potential conflict with respect to the products and services that we offer. There can be no assurance that we will be able to successfully compete with MGB and if it continues to offer and distribute our products in the businesses that we are currently engaged in or if we forego certain business opportunities because of our relationship with MGB, our business, results of operations and financial condition could be adversely affected.

28. There are limitations in the scope of the procedures adopted by our statutory auditors in the audit of our financial statements.

We are a commercial bank with a network of 2,499 branches in India as of June 30, 2024 and 2,489 branches as of March 31,2024. In March 31, 2024, Audited Consolidated Financial Statements, SCA Firms have audited 46 Zonal offices, 20 branches and Treasury and International Banking Division ("**TIBD**"). Further Statutory Branch Auditors (SBA) have audited reports in respect of advance and non-performing assets 524 branches, specifically appointed for this purpose. These audit reports cover 71.73% of the advances portfolio of the bank, 78.42% of non-performing assets of the Bank, including the financial results for Top 20 Branches and TIBD. Apart from these review reports, SCA have relied upon various information and un-reviewed returns received from the unaudited branches of the bank.

As noted in the audit reports for the financial statements for Fiscals 2022, 2023 and 2024, there are certain limitations in the scope of the audit of such financial statements. For further details, see "*Financial Statements*" on page 311. An inability to maintain an effective internal audit system or adequate procedures by our officials in the audit of our financial statements may affect the reliability of our financial statements.

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

We declared and paid dividends of ₹0.50 (5%) per equity share to our shareholders for the Fiscal 2022, dividends of ₹1.30 (13%) per equity share to our shareholders for the Fiscal 2023 and dividends of ₹ 1.40 (14%) per equity share to our shareholders for the Fiscal 2024. However, there can be no assurance that we will pay dividends in the future and, if we do, as to the level of such future dividends.

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 results of operations and financial condition and other factors considered relevant by our Board and our shareholders. Declaration of dividend by public sector banks (PSUs) are governed by RBI Master Guidelines issued vide its circular no RBI/2004-05/451DBOD.NO.BP.BC. 88 / 21.02.067 / 2004-05 dated May 4, 2005. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time.

We cannot assure you that we will generate sufficient income to cover our operating expenses and shall be able to pay dividends. In addition, dividends that we have paid in the past may not be reflective of the dividends that we may pay in a future period. Our future dividend policy will depend on our revenues, profits, cash flow, financial condition, capital requirements and other factors. For further information, see "*Dividend Policy*" on page 85

30. The banking industry in India is subject to extensive regulation and significant changes in the banking regulations may adversely affect our business, financial position and results of operations.

The banking and financial sector in India is highly regulated and extensively supervised by the RBI. See *"Regulations and Policies in India"* on page 235 Banks are generally subject to changes in Indian law, as well as to changes in regulations, government policies and accounting principles. We operate in a highly regulated environment in which the RBI, SEBI and other domestic and international regulators regulate our operations. As we operate under licenses or registrations obtained from appropriate regulators, 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 affected by any changes in policies for banks in respect of directed lending, reserve requirements and other areas. For example, the RBI could change its methods of enforcing directed lending standards so as to require more lending to certain sectors, which could require us to change certain aspects of our business. 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 or those that reduce our profits through a limit on either fees or interest rates that we may charge our customers or those affecting foreign investment in the banking industry, as well as changes in other governmental policies and enforcement decisions, income tax laws, foreign investment laws and accounting principles. The laws and regulations governing the banking sector, including those governing the products and services that we provide or propose to provide, could change in the future.

The Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2020 dated September 4, 2020 ("**PSL Regulations**") sets out the broad policy in relation to priority sector lending. The Priority Sector Lending Regulations apply to all commercial banks licensed to operate in India by the RBI. In terms of the PSL Regulations, the sectors categorised as priority sectors are agriculture, micro, small and medium enterprises ("**MSME**"), export credit, education, housing, social infrastructure, renewable energy and other sectors. Further, the PSL Regulations stipulate that domestic commercial banks will have to allocate 40.00% of the adjusted net bank credit ("**ANBC**") to PSL or credit equivalent of off balance sheet exposures ("**CEOBE**"), whichever is higher. Further, for agriculture sector, micro enterprises and advance to weaker sections, the targets are 18.00%, 7.50% and 12.00% of the adjusted net bank credit or credit equivalent of off-balance sheet exposures, whichever is higher, respectively. It has also prescribed sub-targets for small and marginal farmers, micro-enterprises and weaker sections. Economic difficulties are likely to affect those borrowers in priority sectors more severely. The outstanding under Priority Sector Lending (including investments) as of June 30, 2024 and March 31, 2023 and March 31,2024 stood at 48.09 %, 58.37 % and 50.98 %, respectively of adjusted net bank credit (ANBC) as against the mandatory target of 40%. On November 7, 2012 the RBI issued guidelines to consolidate the various instructions or guidance on liquidity risk management and to harmonize and enhance these instructions or guidance in line with the Principles for Sound Liquidity Risk Management and Supervision as well as the Basel III Guidelines. They include enhanced guidance on liquidity risk governance, the measurement, monitoring and reporting of liquidity positions to the RBI and minimum global regulatory standards of Liquidity Coverage Ratio ("**LCR**") and Net Stable Funding Ratio ("**NSFR**"). The RBI also issued the final guidelines on 'Framework on Liquidity Standards – Liquidity Coverage Ratio ("**LCR**"), Liquidity Risk Monitoring Tools and LCR Disclosure Standards' on June 9, 2014 to be implemented by the banks immediately and the LCR binding on banks from January 1, 2015. RBI issued the guidelines for NSFR effective from January 1, 2018. However, in view of the ongoing stress on account of COVID-19, the RBI decided to defer the implementation of NSFR guidelines. The guidelines for NSFR has come into effect from October 1, 2021. The RBI issued the Guidelines for implementation of Counter Cyclical Capital Buffer ("**CCCB**") in February 2015. According to the CCCB guidelines, our Bank will have to maintain higher level of Common Equity Tier 1 ("**CET1**") capital ranging from 0% to 2.5% of total risk weighted assets ("**RWA**") of the banks, if the credit-to-GDP ratio in India is in the range of 3% to 15%. However, pursuant to a press release dated April 19, 2021, RBI has decided that it is not necessary to activate CCCB at this point in time. The RBI also stipulates policy measures designed to curb inflation. Over the last few fiscal years, the RBI has, in order to increase liquidity, reduced the repo rate and the reverse repo rate. 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 RBI from time to time, pursuant to Section 24 of the Banking Regulation Act. At present, the required SLR is 18%. The CRR is currently at 4.50%. Any increase in RBI-mandated reserve requirements or capital requirements applicable to the Bank on account of regulatory changes or otherwise may compel the Bank to commit its existing capital away from profitable business opportunities, or to raise additional capital, in order to meet these new capital adequacy requirements. The Bank may also be compelled to dispose of certain of its assets and/or take other measures in order to obtain the necessary capital to meet more stringent capital requirements. This would limit the Bank's ability to grow its business or adversely impact its profitability and its future performance and strategy. If we are unable to meet the requirements of the RBI, the RBI may impose penal interest or prohibit fresh deposits, which may have a material adverse effect on our business, results of operations and financial condition.

The laws and regulations governing the banking sector, including those governing the products and services that we provide or propose to provide, could change in the future, and any changes may adversely affect our business, our future financial performance and the trading price of our Equity Shares. Any change to the existing legal or regulatory framework will require us to allocate additional resources, which may increase our regulatory compliance costs and direct management attention and consequently affect our business.

31. *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.*

We have relationships with various correspondent banks and financial institutions across the globe to carry out our dealings in foreign currencies and for facilitating its treasury, trade and remittance transactions. We maintain Nostro accounts in foreign currencies with such correspondent foreign banks 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. We could be forced to scale back our treasury, trade and remittance business, in the event that we are unable to open new accounts or continue to maintain existing accounts with our correspondent banks for any reason whatsoever, which could adversely affect our business, results of operations and financial condition.

32. *We are subject to capital adequacy norms and are required to maintain a 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 business, results of operations and financial condition.*

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) as on date. In addition, RBI issued 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 for inclusion in Tier I capital. The RBI Basel III Capital Regulations also set out elements of regulatory capital and the scope of the capital adequacy framework, including disclosure requirements of components of capital and risk coverage. The transitional arrangements for the implementation of Basel III capital regulations in India began on April 1, 2013 and as on date of this Preliminary Placement Document, the Bank is in compliance with RBI Basel III Capital Regulations. Due to increase of size of assets and accordingly the risk weighted assets, there may be an impact on the CRAR under the Basel III standards. Although we have been maintaining a CRAR under the Basel III standards, which was 17.04% as of June 30, 2024, as compared to the regulatory minimum requirement of 11.50%. Further, any adverse developments could affect our ability to continue to satisfy the capital adequacy requirements, including deterioration in our asset quality, decline in the values of our investment or applicable risk , there can be no assurance that we will be able to maintain our CRAR within the regulatory requirements in future. In case the CRAR falls below the regulatory minimum requirement we may be constrained in further expanding our business. In June 28, 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. As of June 30, 2024, the Bank is maintaining the leverage ratio at 6.27%. The Bank's ability to grow its business and execute its strategy is dependent on its level of capitalization. Any decrease in the Bank's regulatory capital ratios, increase in RBI-mandated reserve requirements or capital requirements applicable to the Bank on account of regulatory changes or otherwise, or inability to access capital markets may compel the Bank to commit its existing capital away from profitable business opportunities, or to raise additional capital, in order to meet these new capital adequacy requirements. For example, the requirement that the Bank maintain a portion of its assets in fixed income government securities could have a negative impact on its treasury income as the Bank typically earns interest on this portion of its assets at rates that are generally less favourable than those typically received on its other interest-earning assets. The Bank may also be compelled to dispose of certain of its assets and/or take other measures in order to obtain the necessary capital to meet more stringent capital requirements. This would limit the Bank's ability to grow its business or adversely impact its profitability and its future performance and strategy.

In addition, if the Bank is unable to meet the RBI's capital reserves requirements or regulatory capital ratios in the future, the RBI may impose additional penalties or prohibit fresh deposits, which may materially and adversely affect the Bank's business, results of operations and financial condition.

The liquidity coverage ratios prescribed by the RBI Basel III Capital Regulations may result in Indian banks, including the Bank, holding higher amounts of liquidity, thereby impacting their profitability. In addition, any sudden increase in the demand for liquidity by banks to meet these regulatory liquidity requirements could have an adverse impact on the financial markets, and result in a sharp increase in short-term borrowing costs and a sudden increase in the cost of funding for banks, including the Bank.

In the past, the Bank has raised resources from the capital markets in order to meet its capital requirements. However, the Bank believes that the demand for Basel III compliant debt instruments such as Tier II capital eligible securities may be limited in India, and there can be no assurance that the Bank will be able to raise adequate additional capital in the future at all or on terms favourable to it. Moreover, if the Basel Committee releases additional or more stringent guidance on capital adequacy norms which are given the effect of law in India in the future, the Bank may be forced to raise or maintain additional capital in a manner which could materially adversely affect our business, results of operations and financial condition.

33. *We are exposed to operational risks, as well as weakness or failures of our internal control systems that may cause significant operational errors, which may in turn materially and adversely affect our business, results of operations and financial condition.*

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 Fiscal 2024, we reported 472 frauds, and the total amount involved was ₹ 740.59 million. Our risk management techniques may not be fully effective in mitigating our risk exposure in all market environments or against all types of risks, including risks that are unidentified or unanticipated. Some methods of managing risk are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up to date or properly evaluated. Management of operational, legal or regulatory risk, compliance risk, conduct risk, environmental social and governance risk and other non-financial risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events. Although we have established these policies and procedures, these policies may not be fully effective which could adversely affect our business, results of operations and financial condition.

34. *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 strong 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.

35. *Our inability to maintain or grow our CASA ratio may result in higher cost of deposits and impact our business, results of operations and financial condition.*

We have traditionally maintained high CASA deposits because of our large retail customer base. As of June 30,2024 and March 31, 2024, the share of CASA deposits was at 49.86% and 52.73%, respectively of our total deposits. The state government of Maharashtra ("**GoM**") has issued a Govt. Resolution in favour of maintaining government accounts with public sector banks. As a result, various departments of GoM will be required to maintain their accounts with public sector banks, such as our Bank. While the potential effect of any such additional CASA deposits at our Bank from various departments of GoM may be to allow the Bank to keep its term deposit interest rate relatively lower as compared to the general market rate, we may not be able to maintain our CASA deposits and ratio owing to the increased competition from other banks and lending institutions. In order to attract retail customers and increase our CASA deposits, we intend to introduce new products and promote our products through marketing campaigns. The interest rates that we must pay to attract customer deposits are determined by numerous factors such as the prevailing interest rate structure, competitive landscape, Indian monetary policy and inflation. However, there is no assurance that we will be successful in growing our CASA base. If we fail to maintain or grow our CASA ratio, our business, results of operations and financial condition may be adversely affected.

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

We face competition in all our principal areas of business. Private sector banks, foreign banks and other public sector banks are our main competitors, followed closely by small finance banks, non-banking finance companies, insurance companies, housing finance companies, payment banks, asset management companies, development financial institutions, mutual funds, and investment banks.

We may also face increased competition from foreign banks if the Indian retail market is further liberalized or if regulations and restrictions upon branch network growth by foreign banks are simplified or reduced, foreign banks may operate in India by establishing wholly owned subsidiaries, which are allowed to raise Rupee resources through issue of non-equity capital instruments. In addition, wholly owned subsidiaries of foreign banks may be allowed to open branches in Tier II to Tier VI towns except at specified locations considered sensitive for national security reasons. Further, under the foreign exchange regulations, an aggregate foreign investment of up to 49.00% under the automatic route, and 74.00% under the government approval route, in Indian private sector banks is allowed as compared to 20.00% under the government route for public sector banks.

The Indian financial sector may also experience further consolidation which could result in fewer banks and financial institutions offering additional comprehensive services and products. For example, in one of the largest consolidations in the Indian banking industry, the State Bank of India merged with its five associate banks and the Bharatiya Mahila Bank, which became effective on April 1, 2017. Moreover, the Government announced the amalgamation of three other public sector banks in Fiscal Year 2019, and several additional amalgamations of public banks were announced by the Government in Fiscal Year 2020. These trends are expected to increase competitive pressures on the Bank in the future.

Further, innovations in the payments system and increasing use of mobile banking are leading to emergence of new platforms for cashless payments. These and other trends in technology could increase competitive pressures on banks, including the Bank, to adapt to new operating models and upgrade back-end infrastructure on an ongoing basis in order to compete more effectively. There is no assurance that the Bank will be able to respond adequately new technology developments or be in a position to dedicate sufficient resources to upgrade its systems and compete with new players entering the market. Some or all of these entities, which have substantially more resources than the Bank and other Indian banks, may eventually seek a larger share of the banking and financial services market in India and compete with the Bank.

In addition, changing customer behaviour and expectations could increase competitive pressures in the Indian banking sector. The Bank has seen an increase in customer complaints in recent years. For example, increased accessibility to smartphones, tablets and other technologies has decreased overall customer loyalty across the Indian banking industry as customers can easily compare the costs, fees and other charges for availing a particular banking product or service across banks, resulting in increased expectations from customers, decreased customer loyalty and greater competitive pressures across the overall banking industry. The Bank cannot assure you that it will be able to respond and adapt to such changing behaviours and expectations adequately or at all.

Any changes in the banking structure in India, including the entry of new banks, greater competition between existing players and improvement in the efficiency and competitiveness of existing banks, may have an adverse impact on the Bank's business. Due to competitive pressures, the Bank may be unable to successfully execute its growth strategy or offer products and services at reasonable returns and this may adversely impact its business. See "*Our Business – Competition*" on page 213.

37. We offer unsecured loan to customers that are subject to greater credit risk than our secured loan portfolio.

Our loan products include unsecured personal loans to the retail customer segment, including salaried individuals and self-employed professionals, as well as unsecured loans to small businesses, public sector undertakings individual business proprietors as well as certain corporate groups. As of June 30, 2024 and March 31, 2024, our Bank's unsecured loans amounted to ₹369,418.60 million and ₹362,693.78 million, which represented 17.97% and 18.11% respectively, of our Bank's net advances. Our unsecured loans are subject to greater credit risk than our secured loan portfolio because they may not be supported by realizable collateral. Although we typically 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 expansion in our unsecured loan portfolio could require us to increase our provision for credit losses, which could adversely affect our business, results of operations and financial condition.

38. 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 1,164 branches in Tier I centres and 1,335 branches in Tier II to Tier VI centres, as of June 30, 2024. Deposits maintained at Tier I centres constitute 73.91% of our total deposits. 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 in Tier I cities. Any inability to grow our deposit base may adversely impact our business prospects.

39. 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 June 30, 2024, our Bank reported a total of 791 borrowers as wilful defaulters to the RBI while the total amount outstanding of such borrowers' accounts was ₹ 69,268.89 million. 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.

40. *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 business, results of operations and financial condition.*

Our business is largely dependent on our information technology systems. We service our customers, undertake risk management functions, deposit services, loan origination functions, as well as our increasing portfolio of products and services through our information technology systems. We also rely on our technology platform to undertake financial control and for transaction processing. In addition, our systems connect our ATMs, branches, internet banking, mobile banking and call centres and other delivery channels.

Our hardware and software systems are also subject to damage or defaults by human error, natural disasters, power loss, sabotage, cyber-attacks, computer viruses and similar events or the loss of support services from third parties such as internet service providers. 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 believe we have developed systems and controls in accordance with our business continuity policy including a geographically remote disaster recovery site at Hyderabad to support critical applications, there can be no assurance that such disaster recovery sites will operate as intended or in a timely manner.

In the past, we have faced instances of business disruption due to technological failure as well as due to non-technological failure which impacted the customer services segments during such period of disruptions. There can be no assurance that we will not encounter such disruptions in the future due to substantially increased number of customers and transactions, or other reasons. Any inability to maintain the reliability and efficiency of our systems could adversely affect our reputation, and our ability to attract and retain customers. In the event we experience system interruptions, errors or downtime, and are unable to develop the required technology or in the event we experience any other lapses in our systems, our business, results of operations and financial condition may be materially and adversely affected.

41. *The increasing adoption of digital technologies, as well as legal or regulatory changes may affect the Bank's retail banking strategies and may adversely impact the competitive advantages the Bank derives from the Bank's physical branch network.*

The Bank has expended significant efforts in establishing a physical branch network and other retail distribution assets. Advances in technology such as digital and mobile banking, self-service technologies, proximity or remote payment technologies, as well as changing consumer preferences for these other methods of delivering banking services, could decrease the value of the Bank's physical branch network and the competitive advantage that the Bank derives from such assets. As a result, the Bank may need to re-evaluate the Bank's retail banking strategy and potentially restructure the Bank's physical branch network in the future. This may also require us to invest significantly in building new technology platforms or other alternative strategies in order to continue competing effectively. These actions may lead to losses on these assets or may adversely impact the carrying value of such assets or increase the Bank's expenditures.

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

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

We are involved in various legal proceedings in the ordinary course of our business. These legal proceedings are pending at different levels of adjudication before various courts, tribunals, statutory and regulatory authorities/ other judicial authorities. These matters generally arise because we seek to recover dues from borrowers, further we have field complaints before relevant authorities against certain of our borrowers on account of fraud and/or under the Negotiable Instruments Act, 1881 in relation to dishonour of cheques issued by such borrowers. 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 can give no assurance that these legal proceedings will be decided in our favour and we may incur significant expenses and expend substantial management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If there are any 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, results of operations and financial condition, which could adversely affect the trading price of our Equity Shares. As on June 30, 2024, the Bank has nil material complaints on account of fraud. If our provisioning is inadequate relative to actual losses on final judgment, such additional losses could have an adverse impact on our business, results of operations and financial condition. For further information on litigations, see *"Legal Proceedings"* on page 304

43. ***A substantial portion of our loans have a tenor exceeding one year, exposing us to risks associated with economic cycles and project success rates.***

As of June 30, 2024, loans with a remaining tenor exceeding one year represented 71%, of our Bank's total term loan portfolio. The long tenor of these loans may expose us to risks arising out of economic cycles. In addition, some of these loans are project finance loans. There can be no assurance that these projects will perform as anticipated or that such projects will be able to generate cash flows as estimated to service commitments under the loans. We are also exposed to infrastructure projects that are still under development and are susceptible to risks arising out of delay in execution, failure of borrowers to execute projects on time, delay in getting approvals from necessary authorities and breach of contractual obligations by counterparties, all of which may adversely impact the projected cash flows. Although we have in place certain risk analysis and mitigation mechanism, and procedures to monitor its project finance borrowers, these procedures may not be effective, as projects often get delayed due to extraneous factors. Risks associated with a recession in the economy and a delay in project implementation or commissioning could lead to rise in delinquency rates and, in turn, adversely impact our business, results of operations and financial condition.

44. ***Our business, results of operations and financial condition may be adversely affected if we are unable to keep pace with the new products and services available in the banking industry.***

As part of our diversification strategy, we have been expanding our products and services for retail, corporates and MSMEs such as customized products to meet the specific needs of our customers extending branches with foreign exchange services internet banking portals with additional security features, self-operated passbook printers and bunch note accepting machines etc. Additionally, we have expanded our network into semi-urban and rural areas. Such new initiatives and products and services entail a number of risks and challenges, including but not limited to insufficient knowledge of and expertise applicable to the new businesses, which may differ from those required in our current operations, adopting adequate risk management procedures, guidelines and systems, credit appraisal, monitoring and recovery systems, lower profitability potential than we anticipated, failure to identify new segments and offer attractive new products and services in a timely fashion, putting us at a disadvantage to our competitors, competition from similar offerings or products and services by our competitors in the banking and non-banking financial services sectors, inability to attract customers from our competitors to our new businesses or failure to attain requisite approvals from any regulatory authority.

If we are unable to successfully diversify our products and services while managing the associated risks and challenges, our returns on such products and services may be less than anticipated, which may materially and adversely affect our business, results of operations and financial condition. In addition, if our competitors are able to better anticipate the needs of customers within our target market, our market share could decrease and our business, results of operations and financial condition could be adversely affected.

45. ***Majority of our branches and ATMs are located on premises that have been taken on lease. The termination of any of these leases or non – renewal or premature termination of the existing lease agreements may cause disruption in our operations.***

While our Head Office and corporate office are owned by us, majority of our branches and ATMs are located on premises taken by us on lease or leave and license basis from third parties. Further, majority of our Customer Service Point and ATMs are also located on premises taken on lease or leave and license basis. Such lease agreements are generally for a fixed tenure and we endeavour to renew the leases post their expiry located at premises taken on a lease basis. Our business, financial condition, and operating results could be adversely affected if we are unable to negotiate favourable lease and renewal terms for our existing branches. In case of non-renewal of leases for our existing branches, we will be forced to procure alternative space for our existing branches. 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. Failure to identify such space can adversely affect our business, results of operations and financial condition.

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 agreements which could result in the termination of the lease agreements and force us to establish operations at another location, which may disrupt our operations temporarily.

46. *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 our ordinary decision making-process, we rely on various models for risk and data analysis. These models are based on historical data and supplemented with managerial input and comments. These models and the data they analyse may not always be accurate or adequate to guide our strategic and operational decisions and protect us from risks. Any mis-specification, deficiencies or inaccuracies in the models or the data might have a material adverse effect on our business, results of operations and financial condition. As we seek to expand the scope of our operations in newer geographies or new product areas, we also face the risk that we will be unable to develop risk management policies and procedures, that are properly designed for those new geographies or areas or products or to manage the risks associated with the growth of our existing businesses. Implementation and monitoring may prove particularly challenging with respect to our expansion and the products that we plan on developing.

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

The Bank is exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risks, including fraud, and legal risks. The effectiveness of its risk management is limited by the quality and timeliness of available data and other factors outside of its control. 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. 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 behaviour. As a result, these methods may not accurately predict future risk exposures which could be significantly greater than those indicated by the historical measures. 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.

48. *Our inability to renew or maintain our statutory and regulatory permits and approvals required for our operations may adversely impact our business, results of operations and financial condition.*

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

49. *We extend a certain amount of loans to the priority sector pursuant to regulations prescribed by the RBI. Loans to priority sector could have higher delinquency rates. If we do not meet our priority sector lending requirements, our results of operations could be adversely affected.*

The RBI requires all banks that are operating in India to channel a minimum aggregate of 40.00% of our net bank credit or 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. Economic difficulties may affect borrowers in "priority sectors" more severely and our NPA levels may increase in case "priority sectors" experience any economic decline or downturn. Conversely, if we are unable to meet our priority sector lending requirements, we will subsequently be required to place the difference between the required lending level and actual priority sector lending 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. Further, subsequent deposits placed by banks on account of non-achievement of priority sector lending targets or sub-targets are not eligible for classification as indirect finance to agriculture or MSMEs, as the case may be.

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

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, including 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. In the past, it was observed that our Bank did not have a succession plan for appointment of Chief Risk Officer and also no training was provided to the officials from Bank's risk management department.

We believe our employees are a significant source of our competitive advantage and are thus a key element of our growth strategy. As on June 30, 2024, we had 14,502 employees. With the increase in competition for qualified personnel, we continue to face challenge to recruit a sufficient number of suitably skilled personnel, particularly as we continue to grow. In the event we are not able to attract talented employees, or are unable to motivate and retain our existing employees, the future of our business and operations may be affected.

The successful implementation of our strategy depends on the availability of skilled management, both at our head office and at each of our business units and on our ability to attract and train technologically sound, young professionals. As we generally pay wages that are lower than those paid by private sector banks, it could adversely affect our ability to hire qualified employees. If we or one of our business units or other functions fail to staff their operations appropriately, or lose one or more of our key senior executives or qualified young professionals and fail to replace them in a satisfactory and timely manner, our business, and operations, including our control and operational risks, may be adversely affected.

51. *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, 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. In addition, even if such losses are insured, we may be required to pay a significant 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 subject to annual review, and we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, if at all. If we were to incur a serious uninsured loss or a loss that significantly exceed the limits of our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition.

52. *We are exposed to fluctuations in foreign exchange rates which could adversely affect our business, results of operations and financial condition.*

As a financial institution, we undertake various foreign exchange transactions to hedge our customers' business and for proprietary trading, which exposes us to various kinds of risks, including credit risk, market risk and exchange rate risk. We have adopted a market risk management 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, overnight limits, intraday limits, stop loss limits, aggregate gap limits and value-at-risk limits. As of June 30, 2024 and March 31, 2024, our Bank's credit exposure on account of outstanding gross forward exchange contracts amounted to ₹ ₹268,709.84 million and 261,909.72 million, respectively.

Some of our borrowers also enter into derivative contracts to manage their foreign exchange risk exposures. 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 business, results of operations and financial condition.

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

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 including (i) 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; and (ii) hacking, wherein attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting services; and (iii) data theft, wherein cyber criminals may attempt to enter our network with the intention of stealing our data or information. In addition, we also face the risk of our customers incorrectly blaming us and terminating their accounts with us for any cyber security breaches that may have occurred on their own system or with that of an unrelated third party. Any cyber security breach could also subject us to additional regulatory scrutiny and expose us to civil litigation and related financial liability.

As technology is currently in a phase of rapid evolution and the methods used for cyber-attacks are changing frequently or, in some cases, are not recognized until an actual attack, we may not be able to anticipate or to implement effective preventive measures against all such security breaches. Cybersecurity risks for banking organizations have significantly increased in recent years in part because of the proliferation of new technologies, and the use of the internet and telecommunications technologies to conduct financial transactions. For example, cybersecurity risks may increase in the future as we continue to increase our mobile-payment and other internet-based product offerings and expand our internal usage of web-based products and applications. In addition, cybersecurity risks have significantly increased in recent years in part due to the increased sophistication and activities of organized crime affiliates, terrorist organizations, hostile foreign governments, disgruntled employees or vendors, activists and other external parties, including those involved in corporate espionage. Even the most advanced internal control environment may be vulnerable to compromise.

We seek to protect our computer systems and network infrastructure 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 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. Failed security measures could have a material adverse effect on our business, results of operations and financial condition. Our business operations are based on a high volume of transactions. Although we take measures to safeguard against systems related and other fraud, 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.

54. *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 we are ISO 27001: 2013 compliant and are in process of acquiring the ISO 27701 certification (Privacy Information Management System) which demonstrates our compliance to primary regulations and provide confidence to stakeholders and customers and also in defining clear roles and responsibilities, 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.

55. *A reduction in long-term interest rates may increase our pension liabilities which may adversely affect our business, results of operations and financial condition.*

We operate a defined benefit pension fund scheme for employees who joined the services of our Bank on or before April 1, 2010. 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.

56. *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 favourable to us, or at all, and this may hamper our growth plans, apart from those that can be funded by internal accruals.

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

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. For further information, see *"Regulations and Policies in India"* on page 235.

From April 2019, in accordance with the LEF, our exposure limits for single and group borrowers are 20.00% and 25.00% of our Tier 1 capital funds, respectively. These limits may be subjected to further changes and revisions in future. These new regulations may have a material adverse effect on our business, results of operations and financial condition.

58. *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 including remuneration paid to our Directors. For further information, see "*Financial Statements*" on page 311. 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 favourable terms had such transactions been entered into with unrelated parties.

The transactions we have entered into and any further transactions that we may have with our related parties could potentially involve conflicts of interest which may be detrimental to us. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

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

As of March 31, 2024 and June 30, 2024 respectively, our Bank had contingent liabilities (on standalone basis) amounting to ₹ 393,908.86 million and ₹ 402,297.01 million. The table below sets forth details of contingent liabilities:

(in ₹ million)

Particulars	**As of March 31, 2024**	**As of June 30, 2024**
Claims against our Bank not acknowledged as debts	13,499.09	13,519.50
Liability on account of outstanding forward exchange contracts*	261,909.72	268,709.84
Guarantees given on behalf of constituents:		
a. In India	93,171.84	94,020.63
b. Outside India	2,103.09	3,224.07
Acceptances, endorsements and other obligations	13,755.61	13,007.26
Other items for which our Bank is contingently liable	9,469.53	9,815.71
TOTAL	**393,908.86**	**402,297.01**

**Contingent liabilities in respect of forward exchange contracts include both sale and purchase contracts.*

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, results of operations and financial condition. If we are unable to recover payment from our customers in respect of the commitments that we are called upon to fulfil, our business, results of operations and financial condition may be materially and adversely impacted.

60. *We have tie ups and arrangements with third parties to facilitate our other banking operations. In the event of failure to adhere to contractual and legal obligations by these third parties, our business, results of operations and financial condition could be adversely affected.*

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 centre services. In addition, we have entered into agreements with third parties to offer a number of products and services such as distribution of life insurance, general insurance and health insurance products, money transfer services through branch channels as well as through direct remittance and mutual fund schemes.

As a result of outsourcing such services and offering third party products and 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 noncompliance 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, results of operations and financial condition 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. Such additional cost, in addition to the cost of entering into agreements with third parties in the same industry, may materially and adversely affect our business, results of operations and financial condition. 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, results of operations and financial condition.

61. *As the GoI controls a majority of our issued share capital and may take actions which are not necessarily in the interests of the Bank or of the other holders of the Equity and its public policy decisions may impact our strategy and operations.*

The GoI controls a majority of our Bank's issued share capital. As of June 30, 2024, the GoI directly held 86.46% of our Bank's issued and paid up share capital. Although historically we have enjoyed certain autonomy from the GoI in the management of our affairs and strategic direction, as its controlling shareholder, the GoI is able to exercise effective control over our Bank. For more information on the Bank's shareholding structure, see *"Principal*

Shareholders and Other Information” on page 230. In accordance with the Banking Regulation Act, the Government, in consultation with the RBI, has the power to appoint, re-appoint and/or terminate the appointment of the managing director or whole-time director, manager or chief executive officer. The Government may also, in consultation with the RBI, issue directives on matters of policy involving the public interest that may affect the conduct of the business affairs of the Bank in a manner which may be adverse to the other shareholders.

The Government will continue to have the power to directly or indirectly control the outcome of matters submitted to the Bank’s board of directors or shareholders for approval and influence the policies of the Bank. For example, the Government could, by exercising its powers of control, delay or defer or initiate a change of control in the Bank or a change in the Bank’s capital structure, delay or defer an amalgamation, consolidation, or discourage an amalgamation with another company or otherwise direct the Bank’s affairs in a manner that could directly or indirectly favour the interests of the Government and could result in the Bank foregoing business opportunities.

The interests of the Bank’s direct and indirect controlling shareholders may be different from, and conflict with, the Bank’s interests or the interests of the Bank’s other shareholders, and the Bank cannot assure you that the Government will not in the future exercise control over the Bank’s business and major policy decisions. The Bank’s direct and indirect controlling shareholders may also enable a competitor to take advantage of a corporate opportunity at the Bank’s expense. Accordingly, there can be no assurance that the Government will not take actions or implement policies that are adverse to investors in the Equity Shares.

The Banking Regulation 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, results of operations and financial condition may be materially and adversely affected.

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

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

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

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

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

Our logo “ ” and brand name “Bank of Maharashtra” along with our logo and other taglines which we use for offering other services are not registered with the Trademarks Registry nor have we applied for the registration of the same. We do not therefore enjoy the statutory protections accorded to a registered trademark. There can be no assurance that we will be able to register trademarks and logos or that third parties will not infringe on our intellectual property, causing damage to our business prospects, reputation and goodwill. We may be subject to claims by third parties, both inside and outside India, if we breach their intellectual property rights by using slogans, names, designs, software or other such subjects, which are of a similar nature to the intellectual property these third parties may have registered.

We may need to litigate to protect our intellectual property or to defend against third party infringement. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property. Any inability to use or protect our intellectual property could affect our relationships with our customers, which could materially and adversely affect our brand, business, results of operations and financial condition.

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

64. Changing laws, rules and regulations and legal uncertainties may adversely affect our business, results of operations and financial condition.

We are present in diverse segments of the Indian financial sector. The regulatory and policy environment in which we operate is evolving and subject to change. There can be no assurance that the GoI may not implement new regulations and policies which will require us to obtain approvals and licenses from the GoI and other regulatory bodies or impose onerous requirements, conditions, costs and expenditures on its operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, results of operations and financial condition. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm its results of operations.

For instance, labour laws in India are traditionally governed by multiple central government and state government legislations. With a view to harmonize and consolidate such multiple labour legislations, 29 existing central laws have been amalgamated into four labour codes. These codes regulate (i) wages (ii) social security (iii) occupational safety, health and working conditions and (iv) industrial relations. These labour codes have been passed by both houses of the Parliament and have received Presidential assent. However, they will come into force on the date to be notified by the Central government. The final set of schemes, rules and regulations under said labour codes are yet to be notified and the extent of impact on our business, results of operations and financial condition, and ability to comply with these laws cannot be ascertained.

65. 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.

Risks Relating to India

66. *Financial difficulty and other problems in certain financial institutions in India could materially adversely affect our business and the price of our equity shares.*

We are exposed to the risks of the Indian financial system by being a part of the system. The financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. Such "systemic risk", may materially adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with which we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and materially adversely affect our business, results of operations and financial condition. Our transactions with these financial institutions expose us to various risks in the event of default by a counterparty, which can be exacerbated during periods of market illiquidity.

67. *Our business is substantially affected by prevailing economic, political and other prevailing conditions in India.*

We are incorporated in and substantially all our operations are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporates;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;
- any downgrading of India's debt rating by a domestic or international rating agency;
- financial instability in financial markets; and
- other significant regulatory or economic developments in or affecting India or its construction sector.

Moreover, a fall in the purchasing power of our customers, for any reason whatsoever, including rising consumer inflation, availability of financing to our customers, changing governmental policies and a slowdown in economic growth may have an adverse effect on our customers' income, savings and could in turn negatively affect their demand for our products. For example, in 2016, the Reserve Bank of India and the Ministry of Finance of the Government of India introduced demonetization policies, leading to a short-term decrease in liquidity of cash in India, which had in turn negatively affected consumer spending. Although there have been minimal short-term effects on our day-to-day business, the medium-term and long-term effects of demonetization on our business are uncertain and we cannot accurately predict the effect thereof on our business, results of operations, financial condition and prospects.

In addition, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

68. *Any volatility in the exchange rate may lead to a decline in India's foreign exchange reserves and may affect liquidity and interest rates in the Indian economy, which could adversely impact us.*

India's trade relationships with other countries and its trade deficit, may adversely affect Indian economic conditions and the exchange rate for the rupee. Exchange rates are impacted by a number of factors including volatility of international capital markets, interest rates and monetary policy stance in developed economies like the United States, level of inflation and interest rates in India, the balance of payment position and trends in economic activity. Rising volatility in capital flows due to changes in monetary policy in the United States or other economies or a reduction in risk appetite or increase in risk aversion among global investors and consequent reduction in global liquidity may impact the Indian economy and financial markets.

If current account and trade deficits increase or are no longer manageable because of factors impacting the trade deficit like a significant rise in global crude oil prices or otherwise, the Indian economy, and therefore our business, results of operations and financial condition and the prices of our equity shares could be adversely affected. Any reduction of or increase in the volatility of capital flows may impact the Indian economy and financial markets and increase the complexity and uncertainty in monetary policy decisions in India, leading to volatility in inflation and interest rates in India, which could also adversely impact our business, results of operations and financial condition, our stockholders' equity, and the prices of our equity shares.

Further, any increased intervention in the foreign exchange market or other measures by the RBI to control the volatility of the exchange rate, may result in a decline in India's foreign exchange reserves and reduced liquidity and higher interest rates in the Indian economy. Prolonged periods of volatility in exchange rates, reduced liquidity and high interest rates could adversely affect our business, results of operations and financial condition and the prices of our equity shares.

69. *Natural calamities, climate change and health epidemics and pandemics such as COVID-19 could adversely affect the Indian economy and our business, financial condition, and results of operations. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, financial condition and results of operations.*

India has experienced natural calamities, such as earthquakes, floods and drought in recent years. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and may damage or destroy our facilities or other assets. Any of these natural calamities could adversely affect our business, financial condition and results of operations.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. In addition, the COVID-19 pandemic, had caused a worldwide health crisis and economic downturn. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business.

Our operations, including our branch network, may be damaged or disrupted as a result of natural calamities. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our branch network. We may also be liable to our customers for disruption in services resulting from such damage or destruction. Any of the above factors may adversely affect our business and financial results, the quality of our customer service and the price of our Equity Shares. India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

70. *It may not be possible for investors to enforce any judgment obtained outside India against us, the Book Running Lead Managers or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.*

The enforcement of civil liabilities by overseas investors in the Equity Shares, 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 the Bank is incorporated under the laws of the Republic of India and all of its executive officers and directors reside in India. As a result, it may be difficult to enforce the service of process upon the Bank and any of these persons outside of India or to enforce outside of India, judgments obtained against the Bank and these persons in courts outside of India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes, among others, the United Kingdom, Singapore, United Arab Emirates and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908 (the "**Civil Code**"). Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us or our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment. See "*Enforceability of Civil Liabilities*" on page 18 for further information.

71. *There may be less information available about the entities listed on the Indian securities markets 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 entities listed on an Indian stock exchange compared with information that would be available if that entity was listed on a securities market in certain other countries. Further, the Bank is currently not subject to disclosures on ESG risks as per SEBI guidelines. As a result, investors may have access to less information about the business, results of operations, cash flows and financial conditions, information on business responsibility and sustainability reporting and those of the competitors that are listed on BSE and NSE and other stock exchanges in India on an on-going basis than may be found in the case of companies' subject to reporting requirements of other more developed countries.

72. *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 signaling 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.

73. *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.

Despite geopolitical tensions, Indian and global stock markets have so far managed to stay stable. 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. This situation could also impact banks, as financial institutions may face increased volatility and risk in the oil markets. Banks with significant exposure to oil and energy sectors might experience financial strain or market losses due to fluctuating oil prices and heightened geopolitical risks.

Risks Relating to the Equity Shares

74. *The trading price of our Equity Shares may be subject to volatility and you may not be able to sell the Equity Shares at or above the Issue Price.*

The trading price of our Equity Shares may fluctuate after the Issue due to a variety of factors, including the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, economic liberalization, deregulation policies and procedures or programs applicable to our business, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others on our operations or capital commitments, adverse media reports on our Bank, or the Indian financial sector or significant developments in India's fiscal and other regulations. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other banking entities, and entities in other industries funded by public sector banks in India, even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

75. *Currency exchange rate fluctuations may affect the value of the Equity Shares.*

The exchange rate between the Rupee and other foreign currencies, including the U.S. Dollar, the British pound sterling, the Euro, the Hong Kong Dollar, the Singapore Dollar and the Japanese Yen, has changed substantially in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the foreign currencies with which an investor may have purchased Rupees may affect the value of the investment in the Bank's Equity Shares. Specifically, if there is a change in relative value of the Rupee to a foreign currency, each of the following values will also be affected:

- the foreign currency equivalent of the Rupee trading price of the Bank's Equity Shares in India;
- the foreign currency equivalent of the proceeds that you would receive upon the sale in India of any of the Bank's Equity Shares; and
- the foreign currency equivalent of cash dividends, if any, on the Bank's Equity Shares, which will be paid only in Rupees.

You may be unable to convert Rupee proceeds into a foreign currency of your choice, or the rate at which any such conversion could occur could fluctuate. In addition, the Bank's market valuation could be seriously harmed by a devaluation of the Rupee if investors in jurisdictions outside India analyse its value based on the relevant foreign currency equivalent of the Bank's financial condition and results of operations.

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

No actions have been taken to permit a public offering of the Equity Shares offered in the Issue in any jurisdiction. As such, your ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in this Preliminary Placement Document. For further information, see *"Selling Restrictions"* on page 270. Furthermore, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. For further information, see *"Transfer Restrictions"* on page 278. You are required to inform yourself about and observe these restrictions. Our representatives, our agents and us will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

77. 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 is 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 realized 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, you 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 realized on the sale of our 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.

78. 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 will be required. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will 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.

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

80. *A third party could be prevented from acquiring control over us because of the anti-takeover provisions under Indian law and the provisions of the Banking Companies Act*

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Bank even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. These provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the SEBI 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 an entity, whether individually or acting in concert with others. Further, under the Banking Companies Act and the Banking Regulations Act, any investment in a nationalized bank exceeding the prescribed limits is subject to regulatory approval. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Bank. Consequently, even if a potential takeover of our 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 laws / guidelines applicable to the Bank.

81. *Rights of shareholders under Indian law 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.

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

The Indian securities markets are smaller and may be more volatile than securities markets in more developed economies. 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 the U.S. and Europe. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities.

Indian stock exchanges have, in the past, experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. The governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and increased margin requirements. Further, disputes have occurred on occasion between listed companies and 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. A closure of, or trading stoppage on, either the BSE or the NSE could adversely affect the trading price of the Equity Shares.

83. *Investors to the Issue are not allowed to withdraw or revise their Bids downwards after the Bid /Issue Closing Date.*

In terms of the SEBI ICDR Regulations, investors in the Issue are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the investor's demat account with the depository participant could take approximately seven days and up to 10 days from the 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 the business, results of operation or financial condition of the Bank, or other events affecting the investor's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing

Date could also adversely impact the market price of the Equity Shares. The investors shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. We may complete the Allotment of the Equity Shares even if such events may limit the investor's ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

84. *An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than across a recognized Indian stock exchange for a period of 12 months from the date of the issue of the Equity Shares.*

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the issue of the Equity Shares in this Issue, Eligible. QIBs subscribing to the Equity Shares may only sell their Equity Shares on the NSE or the BSE and may not enter into any off-market trading in respect of these Equity Shares. The Bank cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. Further, allotments made to certain categories of Eligible QIBs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock - in requirements. This may affect the liquidity of the Equity Shares purchased by such investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors. For further information, see *"Regulations and Policies in India"* on page 235

85. *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 it can sell, the Equity Shares at a particular point in time.*

The price of the Equity Shares will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, 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 the SEBI on Indian stock exchanges. The percentage limit on the Bank's circuit breaker is set by the stock exchanges based, amongst others, on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to, and do not, inform us of the percentage limit of the circuit breaker from time to time, and may change it without the Bank's knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

86. *Investors will be subject to market risks until the Equity Shares credited to the investors' demat account are listed and permitted to trade.*

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investors' demat account, are listed and permitted to trade. 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 Equity Shares allotted are listed and permitted to trade. Further, there can be no assurance that the Equity Shares allotted to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

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

Our Bank may be required to finance our future growth through additional equity offerings. Any future issuance of Equity Shares by our Bank could dilute 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. These sales could also impair our Bank's ability to raise additional capital through the sale of our Bank's equity securities in the future. Our Bank cannot assure you that it will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

MARKET PRICE INFORMATION

The Equity Shares have been listed on BSE and NSE since April 12, 2004. As of the date of this Preliminary Placement Document, 7,08,13,73,639 Equity Shares of our Bank are issued, subscribed and fully paid-up.

On September 27, 2024, the closing price of Equity Shares on BSE and NSE was ₹60.25 and ₹60.29 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 March 31,	High (₹)	Date of high(1)	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ million)	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 (₹ million)	Average price for the year (₹)(2)
March 31, 2022	29.00	June 4, 2021	11,670,533	331.47	16.55	March 29, 2022	1,974,284	33.25	21.19
March 31, 2023	34.35	December 15, 2022	14,881,386	521.90	15.20	June 20, 2022	299,928	4.58	21.73
March 31, 2024	73.50	June 03, 2024	46,71,310	336.61	59.20	June 04, 2024	1,16,67,867	762.44	65.12

(Source: www.bseindia.com)

Notes:

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

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

NSE

Financial Year ended March 31,	High (₹)	Date of high(1)	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ millions)	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 (₹ millions)	Average price for the year (₹)(2)
March 31, 2022	29.05	June 4, 2021	115,2,24,195	3,267.62	16.55	March 29, 2022	16,295,103	272.66	21.18
March 31, 2023	34.35	December 15, 2022	152,586,124	5,354.55	15.15	June 20, 2022	2,023,463	30.85	21.74
March 31, 2024	73.50	June 03, 2024	7,59,21,042	5478.00	59.00	June 04, 2024	6,96,44,328	4555.14	65.12

(Source: www.nseindia.com)

Notes:

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

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

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 (₹ million)	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 (₹ million)	Average price for the month (₹)[1]
March 2024	64.46	March 6, 2024,	43,29,359	271.73	52.75	March 14, 2024	46,30,153	263.68	59.83
April 2024	72.56	April 30, 2024	58,74,698	417.47	59.20	April 19, 2024	19,84,902	120.65	64.99
May 2024	71.43	May 27, 2024	65,69,810	461.57	61.35	May 10, 2024	25,77,168	162.33	66.56
June 2024	73.50	June 3, 2024	46,71,310	336.61	59.20	June 4, 2024	1,16,67,867	762.43	65.94
July 2024	70.75	July 16, 2024	54,20,612	373.95	62.87	July 23, 2024	27,56,897	179.77	65.65
August 2024	67.50	August 1, 2024	6,06,031	40.39	59.70	August 8, 2024	5,07,772	30.75	62.46

(Source: www.bseindia.com)

Notes:

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

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

NSE

Month ended	High (₹)	Date of high[1]	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ million)	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 (₹ million)	Average price for the month (₹)[1]
March 2024	64.45	March 6, 2024	5,29,53,313	3322.54	52.80	March 14, 2024	4,61,98,087	2625.02	59.85
April 2024	72.55	April 30, 2024	5,70,19,886	4056.61	59.20	April 19, 2024	1,93,40,620	1178.54	65.00
May 2024	71.50	May 27, 2024	6,07,74,144	4278.63	61.35	May 10, 2024	1,99,18,487	1255.84	66.55
June 2024	73.50	June 3, 2024	7,59,21,042	5478.00	59.00	June 4, 2024	6,96,44,328	4555.14	65.95
July 2024	70.80	July 16, 2024	4,95,96,296	3417.26	62.93	July 23, 2024	1,81,74,540	1186.64	65.66
August 2024	67.50	August 1, 2024	98,27,983	654.95	59.71	August 8, 2024	1,12,14,815	678.86	62.46

(Source: www.nseindia.com)

Notes:

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

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

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 ₹ million)**	
	BSE	**NSE**	**BSE**	**NSE**
March 31, 2022	289,536,508	2,079,989,177	6,462.17	47,712.81
March 31, 2023	416,144,479	4,296,451,916	11,290.49	121,844.53
March 31, 2024	835,873,208	9,551,208,412	38165.42	432115.93

(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 ₹ million)**	
	BSE	**NSE**	**BSE**	**NSE**
March 2024	4,52,96,639	614,399,318	2728.17	36917
April 2024	5,02,48,522	689,451,732	3309.95	45606.65
May 2024	4,59,61,371	495,103,406	3085.15	33421.60
June 2024	4,59,16,041	467,800,754	3042.61	31177.07
July 2024	4,36,90,636	520,205,381	2907.28	34806.70
August 2024	1,91,33,107	207,084,810	1197.77	12991.70

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

The following table sets forth the market price on BSE and NSE on April 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 (₹ million)**
NSE	68.80	71.45	67.05	71.05	100,589,434	7007.84
BSE	68.87	71.50	67.03	71.12	5,690,667	395.62

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

USE OF PROCEEDS

The gross proceeds from the Issue are up to ₹[●] million. 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 ₹[●] million ("**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 2025.

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 tables sets forth our Bank's capitalization (on a consolidated basis) on an actual basis as at March 31, 2024, which have been extracted from our Audited Financial Statements, respectively and as adjusted to give effect to the receipt of the gross proceeds of the Issue. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" beginning on pages 86 and 311, respectively.

(In ₹ million)

Particulars	**Pre-Issue as at March 31, 2024**	**Post-Issue as adjusted(1)**
Current borrowing:	**10,122.15**	**[●]**
Secured	10122.15	**[●]**
Unsecured	-	**-**
Non-current borrowing (including current maturities of long-term debt):	**67066.40**	**[●]**
Secured	10989.40	-
Unsecured	56,077.00	**[●]**
Total borrowing (a)	**77,188.55**	**[●]**
Shareholders' funds:		
Share Capital	70,813.74	**[●]**
Securities premium	9,774.36	**[●]**
Reserves and surplus (excluding securities premium)	118,118.12	**[●]**
Non-controlling Interest	-	**-**
Shareholders' funds (excluding borrowings) (b)	**198,706.22**	**[●]**
Total capitalization (a + b)	**275,894.77**	**[●]**
Current Borrowing / Shareholders Funds *(in ratio)*	**0.05**	**[●]**
Total Borrowing/ Shareholders Funds *(in ratio)*	**0.39**	**[●]**

Note:

(1) As adjusted to reflect the number of Equity Shares issued pursuant to the Issue and proceeds from the Issue. Adjustments do not include Issue related expenses and for any other transactions or movements in such financial statement line items post March 31, 2024.

DIVIDEND POLICY

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 235 and 284, respectively. For a summary of certain Indian tax consequences of dividend distributions to shareholders, see "*Taxation*" on page 288.

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

In addition, vide a circular DOR.ACC.REC.7/21.02.067/2021-22 dated April 22, 2021, RBI partially modified of the instructions contained in circular DBOD.NO.BP.BC.88/ 21.02.067/2004-05 dated May 4, 2005, and allowed the banks to pay dividend on equity shares from the profits for the financial year ended March 31, 2021, subject to the quantum of dividend being not more than fifty percent of the amount determined as per the dividend payout ratio prescribed in the RBI Dividend Circular.

Our Bank has declared the following dividend on Equity Shares in the last three Fiscals and until the date of filing of this Preliminary Placement Document:

Fiscal/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 ₹)	Total amount of dividend (In ₹ million)	Dividend Rate (%)	Dividend Distribution Tax, where applicable (in ₹ million)
From April 1, 2024 till the date of this filing Preliminary Placement Document	70,813,73,639	10	Nil	Nil	Nil	Nil	Nil
Fiscal 2024	70,813,73,639	10	Nil	1.40	9913.92	14%	Nil
Fiscal 2023	67,304,96,447	10	Nil	1.30	8749.65	13%	Nil
Fiscal 2022	67,304,96,447	10	Nil	0.50	3,365.25	5%	Nil

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. See "*Risk Factors – Our ability to pay dividends in the future will depend upon our earnings, financial condition and capital requirements and directions. Any inability to declare and/ or pay dividend may adversely affect the trading price of our Equity Shares.*" on page 57.

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

The following is a discussion and analysis of the financial conditions and results of operations covering the Audited Financial Statements for Fiscals 2024, 2023 and 2022 and Unaudited Financial Statements for three-month period ended June 30, 2024 and three month period ended June 30, 2023 ("Financial Statements"). This discussion should be read together with the sections entitled "Selected Financial Information of our Bank", "Selected Statistical Information" and "Financial Statements" on pages 32, 116 and 311, respectively as included in this Preliminary Placement Document.

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

Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the twelve-month period ended on March 31 of that year. Unless otherwise specified or as the context requires, financial information herein for Fiscals 2024, 2023 and 2022 and the three month periods ended June 30, 2024 and June 30, 2023 is derived from our Audited Financial Statements. For further information, see "Financial Statements" on page 311. Further, all information regarding cost, yield and average balances are based on daily average of balances outstanding during the relevant period.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Such statements are subject to certain risks, uncertainties and assumptions that could cause our actual results to differ materially from those anticipated in these forward-looking statements, including those set forth under the section titled "Forward-Looking Statements" beginning on page 16, the section titled "Risk Factors" beginning on page 42 and elsewhere in this Preliminary Placement Document. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us or any other person, or that these results will be achieved or are likely to be achieved.

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

OVERVIEW

Incorporated in the year 1935 and nationalised along with 13 other banks in the year 1969, we offer a diversified portfolio of banking products and services to corporate, retail, agriculture and micro, small and medium enterprise ("**MSME**") customers. Our Bank is amongst the prominent public sector banks in the state of Maharashtra, with 45.98% of our Bank's total banking outlets and 47.35% of our Bank's total advances is contributed by customers, located within the state of Maharashtra as of June 30, 2024. Our operations are internally aligned into distinct business lines for (i) wholesale banking operations, (ii) retail banking operations, (iii) treasury operations, and (iv) other banking operations. The total business of our Bank grew at 15.94% from ₹ 4,092,021.84 million as on March 31, 2023 to ₹ 4,744,111.15 million as on March 31, 2024. Total deposits of our Bank grew at 15.66 % from ₹2,340,826.84 million as on March 31, 2023 to ₹2,707,471.68 million as on March 31, 2024. Gross advances grew at 16.30% from ₹1,751,195.00 million as on March 31, 2023 to ₹2,036,639.47 million as on March 31, 2024. CASA Deposits grew at 14.25% over the previous year from ₹1,249,609.48 million as on March 31, 2023 to ₹1,427,735.90 million as on March 31, 2024. Our net profit increased by 55.84% year-over-year, reaching ₹40,550.27 million as of March 31, 2024, compared to ₹26,020.37 million for the year ended March 31, 2023.

We offer a wide range of banking and financial services primarily to Retail Customers, Agricultural and Micro, Small and Medium enterprises ("**RAM**"). Through our corporate and commercial portfolio, we cater to the business needs of multinational companies, public enterprises and private companies. We provide deposits, loans and finance facilities to our customers by offering a variety of products such as term loans, short term loans, working capital finance including cash credit, export credit, bill discounting, line of credit, letters of credit and guarantees. We also extend financial support to the priority sectors which include agriculture, MSME, affordable housing and education but with specific focus on offering products to the MSME sector. As a percentage of our Bank's total advances, our Bank's advances in the corporate and wholesale segment accounted for 40.35%, 42.85%, 38.97%, 41.75% and 38.96% in Fiscal 2022, Fiscal 2023 and Fiscal 2024 and three-month period ended June 30, 2023 and June 30, 2024, respectively.

Our retail banking portfolio consists of savings account, current account and term deposit services. In our retail lending business, we offer loan towards housing, vehicle, education, personal and other loans including agriculture to our customers, with the maximum aggregated retail exposure to one counterpart not exceeding the threshold of ₹75 million (up till March 2023-₹50 Million) and other personal banking products. We offer our customers global debit cards and "anywhere banking" facilities, and internet and mobile banking. As a percentage of our Bank's total advances, our Bank's advances in the retail segment accounted for 26.19%, 24.80%, 25.40% and 25.43% in Fiscal 2022, Fiscal 2023 and Fiscal 2024 and three-month period ended June 30, 2024 respectively.

Our treasury segment comprises liquidity management by maintaining a level of liquidity, in compliance with the CRR and the SLR requirements of the RBI and monitoring and implementation of non-SLR investments of our Bank. We maintain the SLR through a portfolio of Central Government, State Government and Government-guaranteed securities and other approved securities that we actively manage to optimize yield and benefit from price movements. We are also involved in the trading of debt securities, equity securities and foreign exchange within permissible limits. In our international business, we are extending our banking services to NRI customer base to meet their credit requirements. As a percentage of our Bank's total assets, our Bank's net investments accounted for 29.74% 25.73%, 22.23 % and 25.02% in Fiscal 2022, Fiscal 2023, Fiscal 2024 and three month period ended June 30, 2024, respectively.

We also offer other banking services such as bancassurance (distributors of life and non – life insurance products), and tax collection services (including GST). In addition to our primary segments, we offer a comprehensive range of ancillary products and services such as depository services, ASBA facility, electronically secured bank and treasury receipt (eSBTR), locker facilities, safe custody facility, bill payment services, online and off-line fee collection services, payment and remittance services. For Fiscal 2022, Fiscal 2023 Fiscal 2024- and three-month period ended June 30, 2024, our Bank generated fee-based income amounting to ₹12,333.42 million, ₹13,091.15 million, ₹ 15,822.31 million and ₹ 3,678.91 million, respectively, representing 7.87%, 7.20%, 6.73% and 5.44% of our Bank's total income.

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 15.71% from ₹2,022,942.92 million in Fiscal 2022 to ₹2,340,826.84 million in Fiscal 2023 and grown 15.66% from ₹2,340,826.84 million in Fiscal 2023 to ₹2,707,471.68 million in Fiscal 2024 and grown (1.23) % from ₹ 2,707,471.68 million in Fiscal 2024 to ₹2,674,155.09 million in three-month period ended June 30, 2024. Our Bank's CASA ratio was 57.85% as of March 31, 2022, 53.38% as of March 31, 2023, 52.73% as of March 31, 2024, and 49.86% as of June 30, 2024.

As of June 30, 2024, our Bank had a Pan-Indian presence across 28 states and 7 union territories through a network of 2499 branches and 68 fixed point outlets served by Bank Mitras, named as Customer Service Point ("**CSP**"), and 2285 ATMs (including 208 offsite and 2077 onsite ATMs), 3,163 Business Correspondents. As of June 30, 2024, our Bank had approximately 30.49 million customers. Our Bank also has internet, mobile banking and doorstep banking solutions. As of June 30, 2024, our Bank had approximately 2.57 million internet banking users and 1.32 million mobile banking users generating over 3.93 million internet banking transactions and 5.10 million mobile banking transactions. The Bank's branch network is further complemented by its online and mobile banking solutions that enable it to provide its customers with access to on-demand banking services. 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.

Our Subsidiary, The Maharashtra Executor and Trustee Company Private Limited ("METCO"), provides services auxiliary to banking services such as consultation, drafting and execution of will, management of Public and Private Trusts, Management of investments and properties under power of attorney, guardianship of minor's property. The net profit of METCO for Fiscal 2024 and three-month period ended June 30, 2024, was ₹ 8.14 million and ₹ 1.95 million, respectively. As of June 30, 2024, METCO managed 1048 public and private trusts and 1291 wills in custody for management.

Our Associate, Maharashtra Gramin Bank is a regional rural bank headquartered at Aurangabad covering 17 districts of Maharashtra through 425 branches, as of June 30, 2024. As of June 30, 2024, Maharashtra Gramin

Bank had total business from deposits and gross advances of ₹277579.72 million and operating profit of ₹818.21 million.

The table below sets forth summaries of certain of the Bank's key operating and financial performance parameters, as of and for the periods indicated below:

	As of and for the years ended March 31,			**As of and for the three months ended June 30, 2023**	**As of and for the three months ended June 30, 2024**
	2022	**2023**	**2024**		
Average interest-earning assets	1,916,358.47	2,163,146.02	2,503,015.1	2423715.62	2,817,846.78
Net interest income	60,443.97	77,407.78	98,218.45	23397.15	27,991.01
Average Working Funds – AWF	2,080,864.86	2,371,358.27	2701677.07	2644807.67	3009856.77
Average yield(1)	6.24%	6.70%	7.54%	6.4%	7.81%
Cost of funds(2)(%) includes current account	4.09%	4.22%	4.45%	4.19	4.56%
Spread(3)	3.01%	3.46%	3.73%	3.71%	3.78%
Net interest margin(4)	2.90%	3.26%	3.64%	3.54%	3.72%
Return on equity (net profit as a percentage of average total shareholders' equity)	11.65%	20.64%	25.69%	20.38%	23.06%
Return on assets (net profit as a percentage of average working funds)	0.55%	1.10%	1.50%	1.33%	1.72%
Earning per share	1.72	3.87	5.78	1.29	1.83
Book value per share-tangible	15.12	18.97	24.26	21.78	26.45
Tier I capital adequacy ratio	12.38	14.25	13.72	14.36	13.40
Tier II capital adequacy ratio	4.10	3.89	3.66	3.71	3.64
Total Tier I and Tier II capital adequacy ratio	16.48	18.14	17.38	18.07	17.04
Net NPAs(5)	12765.70	4351.80	4089.90	4138.7	4147.00
Net NPAs ratio(6)	0.97	0.25	0.20	0.24	0.20
Credit to deposit ratio(7)	66.85	74.81	75.22	71.89	78.17
Cost to income ratio(8)	44.26	39.14	37.55	37.23	37.87
Staff cost to income ratio	23.81	20.54	22.14	22.42	24.37
Other cost to income ratio	20.45	18.60	15.41	14.81	13.50
Interest coverage ratio(9)	4.01	4.17	8.01	6.92	10.06
Provisioning coverage ratio (including technical write-off)(10)	94.79	98.28	98.34	98.37	98.36
Credit cost	1.91	1.29	1.07	1.23	1.12
CASA ratio(11)	57.85	53.38	52.73	50.97	49.86
Slippage ratio(12)	2.41	1.44	1.23	1.26	1.18
Total business	3,375,341.00	4,092,021.84	4,744,111.15	4200411.46	4,764,466.33
Gross total advances	1,352,398.08	1,751,195.00	2,036,639.47	1756758.07	2,090,311.24
Gross Deposits	2,022,942.92	2,340,826.84	2,707,471.68	2443653.39	2,674,155.09

(₹ in million)

Notes:

(1) Average balances are daily averages for deposits/ advances/investments and all others are based on monthly averages as reported to the RBI.

(2) Cost of Fund is the ratio of interest expense to average interest-bearing liabilities.

(3) Spread is the difference between the yield on average interest earning assets and yield on average interest bearing liabilities excluding current deposits.

(4) Net interest margin is the difference between interest earned and interest expended divided by the average working funds (AWF).

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

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

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

(8) 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).

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

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

(11) Ratio of domestic current account deposits and savings account deposits to domestic deposits (including inter-bank deposits).

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

FACTORS AFFECTING 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 financial results:

Macroeconomic conditions in India

As a bank with its principal 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.

Please refer to the section titled "*Industry Overview*" beginning on page 161 for a discussion on current macroeconomic conditions and trends in the Indian and global economies. Any slowdown in the growth of the Indian economy or the growth of the economies of other countries that could have a direct impact on the Indian economy, coupled with inflationary pressures, could adversely impact our business, the business sectors that we are targeting as growth areas and the financial standing and growth plans of our borrowers and contractual counterparties.

Regulations governing the Indian banking industry

The banking industry in India is subject to extensive regulations issued by Governmental organizations and regulatory bodies including the RBI, SEBI and the Insurance Regulatory and Development Authority, and self-regulatory organisations. These regulations cover various aspects such as loans and advances, investments, deposits, risk management, foreign investment, corporate governance and market conduct, customer protection, foreign exchange management, capital adequacy, margin requirements, know-your customer and anti-money laundering, and provisioning for NPAs. The RBI also prescribes required levels of lending to "priority sectors" such as agriculture, which may expose us to higher levels of risk in advances than we may otherwise face.

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.

The RBI has notified Reserve Bank of India Monetary Policy Committee ("**MPC**") and Monetary Policy Process Regulations, 2016 which came into effect from August 01, 2016. The Reserve Bank's Monetary Policy Department ("**MPD**") assists the MPC in formulating the monetary policy. The MPC in its meetings reviews the surveys conducted by the RBI to gauge consumer confidence, households' inflation expectations, corporate sector performance, credit conditions, the outlook for the industrial, services and infrastructure sectors, and the projections of professional forecasters. The MPC also reviews in detail the staff's macroeconomic projections, and alternative scenarios around various risks to the outlook. Once in every six months, the RBI publishes the monetary policy report containing the explanation of inflation dynamics in the last six months and the near term inflation outlook, projections of inflation and growth and the balance of risks, an assessment of the state of the economy, covering the real economy, financial markets and stability, fiscal situation, and the external sector, which may entail a bearing on monetary policy decisions; an updated review of the operating procedure of monetary policy; and an assessment of projection performance. Monetary policy is heavily influenced by the condition of the Indian economy, and changes in the monetary policy affect the interest rates of our 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, see "*Regulations and Policies in India*" on page 235. Other similar measures and regulatory developments relating to the Indian banking and financial services industry may have a significant impact on our operations and financial performance.

Liquidity requirements and reserve ratios

Capital adequacy.

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 90% of prescribed CRR. Our Bank's CRR as at March 31, 2024, was 100% 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 18.00% 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:

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

Source: RBI

For more details on the compulsory reserve requirements applicable in India, see "*Regulations and Policies in India*" on page 235.

Interest rate environment

Our results of operations depend to a great extent on our net interest income. Net interest income represents the excess of interest earned from interest-earning assets over the interest paid on interest-bearing customer deposits and borrowings. Changes in interest rates affect the interest rates we charge on our interest-earning assets and that we pay on our interest-bearing liabilities. Since the maturities of our loans and investments tend to be more long-term than our deposits, any faster increase or slower decrease in the interest rates that we must pay our depositors relative to the interest rates we charge our borrowers may cause our net interest income to decrease. Changes in interest rates could also adversely affect demand for our loan products. 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 monetary policy transmission with a special focus on transmission to banks' deposit and lending interest rates, the RBI issued a Master Direction - Reserve Bank of India (Interest Rate on Advances) Directions, 2016. Taking cognizance of the key role of Banks in the financial system in India, the RBI has endeavored to address the impediments to improve transmission to Banks' lending rates. The external benchmark system has incentivized Banks to adjust their term as well as saving deposit rates as lending rates undergo frequent adjustments in line with the benchmark rates, to protect their net interest margins thus broadening the scope of transmission across sectors that are not even linked to external benchmark. Further, the RBI issued a circular on September 4, 2019, making it mandatory for banks to link all floating rate personal or retail loans and floating rate loans to micro and small enterprise borrowers to an external benchmark with effect from October 1, 2019. With a view to further strengthening monetary policy transmission, RBI issued a circular on February 26, 2020, to further link all new floating rate loans to the medium enterprises extended by banks to the external benchmarks with effect from April 1, 2020. The banks are free to choose one of the several benchmarks indicated in the circular. Banks are also free to choose their spread over the benchmark rate, subject to the condition that the credit risk premium may undergo change only when borrower's credit assessment undergoes a substantial change, as agreed upon in the loan contract. For further information on Monetary Policy Transmission in India, see the sections titled "Industry Overview" beginning on page 161. and "Regulations and Policies in India" beginning on page 235**.**

Non-Performing Assets and Provisioning

The level of our non-performing loans is affected by, among other things, the general level of economic growth in India, the difficulties inherent in restructuring problem loans, the amount of non-performing loans written-off and our credit approval and monitoring policies. Other factors include a rise in unemployment, prolonged recessionary conditions, a decline in household savings and income levels, regulators' assessment and review of our loan portfolio, a sharp and sustained rise in interest rates, refinance risks due to a slowdown in lending by non-banking financial companies, housing finance companies and other financial intermediaries, and movements in global commodity markets and exchange rates, each of which could cause a further increase in the level of NPAs. An increase in the volume of our NPAs may require us to increase our provisions against advances, investments and the related recovery and litigation costs. To the extent that we are required to make additional provisions on account of our NPAs, such provisions are charged to our profit and loss account and decrease our profitability.

Our loan portfolio includes loans to a wide range of businesses and industries. 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, could Gross NPAs as of March 31, 2022, 2023 and 2024 were ₹ 53,272.13 million, ₹ 43,340.02 and ,₹ 38,330.53 million respectively. Our gross NPA ratio as of March 31, 2022, 2023 and 2024 was 3.94%, 2.47% and 1.88% respectively. Net NPAs as of March 31, 2022, 2023 and 2024 were ₹ 12,765.70 million, ₹ 4,351.80 million and ₹ 4,089.90 million respectively. Our net NPA ratio as of March 31, 2022, 2023 and 2024 was 0.97%, 0.25% and 0.20% respectively. Our provisioning coverage (including technically written off) as of March 31, 2022, 2023 and 2024 was 94.79%, 98.28%, 98.34% respectively. Further, our provisioning coverage (excluding technically written off) as of March 31, 2022, 2023 and 2024 was 76.43% , 90.44% and 89.88% respectively

While additions to NPAs in the Indian banking sector, including our Bank, remained stable during Fiscal 2024, provisions made by banks, including our Bank, continued to be elevated, as banks continued to make additional provisions on their existing portfolios of non-performing loans. In view of ongoing Geopolitical tensions which resulted in increased inflation and will impact ROI & hardening of yields which may hamper repaying capacity of borrower thereby may result in Increase in level of NPAs.

The RBI is active in its identification, classification and recovery of NPAs. The Central Government has also enacted the Insolvency and Bankruptcy Code, 2016 ("**IBC**") to address the concerns of lenders and which provides corporate debtors with an exit mechanism. In addition, the Banking Regulation (Amendment) Act, 2017, provides that the central government may by order authorize the RBI to issue directions to banking companies to initiate insolvency proceedings under the IBC. The RBI also issued a revised framework for resolution of stressed assets through a circular dated June 7, 2019 ("**Revised Framework**"), to harmonise and simplify the framework for resolution of stressed assets under which the RBI has put in place a strict timeline over which a resolution plan must be implemented, failing which stressed accounts must be referred to the IBC.

Further, considering the impact of the COVID-19 pandemic and to mitigate the impact on the ultimate borrowers, the RBI vide a notification dated August 6, 2020 ("**Resolution Framework - 1.0**"), has decided to provide a window under the Revised Framework -1.0 to enable lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as standard, subject to specified conditions. Due to the resurgence of the COVID-19 pandemic in India, the RBI has announced set of measures vide a notification dated May 5, 2021, a "Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses", that are broadly in line with the contours of the Resolution Framework - 1.0, for restructuring of loans without a downgrade in the asset classification pursuant to which our Bank is required to frame policies pertaining to the implementation of viable resolution plans for eligible borrowers under the framework, ensuring that the resolution under this facility is provided only to the borrowers having stress on account of COVID-19. The Board-approved policy shall, *inter alia*, detail the eligibility of borrowers in respect of whom our Bank will be willing to consider the resolution, and shall lay down the due diligence considerations to be followed by our Bank to establish the necessity of implementing a resolution plan in respect of the concerned borrower as well as the system for redressing the grievance of borrowers who request for resolution under the window and / or are undergoing resolution under this Resolution Framework issued by the RBI. See "*Risk Factors - Our business and financial performance may be adversely affected by an* *increase in level of restructured loans in our portfolio and inadequate performance of our restructured loans*" on page 44 for related risk.

There has been gradual decrease in the requirement of provisioning for restructured assets. In addition, restructuring assets are ceasing to attract additional provision due to accounts demonstrating satisfactory performance during the specified period and end of the specified period. Our Bank's restructured standard assets as of March 31, 2024 were ₹. 22,787.11 million (inclusive of GECL and FITL accounts) , equivalent to 1.12% of our bank's gross advances. As per RBI guidelines dated April 18, 2017, additional provisioning is required in respect of standard accounts in certain stressed sectors of the economy such as power & telecom which will result in additional provisioning and adversely impact our profitability.

At a minimum, we make provisions in accordance with RBI guidelines, though we may provide in excess of RBI requirements to reflect our internal estimates of actual losses. If there is any deterioration in the quality of our security or further aging of assets after being classified as non-performing, we may be required to increase our provisions. Moreover, our ability to manage NPA levels will depend on our ability to recover NPAs in a manner consistent with past abilities and further improve our internal controls and processes. Our ability to reduce or contain the level of our NPAs is also dependent on a number of factors beyond our control, such as increased competition, economic conditions with respect to specific industries, fluctuations in interest and exchange rates or changes in laws and regulations.

Under the Revised Framework, the RBI had promulgated 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.

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. The RBI, in its circular dated April 1, 2019, requires banks to make suitable disclosures, wherever either (i) the additional divergence in assets classification and provisioning for NPAs assessed by RBI exceeds 5% of the reported profit before provisions and contingencies for the reference period; and/ or (ii) additional gross NPAs identified by RBI exceed 5% of the published incremental Gross NPAs for the reference period.

The RBI has issued a Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated April 1, 2024 for on matters relating to prudential norms on income recognition, asset classification and provisioning pertaining to advances. Accordingly, the Banks shall recognise incipient stress in loan accounts, immediately on default, by classifying such assets as special mention accounts (SMA). For further information, see "Regulations and Policies in India" on page 235. Other similar measures and regulatory developments relating to the Indian banking and financial services industry may have a significant impact on our operations and financial performance.

Allocation of funds

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 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 March 31, 2022, 2023 and 2024 we had total deposits of ₹2,022,752.54 million, ₹2,340,641.04 million and ₹2,707,264.23 million, respectively, and an advance-to-deposit ratio (calculated as gross advances divided by total deposits) of 66.86%, 74.82% and 75.23%, respectively. As of March 31, 2024, our Bank's domestic CASA deposits were ₹1,427,716.66 million. As of March 31, 2022, 2023 and 2024 our CASA ratio is 57.86%, 53.39% and to 52.74% respectively.

Our ability to meet demand for new loans and lower our cost of funding will depend on our ability to continue to broad base our deposit profile, our ability to attract and retain new customers, and our 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 our cost of funds include changes in our credit ratings, available credit limits and our ability to mobilize low-cost deposits, particularly through our retail banking branches.

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of Financial Statements:

Our financial statements are prepared under the historical cost conventions except as otherwise stated and conform to Indian GAAP which include statutory provisions, practices prevailing within the banking industry in India, regulatory and RBI guidelines, and applicable accounting standards and guidance notes issued by the Institute of Chartered Accountants of India (ICAI). The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of Assets and Liabilities (including contingent liabilities) as of the date of financial statements and reported income and expenses for the period under report. Management is of the view that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates. Any revisions to the accounting estimates shall be recognized prospectively unless otherwise stated.

We base our estimates and judgments on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. This discussion should be read in conjunction with the financial statements and notes as applicable during the Fiscal Year.

The Audited Financial Statements have been prepared in accordance with Accounting Standard 21 – "Consolidated Financial Statements" and Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India

We have applied the following accounting policies in preparing our consolidated financial statements for Fiscal 2023:

Principles of Consolidation:

The Audited Financial Statements are consolidated for the Bank, as the parent entity, and its subsidiary along with associated enterprise as follows:

The following subsidiary has been consolidated as per Accounting Standard 21 – "*Consolidated Financial Statement*":

Name of the Company	Country/Residence	Relationship	Ownership Interest
The Maharashtra Executor & Trustee Co. Private Limited (hereafter referred as "**METCO**")	India	Wholly Owned Subsidiary	100%

The following Associate Company has been accounted for under the Equity Method as per Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated Financial Statements":

Name of the Company	Country/Residence	Relationship	Ownership Interest
Maharashtra Gramin Bank (sponsored by Bank of Maharashtra)	India	Associate Enterprise	35%

Basis of Preparation of Audited Financial Statements and its impact

The consolidated financial statements of Bank, its subsidiary and its associate (the "**Group**") have been prepared on the basis of:

i) Audited financial statements of our Bank;

ii) Line by line aggregation of each item of asset/ liability/income/ expense of the subsidiary with the respective item of the Bank, and after eliminating all material intra-group balances/transactions in accordance with Accounting Standard 21 – "*Consolidated Financial Statements*" issued by ICAI.

iii) Accounting for investment in 'Associates' under the 'Equity Method' as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI. The excess of carrying cost of bank's investment in associate is recognized in the financial statements as goodwill.

iv) The difference between cost to the Group of its investment in the subsidiary entities and the Group's portion of the equity of the subsidiaries is recognised in the financial statements as goodwill / capital reserve.

v) The subsidiary has used accounting policies other than those adopted by the Bank in certain cases for like transactions and events in similar circumstances. No adjustments have been made to the financial statements of the subsidiary, when they are used in preparing the consolidated financial statements. However, the proportion of the items in the consolidated financial statements to which the different accounting policies are applied by the subsidiary is insignificant.

vi) The financial statement of the Subsidiary has been regrouped with that of the parent Bank, wherever necessary.

Foreign Exchange Transactions:

The foreign currency transactions are translated at the weekly average closing rates for the preceding week as published by Foreign Exchange Dealers' Association of India (FEDAI). Revaluation of foreign currency assets and liabilities as on Balance Sheet date is done at the closing exchange rate published by FEDAI and the resultant profit/loss is accounted for in the Profit & Loss Account.

Outstanding Forward Foreign Exchange Contracts are stated at contracted rates and revalued/ marked to market as on quarterly basis and on Balance Sheet date at the exchange rates published by FBIL for specified maturities by discounting the same at the applicable MIFOR rate published by Financial Benchmarks India Pvt. Ltd. [FBIL] i.e. on PV01 basis. The resulting profit/loss, on revaluation, is recognized in the Profit & Loss Account in accordance with RBI / FEDAI guidelines and the effect is taken to "*Other Assets*" in case of gain or to "*Other Liabilities*" in case of loss.

Contingent Liabilities on account of Guarantees and Letters of Credit issued in foreign currency are stated in the Balance Sheet at the closing exchange rates published by FEDAI.

Credit exposure of the un-hedged foreign currency exposure, if any, of the constituents shall attract provisioning and capital requirements as per RBI guidelines.

Investments:

As per RBI guidelines, the investments are classified and valued as under:

Investments are classified in the following categories:

1. Held to Maturity (HTM)
2. Available for sale (AFS)
3. Fair Value through Profit and Loss (FVTPL); Held for Trading (HFT) shall be a separate investment subcategory within FVTPL.
4. Investments in Subsidiaries, Associates and Joint Ventures

All the investments are further classified in the following six baskets:

a. Government Securities
b. Other approved Securities
c. Shares
d. Debentures and Bonds
e. Subsidiaries and Joint Ventures
f. Others (Commercial Papers, Mutual Fund Units etc.)

Bank decides the category of each investment at the time of acquisition and classifies the same accordingly.

HELD TO MATURITY

a) Securities that fulfil the following conditions shall be classified under HTM:
    i. The security is acquired with the intention and objective of holding it to maturity, i.e., the financial assets are held with an objective to collect the contractual cash flows; and

    ii. 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.
b) 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
    iv. Preference shares and Equity shares.

However, where a preference share is redeemable, carries a non-discretionary dividend, with a yield to maturity close to the market rate of borrowing for that issuer and provides for compensation on deferred payment of dividend, it could be evaluated for meeting the SPPI criteria.

c) Investments in the securitization notes, other than the equity tranche, shall be considered to meet the SPPI criteria if the tranche in which the investment is made meets all the following conditions:
    i. The contractual terms of the tranche being assessed for classification (without looking through to the underlying pool of financial instruments) give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
    ii. The underlying pool of financial instruments meet the SPPI criteria.
    iii. The credit risk of the tranche is equal to or lower than the credit risk of the combined underlying pool of assets.

Any profit or loss on the sale of investments in HTM shall be recognised in the Profit and Loss Account under Item II of Schedule 14:'Other Income'. The profit on sale of investments 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.

As per the revised framework, RBI dispensed the existing caps/ limits on HTM holdings. By considering the liquidity, it has been proposed to stipulate the following bank's internal caps on investments under HTM category at all the times.

i. Bank's SLR HTM Holdings shall not exceed 25% of NDTL for SLR
ii. Bank's Non SLR investment under HTM category shall not exceed 50% of total Non SLR investment in Bonds & Debentures meeting SPPI criteria.

While arriving the above exposure limits, the bonds received/ to be received on account of restructuring package and Recapitalization Bonds received/ to be received under PSB recapitalization of Scheme shall be excluded in both numerator and denominator.

AVAILABLE FOR SALE

a. Securities that meet the following conditions shall be classified under AFS:

i. The security is acquired with an objective that is achieved by both collecting contractual cash flows and selling securities; and
ii. the contractual terms of the security meet the 'SPPI criterion'.

Provided that on initial recognition, a bank may make an irrevocable election to classify an equity instrument that is not held with the objective of trading.

b. 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.

In the case of an investment categorized under AFS against which there are cumulative gains or loss shall be transferred in AFS-Reserve.

FAIR VALUE THROUGH P&L (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 equity shares of subsidiaries, associates or joint ventures and 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 explained in clause 7.2(c) above.

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.

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.

HFT

Bank shall create a separate sub-category called HFT within FVTPL. Bank shall comply with the requirements for classifying investments under HFT. Security classified under HFT portfolio shall be marked to market on daily basis and appreciation / depreciation shall be booked in profit and loss.

Investments in Subsidiaries, Associates and Joint Ventures:

All investments in subsidiaries, associates and joint ventures shall be held sui generis i.e., in a distinct category for such investments separate from the other investment categories (viz. HTM, AFS and FVTPL).

INTITIAL 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 shall be tested include where:

a) The transaction is between related parties (Excludes transactions on NDS-OM).
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 ‘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.

REPO / Reverse REPO

The Bank has adopted the Uniform Accounting Procedure prescribed by the RBI for accounting of market Repo and Reverse Repo transactions. Repo and Reverse Repo / Standing Deposit Facility transactions are treated as Collateralized Borrowing / Lending Operations with an agreement to repurchase on the agreed terms. Securities sold under Repo are continued to be shown under investment. and Securities are not purchased under Standing Deposit Facility. Outstanding Repo / Term Repo is disclosed as borrowing and outstanding Reverse Repo/ Standing Deposit Facility is disclosed as lending. Costs and revenues are accounted for as interest expenditure / income, as the case may be.

Cost of investments is determined on the basis of Weighted Average Price method.

Interest paid for broken period/ interest received for broken period at the time of purchase/ sale of fixed income securities is treated as revenue expenditure/ income.

Brokerage/Incentives received/paid at the time of purchase/sale of investments are deducted/added from the amount of the investment.

CLASSIFICATION BASED ON LEVELS OF VALUATION:

To increase consistency and comparability in fair value measurements and related disclosures, the bank shall categorize its investment portfolio into three fair value hierarchies viz. Level 1, Level 2, and Level 3 as defined below. The details of the investment portfolio shall be disclosed in their notes to accounts of their financial statements.

These disclosure requirements shall become effective from the audited financial statements for the financial year ending March 31, 2026, onwards.

"Level 1" in the context of inputs used for valuation of a financial instrument are those inputs which are quoted prices (unadjusted) in active markets for identical instruments that the bank can access at the measurement date. In reference to the valuation of an instrument, it refers to a valuation that is substantively based on Level 1 inputs and does not have any significant Level 2 or Level 3 inputs.

"Level 2" in the context of inputs used for valuation of a financial instrument are those inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. In reference to the valuation of an instrument, it refers to a valuation that is based on Level 1 and Level 2 inputs and does not have any significant Level 3 inputs.

"Level 3" in the context of inputs used for valuation of a financial instrument are unobservable inputs. In reference to the valuation of an instrument, it refers to a valuation in which there is a significant Level 3 input.

FAIR VALUATION OF L3- Bank shall not pay dividends out of net unrealized gains recognized in the Profit and Loss Account arising on fair valuation of Level 3 investments on their Balance Sheet. Further, such net unrealized gains on Level 3 investments recognized in the Profit and Loss Account or in the AFS-Reserve shall be deducted from CET 1 capital.
Provided that this clause shall not apply to investments that meet the SPPI criteria and are required to be risk weighted at 50 per cent or lower for credit risk as per applicable regulatory instructions on capital adequacy.

Derivatives:

Interest Rate Swaps:

Valuation:

(a) **Hedging Swaps**: Interest Rate Swaps for hedging assets and liabilities are not marked to market.

(b) **Trading Swaps**: Interest Rate Swaps for trading purpose are marked to market.

Accounting of income on derivative deals:

(a) **Hedging Swaps**: Income is accounted for on realization basis. Expenditure, if any, is accounted for on accrual basis, if ascertainable.

(b) **Trading Swaps:** Income or expenditure is accounted for on realization basis on settlement date.

Accounting of gain or loss on termination of swaps:

(a) **Hedging Swaps:** Any gain or loss on the terminated swap is recognized over the shorter of (a) the remaining contractual life of the swap or (b) the remaining life of the asset/ liability.

(b) **Trading Swaps**: Any gain or loss on terminated swap is recognized as income or expenditure in the year of termination.

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.

IFR shall be eligible for inclusion in Tier II capital. The cap applicable on recognition of General Provisions and Loss Reserves as Tier II capital is not applicable on IFR.

Advances:

Advances shown are net of write offs, provisions made for non-performing assets, claims settled with the credit guarantee institutions, provision for diminution in fair value for restructured advances and bills rediscounted.

Classification of advances and provisions are made in accordance with the prudential norms prescribed by RBI from time to time, except in respect of following category of advances, provision on NPAs are made higher than the rate prescribed by RBI -

a. Sub-standard - 20%
b. Doubtful Assets One to three years - 50% on secured portion

Provision for performing assets, other than provision on standard restructured advances, is shown under the head "Other liabilities and provisions".

In respect of Rescheduled/ Restructured accounts, provision for diminution in fair value of restructured advances is made on present value basis as per RBI guidelines.

In respect of advances under SDR, provision is made in accordance with RBI guidelines, within a maximum period of four quarters.

In case of financial assets sold to Asset Reconstruction Company (ARC)/ Securitization Company (SC), if the sale is at a price higher than the net book value (NBV), the surplus is retained and utilised to meet the shortfall/loss on account of sale of other financial assets to SC/ARC. If the sale is at a price below the NBV, (i.e. outstanding less provision held) the shortfall is to be debited to the Profit and Loss account. However, if surplus is available, such shortfall will be absorbed in the surplus. Any shortfall arising due to sale of NPA will be amortised over a period of two years if not absorbed in the surplus.

Excess provision arising out of sale of NPAs are reversed only when the cash received (by way of initial consideration only/or redemption of SRS/PTC) is higher than the NBV of the asset. Reversal of excess provision will be limited to the extent to which cash received exceeds the NBV of the asset.

Fixed Assets and Depreciation:

Premises and Other Fixed Assets are accounted for at cost less accumulated depreciation/amortization, except for certain premises, which were revalued and stated at revalued amount.

Cost includes cost of purchase, taxes as per GST law and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability.

Depreciation on fixed assets is provided at the rates specified below, except in case of revalued assets, in respect of which higher depreciation is provided on the basis of estimated useful life of these revalued assets.

Sr.	Category of Asset	Useful Life	Method of	Rate of

No.		of Assets	Depreciation	Depreciation (%)
1.	Building & Premises	60	SLM	1.667
2.	General Items including Safe	10	SLM	10.00
3.	Electrical – Television, Mobile Phones, Home Theater, Printer, Camera	3	SLM	33.33
4.	Electrical Equipment's- Others	7	SLM	14.29
5.	Office Machinery	5	SLM	20.00
6.	Motor Vehicles	8	SLM	12.50
7.	Safe Deposit Vaults	10	SLM	10.00
8.	Computers & Laptops	3	SLM	33.33
9.	ATM	7	SLM	14.29
10.	UPS	5	SLM	20.00
11.	BNA	7	SLM	14.29
12.	Cash Re-cycler	7	SLM	14.29

** Straight Line Method (SLM)*

In respect of assets acquired during the year, depreciation is provided on proportionate basis for the number of days the assets have been put to use during the year.

Similarly, in respect of assets sold / discarded during the year, depreciation is provided on proportionate basis till the number of days the assets had been put to use during the year.

Eligible fixed assets are revalued once in every three years. Revalued portion of fixed assets (over and above the cost of fixed assets) is depreciated on Straight Line method over the residual life of the assets as certified by approved valuers at the time of valuation.

Revaluation reserve pertaining to lease hold lands, is amortised on straight line method over the residual life of the lease period.

Depreciation on revalued portion of fixed assets, over and above the cost is debited to Profit & Loss account. Amount of Revaluation Reserve to the extent of depreciation related to revalued portion of fixed assets over and above the cost debited to profit & loss account is transferred to Revenue Reserve from Revaluation Reserve.

In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease on SLM basis in accordance with AS 19.

In case of the subsidiary:

In the case of METCO, fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost includes all expenditure necessary to bring the asset to its working conditions for its intended use. Assets sold are reduced from the fixed assets and after taking effect of depreciation, profit / loss has been calculated. Depreciation is provided on the written down value basis applying new standards as per Companies Act 2013, on the basis of useful life of assets.

Revenue Recognition

All revenues and costs are accounted for on accrual basis except the following items, which are accounted for on cash basis:

a. Interest on Advances and Investments identified as Non-Performing Assets according to the prudential norms and guidelines issued by RBI, from time to time.
b. Income from commission viz., on Guarantees, Letter of Credit, Government business, Mutual Fund business, credit & debit cards issued, annual maintenance charges for cards and Locker Rent. With effect from April 01, 2022, the income on account of Commission on account of issuance of Letter of

Credit, Bank Guarantee and commission on sale of Priority Sector Lending Certificate (PSLC) is recognized on accrual basis as against cash basis followed in the preceding year.

c. Interest for overdue period on bills purchased and bills discounted.
d. Insurance claims.
e. Remuneration on Debenture Trustee Business.
f. Loan Processing Fees.
g. Income from Merchant Banking Operations and Underwriting Commission.
h. Transaction processing fees received on utility bill pay services through internet banking.

Pursuant to RBI guidelines, the interest payable on overdue term deposit is provided on accrual basis at rate of interest as applicable to saving account or contracted rate of interest on the matured TD, whichever is lower from July 2, 2021

Employees' Benefits:

Defined Contribution Plan: The contribution paid/ payable under defined contribution benefit schemes are charged to Profit & Loss Account.

Defined Benefit Plans: All eligible employees are entitled to receive benefits under the Bank's Gratuity and Pension schemes which are valued based on the principles laid down in AS -15, Employees Benefit (Revised) issued by Institute of Chartered Accountants of India. Bank's liabilities towards defined benefit schemes are determined on the basis of an actuarial valuation made at the end of each quarter/financial year. Actuarial gains and losses are recognized in the Profit & Loss Account.

Other Employee Benefits such as Leave Fare Concession, Privilege Leave, Silver jubilee Award, resettlement allowance, and retirement benefit are provided based on Actuarial valuation.

Segment Reporting:

The Bank recognizes Business Segment as its Primary Segment in compliance with the RBI Guidelines and in compliance with the Accounting Standard 17 issued by ICAI.

Impairment of Assets:

Impairment losses, if any, on fixed assets including revalued fixed assets are recognized in accordance with Accounting Standard 28- Impairment of Assets issued by the ICAI and charged to Profit & Loss Account. Assets are reviewed for Impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable.

Provisions, Contingent Liabilities and Contingent Assets:

As per the Accounting Standard 29 - "Provisions, Contingent Liabilities and Contingent Assets" issued by ICAI, the Bank recognizes provisions only when it has a present obligation as a result of a past event, not 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 the income that may never be realized.

Net Profit, Provisions and Contingencies:

The Net Profit disclosed is after making the Provisions and Contingencies which include adjustment to the value of investments, write off of bad debts, provision for taxation (including deferred tax), and provision for advances including cases identified as fraud and contingencies /others.

Income Tax:

The provision for tax for the year comprises liability towards current Income Tax and Deferred Tax. The deferred tax asset/ liability is recognized, subject to the consideration of prudence, taking into account the timing differences between the taxable income and accounting income, in terms of the Accounting Standard 22 issued by ICAI. The effect of change in tax rates on deferred tax assets and liabilities is recognized in the Profit & Loss Account in the period of applicability of the change.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized and re-assessed at each reporting period based on management judgement as to whether their realization is considered as reasonably certain. In cases of unabsorbed depreciation or carried forward loss under taxation laws, all deferred tax assets are recognized only if there is virtual certainty of realization of such assets supported by convincing evidence. In cases of unabsorbed depreciation or carried forward loss under taxation laws, all deferred tax assets are recognized only if there is virtual certainty of realization of such assets supported by convincing evidence.

Interest income on refund of Income Tax is accounted for in the year; the order is passed by the concerned authority. The demand raised by the Tax authorities including the interest thereon is provided for when such demand is accepted by the bank and the same is not contested before appellate authority OR when such demand is upheld by jurisdictional tribunal and there is no favorable judgement of other tribunal on identical issue and bank does not prefer to go before High Court OR when such demand is upheld by High Court.

Earnings per Share

Basic and Diluted earnings per equity share are reported in accordance with the Accounting Standard (AS-20) "Earnings Per Share" issued by ICAI. Basic Earnings per share is arrived by dividing net profit by the weighted average number of equity shares outstanding for the period. The diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

Diluted earnings per share reflect the potential dilution that could occur in earning per share is securities or other contracts to issue equity shares that are to be exercised or converted during the period.

RECENT ACCOUNTING PRONOUNCEMENTS

There were no significant changes in the accounting policies during the Fiscal Years 2024, 2023 and 2022, except with effect from April 01, 2022, the income on account of Commission on account of issuance of Letter of Credit, Bank Guarantee and commission on sale of Priority Sector Lending Certificate (PSLC) is recognized on accrual basis as against cash basis followed in the preceding year.

Adoption of Ind AS

The Audited Financial Statements and other financial information included or incorporated by reference in this Preliminary Placement Document are based on the Bank's audited financial statements prepared in accordance with Indian GAAP. The Institute of Chartered Accountants of India has issued Ind AS, a revised set of accounting standards, which largely converges the Indian accounting standards with International Financial Reporting Standards. The Ministry of Corporate Affairs, which is the law-making authority for adoption of accounting standards in India, has notified these Ind AS for adoption. Further, the ministry has also issued a roadmap for transition to Ind AS by Indian companies in a phased manner starting from April 1, 2016. For banking companies, the implementation of Ind AS, which was earlier to begin from April 1, 2018, has been deferred until further notice as recommended legislative amendments were still under consideration by the Government. The RBI does not permit banks to adopt Ind AS earlier than the official implementation timelines.

Ind AS 109 – Financial Instruments (Standard equivalent to International Financial Reporting Standard 9) would have a significant impact on the way financial assets and liabilities are classified and measured, resulting in volatility in profit or loss and equity. Ind AS will change, among other things, the Bank's methodology for estimating allowances for probable loan losses and for classifying and valuing its investment portfolio and its revenue recognition policy. For more information, see "*Risk Factors — Risks relating to the Bank – Indian accounting principles differ from those which prospective investors may be familiar with in other countries. In addition, the effects of the planned convergence with, and adoption of, IFRS are uncertain*." on page 55.

COMPONENTS OF INCOME AND EXPENDITURE

Income

Our income comprises of income from interest earned and other income.

Interest earned

Interest earned consists of interest 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. Our securities portfolio consists primarily of government securities, debentures and bonds and equity shares. We also have investments in our subsidiaries and associates. On the balances that we maintain with RBI to meet our cash reserve requirements, we do not receive any interest.

Other Income

Our non-interest income consists principally of (i) commission, exchange and brokerage, (ii) net profit on the sale of investments, (iii) net profit on revaluation of investments (i.e. provision for depreciation in market value of investments), (iv) net profit (loss) on the sale of land, buildings and other assets (v) net profit on foreign exchange transactions, (vi) income by way of dividend from subsidiary and associate company(ies) and/or joint ventures in India and outside India, and (vii) miscellaneous income, which primarily includes commission received from the sales of third-party products, mutual fund products and fees collected from customer such as folio charges or commitment charges/ recoveries in assets written off or locker rent.

Expenditure

Interest Expended

Our interest expended include interest on deposits, interest on RBI and inter-bank borrowings and other interest/ discount such as interest on subordinated debt/ capital bonds, discount on TREPS borrowings, interest for delayed payments and other borrowings from other financial institutions, such as SIDBI, NHB and NABARD.

Operating Expenses

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

Provisions and Contingencies

Our provisions and contingencies primarily consist of (i) provision made towards standard assets, (ii) provision made towards non-performing assets, (iii) provision made towards taxation, (iv) provision for MAT credit, and (v) other provisions which includes provision for unhedged foreign currency exposure and provisions and contingencies towards restructured advances.

RESULTS OF OPERATIONS

Three-month period ended June 30, 2024 compared to Three-month period ended June 30, 2023

The following table sets forth certain information relating to our results of operations in Three-month period ended June 30, 2024 and Three-month period ended June 30, 2023:

	Three Month Period Ended June 30,	
	2024	**2023**
	(₹ *in millions*)	
Interest earned	58,746.78	47,886.62
Share of earnings/loss in associates	14.08	11.83
Other income	8,940.85	6,292.07

	Three Month Period Ended June 30,	
	2024	2023
	(*₹ in millions*)	
Income	**67,701.71**	**54,190.52**
Interest expended	30,752.44	24,486.51
Operating expenses	13,989.19	11,055.38
Provisions and contingencies	10,009.14	9,811.92
Expenditure	**54,750.76**	**45,353.8**
Net profit	**12,960.95**	**8,836.71**

Income

Interest Earned

Total interest earned increased by 22.68% from ₹47886.62 million in Three-month period ended June 30, 2023 to ₹58746.78 million. This increase was primarily attributable to (i) an 21.38% increase in interest income on advances and bills as a result of increase in yield on advances and increase in average advances. These increases were partially offset by a 481.47% increase in interest on balances with Reserve Bank of India and other interbank funds. Our increase in yield on advances in Three-month period ended June 30, 2024 was primarily due to increase in yield on advances and increase in average advances. Our increase in average advances in Three-month period ended June 30, 2024 was mainly due to (i) relief packages offered by the RBI and/or Central Government which incentivized lending by banks to protect the value of loan portfolio assets and (ii) an overall increase in advances made to RAM and PSU sectors where there was high demand for capital expenditure in Three-month period ended June 30, 2024.

Other Income

Other income increases by 42.10 % from ₹6292.07 million in Three-month period ended June 30, 2023 to ₹ 8940.86 million. This was primarily due to a 12.15% increase in commission, exchange, and brokerage from ₹3280.44 million in Three-month period ended June 30, 2023 to ₹3678.91 million that was partially set off by decrease in profit on sale of investment income of 24.87 %, from ₹485.92 million in Three-month period ended June 30, 2023 to ₹365.06 million.

Expenditure

Interest Expended

Total interest expended marginally increased by 25.59% from ₹24486.50 million in Three-month period ended June 30, 2023 to ₹ 30752.44 million primarily due to 28.08% increase in interest paid on deposit from ₹ 22843.16 million in Three-month period ended June 30, 2023 to ₹29256.45 million primarily as a result of a decline in interest rates payable on deposits in Three-month period ended June 30, 2024 consistent with the overall market trend, marginally offset by an increase in RBI and inter-bank borrowings mainly as a result of increase in Repo Rate for LAF.

Operating Expenses

Operating expenses increased by 26.54% from ₹ 11055.38 million in Three-month period ended June 30, 2023 to ₹ 13989.19 million. This increase was primarily attributable to (a) a 16.74% increase in payments of rent, taxes and lighting from ₹ 640.66 million in Three-month period ended June 30, 2023 to ₹ 747.88 million and (b) a 20.50% increase in law charges on Bank's property from ₹ 128.66 million in Three-month period ended June 30, 2023 to ₹ 155.04 million and (c) a 22.67% increase in repair & maintain charges of ₹ 533.51 million for Three-month period ended June 30, 2023 to ₹, 654.44 million.

Provisions and Contingencies

Provisions and contingencies increased by 2.01% from ₹ 9811.92 million in Three-month period ended June 30, 2023 to ₹ 10009.14 million in Three-month period ended June 30, 2024.

Net Profit

For the reasons discussed above, net profit increased by 46.56% from ₹ 8,836.71million in Three-month period ended June 30, 2023 to ₹ 12,950.95 million in Three-month period ended June 30, 2024.

Fiscal 2024 compared to Fiscal 2023

The following table sets forth certain information relating to our results of operations in Fiscal 2024 and Fiscal 2023:

	Fiscal	
	2024	**2023**
	(₹ in millions)	
Interest earned	204,948.49	158,985.95
of earnings/loss in associates	159.39	22.08
Other income	29,985.94	22,809.35
Income	**235,093.82**	**181,817.39**
Interest expended	106,718.28	81,567.88
Operating expenses	48,152.01	39,224.64
Provisions and contingencies	39,505.73	34,974.85
Expenditure	**194,376.02**	**155,767.36**
Net profit	**40,717.80**	**26,050.03**

Income

Interest Earned

Total interest earned increased by 28.91% from ₹ 158985.95 million in Fiscal 2023 to ₹ 204948.48 million, This increase was primarily attributable to (i) an 37.79% increase in interest income on advances and bills as a result of increase in yield on advances and increase in average advances. These increases were partially offset by a 158.95% increase in interest on balances with Reserve Bank of India and other interbank funds. Our increase in yield on advances in Fiscal 2024 was primarily due to increase in yield on advances and increase in average advances. Our increase in average advances in Fiscal 2024 was mainly due to (i) relief packages offered by the RBI and/or Central Government which incentivized lending by banks to protect the value of loan portfolio assets and (ii) an overall increase in advances made to RAM and PSU sectors where there was high demand for capital expenditure in Fiscal 2024.

Other Income

Other income increased by 31.46% from ₹ 22809.35 million in Fiscal 2023 to ₹ 29985.94 million in Fiscal 2024. This was primarily due to a 20.86% increase in commission, exchange, and brokerage from ₹ 13091.15 million in Fiscal 2023 to ₹ 15822.31 million that was partially increase in profit on sale of investment income of 95.87% from ₹ 1061.31 million in Fiscal 2023 to ₹2078.79 million.

Expenditure

Interest Expended

Total interest expended marginally increased by 30.83% from ₹ 81567.87 million in Fiscal 2023 to ₹ 106718.27 million primarily due to 39.72% increase in interest paid on deposit from ₹ 71855.50 million in Fiscal 2023 to ₹ 100396.14 million primarily as a result of a decline in interest rates payable on deposits in Fiscal 2024 consistent with the overall market trend, marginally offset by an increase in RBI and inter-bank borrowings mainly as a result of increase in Repo Rate for LAF.

Operating Expenses

Operating expenses increased by 22.76% from ₹ 39224.64 million in Fiscal 2023 to ₹ 48152.01 million This increase was primarily attributable to (a) a 12.92% increase in payments of rent, taxes and lighting from ₹2482.28 million in Fiscal 2023 to ₹2802.94 million and (b) a 15.83% increase in law charges on Bank's property from ₹ 591.31 million in Fiscal 2023 to ₹ 684.89 million and (c) a 19.77 % increase in repair & maintain charges of ₹ 2159.87 million for Fiscal 2023 to ₹ 2586.79 million.

Provisions and Contingencies

Provisions and contingencies increased by 12.95% from ₹ 34,974.85 million in Fiscal 2023 to ₹ 39,505.73 million in Fiscal 2024.

Net Profit

For the reasons discussed above, net profit increased by 56.31 % from ₹ 26,050.03 million in Fiscal 2023 to ₹ 56.31 million in Fiscal 2024.

Fiscal 2023 compared to Fiscal 2022

The following table sets forth certain information relating to our results of operations in Fiscal 2023 and Fiscal 2022:

	Fiscal	
	2023	**2022**
	(*₹ in millions*)	
Interest earned	158,985.95	130,193.09
Share of earnings/loss in associates	22.08	17.92
Other income	22,809.35	26,528.59
Income	**181,817.39**	**156,739.60**
Interest expended	81,567.88	69,739.61
Operating expenses	39,224.64	38,500.34
Provisions and contingencies	34,974.85	36,965.36
Expenditure	**155,767.36**	**145,205.31**
Net profit	**26,050.03**	**11,534.29**

Income

Interest Earned

Total interest earned increased by 22.12% from ₹130,193.09 million in Fiscal 2022 to ₹158,985.95 million in Fiscal 2023. This increase was primarily attributable to (i) an 39.53% increase in interest income on advances and bills as a result of increase in yield on advances and increase in average advances. These increases were partially offset by a 42.19% decrease in interest on balances with Reserve Bank of India and other interbank funds. Our increase in yield on advances in Fiscal 2023 was primarily due to increase in yield on advances and increase in average advances. Our increase in average advances in Fiscal 2023 was mainly due to (i) relief packages offered by the RBI and/or Central Government which incentivized lending by banks to protect the value of loan portfolio assets and (ii) an overall increase in advances made to RAM and PSU sectors where there was high demand for capital expenditure in Fiscal 2023.

Other Income

Other income decreased by 14.02% from ₹26,528.59 million in Fiscal 2022 to ₹22,809.35 million in Fiscal 2023. This was primarily due to a 6.14% increase in commission, exchange, and brokerage from ₹12,333.42 million in Fiscal 2022 to ₹13,091.15 million in Fiscal 2023 that was partially set off by decrease in profit on sale of investment income of 79.78%, from ₹5,248.71 million in Fiscal 2022 to ₹1,061.31 million in Fiscal 2023.

Expenditure

Interest Expended

Total interest expended marginally increased by 16.96% from ₹ 69,739.61 million in Fiscal 2022 to ₹81,567.88 million in Fiscal 2023 primarily due to 11.28% increase in interest paid on deposit from ₹ 64,573.04 million in Fiscal 2022 to ₹71,855.51 million in Fiscal 2023, primarily as a result of a decline in interest rates payable on deposits in Fiscal 2023 consistent with the overall market trend, marginally offset by an increase in RBI and inter-bank borrowings mainly as a result of increase in Repo Rate for LAF.

Operating Expenses

Operating expenses increased by 1.88% from ₹38,500.34 million in Fiscal 2022 to ₹39,224.64 million in Fiscal 2023. This increase was primarily attributable to (a) a 8.83% increase in payments of rent, taxes and lighting from ₹2,280.85 million in Fiscal 2022 to ₹2,482.28 million in Fiscal 2023 and (b) a 50.10% increase in law charges on Bank's property from ₹393.95 million in Fiscal 2022 to ₹591.31 million in Fiscal 2023 and (c) a 12.01% increase in repair & maintain charges of ₹1,928.29 million for Fiscal 2022 to ₹2,159.87 million in Fiscal 2023.

Provisions and Contingencies

Provisions and contingencies decreased by 5.38% from ₹36,965.36 million in Fiscal 2022 to ₹34,974.85 million in Fiscal 2023.

Net Profit

For the reasons discussed above, net profit increased by 125.85% from ₹11,534.29 million in Fiscal 2022 to ₹26,050.03 million in Fiscal 2023.

FINANCIAL CONDITION

Assets

The table below sets out the principal components of our assets as of the dates indicated:

Particulars	**As of March 31,**			**As of June 30, 2024**
	2022	**2023**	**2024**	
	(₹ in millions)			
Cash and balances with the RBI	197,219.29	185,077.22	211,613.42	143504.19
Balance with banks and money at call and short notice	1,940.87	212.28	91,503.63	1424.02
Investments	687,615.63	690,420.32	684,846.52	765655.98
Advances	1,311,704.39	1,712,206.71	2,002,398.84	2055730.65
Fixed assets	22,416.60	21,567.40	22,096.12	22454.55
Other assets	86,937.85	68,787.76	61,031.68	65477.25
Total assets	**2,307,834.63**	**2,678,271.69**	**3,073,290.21**	**3054246.64**

Assets amounted to ₹ 3,073,290.21 million as of March 31, 2024 compared to ₹ 2,678,271.69 million as of March 31, 2023 compared to 2,307,834.63 million as of March 31, 2022.

Total assets increased by 14.75% from ₹2678271.69 million as of March 31, 2023 to ₹ 3073290.21 million as of March 31, 2024. This increase was primarily due to (i) an increase in advances by 16.95% from ₹,1712,206.71 million as of March 31, 2023 to ₹ 2002398.84 million as of March 31, 2024, (ii) an offset decreased in investments by -0.81% from ₹690420.32 million as of March 31, 2023 to ₹ 684846.52 million as of March 31, 2024. This was offset by (i) a increase in Balances with Banks and Money at Call and Short Notice by from ₹ 212.28 million as of March 31, 2023 to ₹ 91503.63 million as of March 31, 2024 (ii) a decrease in other assets by 11.28% from ₹ 68787.76 million as of March 31, 2023 to ₹ 61031.68 million as of March 31, 2024.

Total assets increased by 16.05% from ₹ 2,307,834.63 million as of March 31, 2022 to ₹ 2678271.69 million as of March 31, 2023. This increase was primarily due to (i) an decrease in cash and balances with the RBI by -6.16 % from ₹ 197,219.29 million as of March 31, 2022 to ₹ 185077.22 million as of March 31, 2023, (ii) an increase in advances by 30.53% from ₹ 1,311,704.39 million as of March 31, 2022 to ₹ 1712206.71 million as of March

31, 2023, (iii) an increase in investments by 0.41% from ₹ 687,615.63 million as of March 31, 2022 to ₹ 690420.32 million as of March 31, 2023, and (iv) an decrease in fixed assets by -3.79% from ₹ 22,416.60 million as of March 31, 2022 to ₹ 21567.4 million as of March 31, 2023. This was partially offset by (i) a decrease in other assets by -20.88 % from ₹ 86,937.85 million as of March 31, 2022 to ₹ 68787.76 million as of March 31, 2023.

Advances

The following table sets forth a breakdown of our advances as of the dates indicated:

Particulars	**As of March 31,**			**As of June 30,2024**
	2022	**2023**	**2024**	
	(₹ in millions)			
Bills purchased and discounted	6,796.27	9,032.01	35310.98	36580.65
Cash Credits, Overdrafts & Loans repayable on demand	425,281.61	494,340.21	514897.80	514216.07
Term Loans	879,626.51	1,208,834.50	1452190.06	1504933.94
Total advances	**1,311,704.39**	**1,712,206.71**	**2002398.84**	**2055730.65**

Our advances mainly comprise of bills purchased and discounted, cash credit, overdrafts and loans repayable on demand, and term loans.

Net advances increased by 16.95% from ₹ 1712206.71million as of March 31, 2023 to ₹ 2002398.84 million in Fiscal 2024. The increase was primarily due to (i) an increase in term loans by 20.13% from ₹ ₹1208834.5 million as of March 31, 2023 to ₹1452190.06 million as of March 31, 2024 and (ii) an increase in cash credits, overdrafts and loans repayable on demand by 4.16% from ₹ 494340.21 million as of March 31, 2023 to ₹ 514897.8 million as of March 31, 2024 and (iii) a increase in bills purchased and discounted by 290.95% from ₹ 9032.01 million as of March 31, 2023 to ₹ 35310.98 million as of March 31, 2024.

Net advances increased by 30.53% from ₹ 1311704.39 million as of March 31, 2022 to ₹ 1712206.71 million as of March 31, 2023. The increase was primarily due to (i) an increase in term loans by 37.43% from ₹ 879626.51 million as of March 31, 2022 to ₹ 1208834.5 million as of March 31, 2023 and (ii) an increase in cash credits, overdrafts and loans repayable on demand by 16.24% from ₹ 425281.61million as of March 31, 2022 to ₹ 494340.21million as of March 31, 2023, offset by (i) a increase in bills purchased and discounted by 32.90% from ₹ 6796.27 million as of March 31, 2022 to ₹ 9032.01 million as of March 31, 2023.

Investments

The following table sets forth a breakdown of our investments as of the dates indicated:

Particulars	**As of March 31,**			**As of June 30, 2024**
	2022	**2023**	**2024**	
	(₹ in millions)			
Government securities	634,103.04	642,552.49	642842.66	712669.80
Shares	2,744.06	3,352.04	3235.40	4462.43
Debentures and bonds	43,088.02	38,788.03	34936.58	43106.63
Investment in associates	2,440.25	2,823.81	3300.76	4315.90
Others	5,240.26	2,903.95	331.12	1101.22
Total investments	**687,615.63**	**690,420.32**	**684646.52**	765655.98

Our investments mainly represent investments in government securities, investments in debt instruments such as debentures and bonds of public sector undertakings and corporates, investments in equity shares and investment in associate entities and others.

Investments decreased marginally by 0.84% from ₹ 690420.32 million as of March 31, 2023 to ₹ 684646.52 million as of March 31, 2024 primarily due to (i) an increase in government securities (inclusive of treasury bills and zero coupon bonds) by 0.05% from ₹ 642,552.49 million as of March 31, 2023, to ₹642,842.66 million as of March 31, 2024 and (ii) an shares decreased by 3.48% from ₹ 3352.04 million as of March 31, 2023, to ₹ 3235.4 million as of March 31, 2024 partially offset by (i) a decrease in debentures and bonds by 9.93% from ₹ 38788.03 million as of March 31, 2023 to ₹ 34936.58 million as of March 31, 2024 and (ii) a decrease in Investment in associates and other investment such as certificate of deposits and mutual funds by 36.59% from ₹ 5727.76 million as of March 31, 2023 to ₹ 3631.88 million as of March 31, 2024.

Investments increased marginally by 0.41% from ₹ 687615.63 million as of March 31, 2022 to ₹ 690420.32million as of March 31, 2023 primarily due to an increase in government securities (inclusive of treasury bills and zero coupon bonds) by 1.33% from ₹ 634103.04 million as of March 31, 2022 to ₹ 642552.49 million as of March 31, 2023, partially offset by (i) a decrease in debentures and bonds by 9.98% from ₹ 43088.02 million as of March 31, 2022 to ₹ 38788.03 million as of March 31, 2023 and (ii) a decrease in Investment in associates and other investment such as certificate of deposits and mutual funds by 25.42% from ₹ 7680.51 million as of March 31, 2022 to ₹ 5727.76 million as of March 31, 2023.

From Fiscal 2024 to Fiscal 2023, our investment in Government Securities increased as we are required to make more investments in SLR securities due to the overall increase in demand and time liabilities in our balance sheet across the period.

Other Assets

The following table sets forth a breakdown of our other assets as of the dates indicated:

Particulars	**As of March 31,**			**As of June 30 2024**
	2022	**2023**	**2024**	
	(₹ in millions)			
Inter-office adjustments (net)	-	-	659.78	-
Interest accrued	13,263.15	12,840.00	13073.61	17281.55
Tax paid in advance/ tax deducted at source	20,201.74	18,384.13	18103.51	18268.78
Stationery and stamps	32.27	32.99	25.98	30.67
Others	53,440.69	37,530.63	29168.8	29896.25
Total other assets	**86,937.85**	**68,787.76**	**61031.68**	**65477.25**

Other assets primarily include net inter-office adjustments, interest accrued, taxes paid net, stationery and stamps and non-banking assets acquired in satisfaction of claims.

Other assets decreased by 11.28% from ₹68787.76 million as of March 31, 2023 to ₹ 61031.68 million as of March 31, 2024, primarily due (i) a decrease in others in Fiscal 2024 by 22.28% and (ii) a debt balance in inter office adjustments (net) in Fiscal 2024, partially offset by an increase in tax paid in advance/tax deducted at source (net).

Other assets decreased by 20.88% from ₹ 86,937.85 million as of March 31, 2022 to ₹ 68,787.76 million as of March 31, 2023, primarily due to decrease in other assets (others) in Fiscal 2023 by 29.77%.

Liabilities

The table below sets out the principal components of our shareholders' funds and liabilities as of the dates indicated:

Particulars	**As of March 31,**			**As of June 30, 2024**
	2022	**2023**	**2024**	
				(*₹ in millions*)
Capital	67,304.96	67,304.96	70,813.74	70813.74
Reserves and surplus	73,313.76	90597.37	127,892.48	142812.24
Shareholder Funds	**140,618.73**	**157902.34**	**198,706.22**	**213625.98**
Deposits	2,022,752.54	2340641.04	2,707,264.23	2673952.23
Borrowings	77,467.42	107656.58	77,818.55	94477.46
Other liabilities and provisions	66,995.95	72071.74	90,131.22	72190.96
Total Liabilities	**2,167,215.91**	**2520369.35**	**2,875,214.00**	**2840620.65**
Total liabilities and shareholders' funds	**2,307,834.63**	**2678271.69**	**3,073,290.21**	**3054246.63**

Total liabilities and shareholders' funds increased by 14.75% from ₹2678271.69 million as of March 31, 2023 to ₹ 3073290.21 million as of March 31, 2024, primarily on account of an increase in capital from the market through QIP issue, increase in accumulated profit, increase in deposit and partially offset by decrease in borrowings.

Shareholder funds was ₹198,706.22 million as of March 31, 2024, ₹157902.34 million as of March 31, 2023 and ₹ 140,618.73 million as of March 31, 2022.

Deposits

The following table sets forth a breakdown of our deposits, as well as the percentage of total deposits that each item contributes, as of March 31, 2022, 2023 and 2024:

	As of March 31,						**As of June 30, 2024**	
	2022		**2023**		**2024**			
	Amount (*₹ in millions*)	**Percentage of total deposits (%)**	**Amount (*₹ in millions*)**	**Percentage of total deposits (%)**	**Amount(*₹ in millions*)**	**Percentage of total deposits (%)**	**Amount(*₹ in millions*)**	**Percentage of total deposits (%)**
Demand deposits	281,770.33	13.93%	283,003.92	12.09%	349666.24	12.92%	312192.02	11.68%
Savings bank deposits	888,562.43	43.93%	966,599.19	41.30%	1078050.42	39.82%	1021139.55	38.19%
Term deposits	852,419.77	42.14%	1,091,037.92	46.61%	1279547.57	47.26%	1340620.66	50.14%
Total deposits	**2,022,752.54**	**100.00%**	**2,340,641.04**	**100.00%**	**2707264.23**	100%	2673952.23	100%

Deposits comprise demand deposits, savings bank deposits and term deposits.

Deposits increased by 15.66% from ₹ 2340641.04 million as of March 31, 2023 to ₹ 2707264.23 million as of March 31, 2024 due to an increase in demand deposits, savings bank deposits and term deposits.

Deposits increased by % 15.72 from ₹ 2022752.54 million as of March 31, 2022 to ₹ 2340641.04 million as of March 31, 2023 due to an increase in demand deposits, savings bank deposits and term deposits.

Borrowings

The following table sets forth a breakdown of our borrowings as of the dates indicated:

Particulars	**As of March 31,**			**As of June 30, 2024**
	2022	**2023**	**2024**	
Borrowings in India	**(₹ *in millions*)**			
Reserve Bank of India	5,000.00	5,000.00	-	-
Other institutions and agencies	33,510.42	53,959.41	21111.55	38400.46
Other borrowings	38,957.00	48,337.00	56077.00	56077.00
Total borrowings in India	**77,467.42**	**107,296.41**	**77188.55**	**94477.46**
Borrowings outside India	-	360.17	-	-
Total borrowings	**77,467.42**	**107,656.58**	**77188.55**	**94477.46**

Our borrowings mainly comprise borrowings in India from the RBI, other institutions and agencies, as well as other borrowings such as subordinated debt bonds and infra bonds.

Borrowings decreased substantially by 28.30% from ₹107656.58 million as of March 31, 2024 to ₹77188.55 million as of March 31, 2023, primarily driven by an increase in borrowings mainly by other institutions and agencies.

Borrowings increased by 38.97% to ₹ 77467.42 million as of March 31, 2023 from ₹ 107656.58 million as of March 31, 2022, primarily driven by an increase in other borrowings mainly subordinated debt bonds.

Other Liabilities and Provisions

The following table sets forth a breakdown of our liabilities and provisions as of the dates indicated:

Particulars	**As of March 31,**			**As of June 30, 2024**
	2022	**2023**	**2024**	
	(₹ *in millions*)			
Bills payable	8,099.63	6,962.25	11794.80	6158.59
Inter-office adjustments (net)	7,492.61	1,563.68		81.41
Interest accrued	2757.58	4,072.92	3826.45	4588.04
Other provisions	48,676.14	59,472.86	74509.96	61362.92
Total	**66,995.95**	**72,071.74**	**90131.22**	**72190.96**

Other liabilities and provisions represent bills payable, net inter-office adjustments, interest accrued, and other provisions.

Other liabilities and provisions increased by 25.06% from ₹72,071.74 million as of March 31, 2023 to ₹90131.22 million as of March 31, 2024, primarily due to an increase in bills payable, net inter-office adjustment and other provisions.

Other liabilities and provisions increased by 7.58% from ₹ 66,995.95 million as of March 31, 2022 to ₹72,071.74 million as of March 31, 2023, primarily due to an increase in bills payable, net inter-office adjustment and other provisions.

LIQUIDITY AND CAPITAL RESOURCES

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

Cash Flows

The following table sets forth our statement of cash flows for Fiscal 2022, 2023 and 2024:

Particulars	**Fiscal 2022**	**Fiscal 2023**	**Fiscal 2024**
	(₹ in millions)		
Net cash from/ (used in) operating activities	68,963.38	(14,399.21)	115808.52
Net cash from/ (used in) investing activities	(3,001.80)	(1,750.76)	(2595.43)
Net cash from/ (used in) financing activities	3,780.82	2,279.31	4614.45
Net increase/ (decrease) in cash and cash equivalents	69,742.40	(13,870.66)	117827.54

Operating Activities

Net cash from operating activities was ₹115,808.52 million in Fiscal 2024, while net profit after tax for the period was ₹40,717.80 million. The difference was primarily attributable to adjustments for non-cash & non-operating activities items amounting to ₹45,948.43 million. Further there was an increase in deposits and advances by ₹366623.20 million and ₹290192.13 million, respectively, which was offset by decreases in borrowings (other than bond borrowings), other liabilities and provisions, investments, and other assets by ₹38208.03 million, ₹22610.62 million, ₹5773.80 million and ₹7756.08 million, respectively.

Net cash used in operating activities was ₹14399.21 million in Fiscal 2023, while net profit after tax for the period was ₹26,050.03 million. The difference was primarily attributable to adjustments for non-cash & non-operating activities items amounting to ₹41,293.44 million. Further there was an increase in deposits, borrowings (other than bond borrowings), investments and advances by ₹317,888.49 million, ₹20,809.16 million, ₹2,804.69 million and ₹400,502.32 million, respectively, which was offset by decreases in other liabilities and provisions and other assets by ₹35,283.41 million and ₹18,150.10 million, respectively.

Net cash from operating activities was ₹68,963.38 million in Fiscal 2022, while net profit after tax for the period was ₹11,534.29 million. The difference was primarily attributable to adjustments for non-cash & non-operating activities items amounting to ₹48,526.60 million. Further there was an increase in deposits, borrowings (other than bond borrowings), investments and advances by ₹282,859.57 million, ₹32,179.91 million, ₹4,801.19 million and ₹287,652.72 million, respectively, which was offset by decreases in other liabilities and provisions and other assets by ₹42,072.40 million and ₹31,639.32 million, respectively.

Investing Activities

Net cash used in investing activities was ₹2594.43 million in Fiscal 2024, primarily relating to purchases of fixed assets of ₹2789.06 million and partly offset by proceeds from sale of fixed assets ₹34.24 million and share of earnings from associates of ₹159.40 million.

Net cash used in investing activities was ₹1,750.76 million in Fiscal 2023, primarily relating to purchases of fixed assets of ₹3,244.48 million and partly offset by proceeds from sale of fixed assets ₹1,471.64 million and share of earnings from associates of ₹22.08 million.

Net cash used in investing activities was ₹3,001.80 million in Fiscal 2022, primarily relating to purchases of fixed assets of ₹3,090.52 million and partly offset by proceeds from share of earnings from associates of ₹17.92 million.

Financing Activities

Net cash from financing activities was ₹4614.45 million in Fiscal 2024, primarily due to a net issue of bonds in the principal amount of ₹7740.00 million and issue of equity share of Rs.10,000.00 million, which was offset by interest paid on bonds, PCPS and IPDI of ₹4,375.90 million and dividend paid of ₹8,749.64 million.

Net cash from financing activities was ₹2,279.31 million in Fiscal 2023, primarily due to a net issue of bonds in the principal amount of ₹9,380.00 million, which was offset by interest paid on bonds, PCPS and IPDI of ₹3,735.44 million and dividend paid of ₹3,365.25 million

Net cash from financing activities was ₹3,780.87 million in Fiscal 2022, primarily due to a net issue of bonds in the principal amount of ₹2,900.00 million and issue of equity shares of ₹4037.00 million, which was offset by interest paid on bonds, PCPS and IPDI of ₹3,156.18 million.

Capital Adequacy (CRAR)

We calculate our Capital to Risk Weighted Assets Ratio under Basel III guidelines. The Bank's CRAR under Basel III was 17.38% as of March 31, 2024 and 18.14% as of March 31, 2023.

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. However, the RBI had deferred the final phase of the CCB of the Basel III Capital Regulations to March 31, 2020, which was further extended until September 30, 2020. Accordingly, in light of the COVID-19 pandemic, the RBI, by way of its notification dated September 29, 2020, deferred the implementation of the last tranche of 0.625% of the CCB from March 31, 2020 to October 1, 2021. The Basel III capital regulations have been fully implemented as on October 1, 2021 and our Bank is in compliance with the regulatory limits and minima as prescribed under Basel III Capital Regulations.

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.

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

		As of March 31, 2024
	Regulatory Capital	**(*₹ in millions*)**
	Tier I capital	200650.74
	Tier II capital	53460.16
	Total Capital	254110.90
	Regulatory Capital	**As % of Risk Weighted Assets**
(i)	Common Equity Tier I Ratio	10.00%
(ii)	Capital Conservation Buffer (comprising Common Equity)	2.50%
(iii)	Common Equity Tier I Ratio plus Capital Conservation Buffer (i)+(ii)	12.50%
(iv)	Additional Tier I capital	1.22%
(v)	Tier I capital adequacy ratio (i) +(iv) (excluding CCB)	11.22%
(vi)	Tier II capital	3.66%
(vii)	Total Capital Ratio (MTC) (v)+(vi) (excluding CCB)	14.88%
(viii)	Total Capital Ratio plus Capital Conservation Buffer (vii)+(ii)	17.38

Capital Expenditure

Our capital expenditure consists principally of expenditure relating to branch network expansion as well as investment in technology and communication infrastructure. In Fiscals 2022, 2023 and 2024, our Bank incurred ₹1,562.15 million, ₹3,788.62 million and ₹2,767.17 million, respectively. In Fiscals 2022, 2023 and 2024, our Bank incurred ₹363.95 million, ₹2,068.36 million, ₹797.29 million, respectively, on capital expenditures incurred in connection with an upgradation of our information technology infrastructure. In other area the bank has incurred capital expenditure of ₹1,198.20 million, ₹1,720.26 million, ₹1,969.88 million in Fiscals 2022, 2023 and 2024, respectively.

Contingent Liabilities

Our contingent liabilities primarily relate to liabilities on account of outstanding forward exchange contracts that we enter into on our own account and on behalf of our customers. Guarantees given on behalf of entities, acceptances, endorsements, claims against us not acknowledged as debts and other obligations also form part of our contingent liabilities. Claims against us not acknowledged as debts 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.

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

Contingent Liabilities (on consolidated basis)	**As of March 31,**			**As of June 30, 2024**
	2022	**2023**	**2024**	
	(*₹ in millions*)			
Claims against the Bank not acknowledged as debts	13,754.05	13,756.77	13499.62	13520.04
Liability for partly paid investments	-	-	-	
Liability on account of outstanding forward exchange contracts	197,189.95	120,764.97	261909.72	268709.84
Guarantees given on behalf of constituents				
In India	74,758.74	86765.71	93171.84	94020.63
Outside India	1,464.39	1,414.62	2103.09	3224.07
Acceptances, endorsements and other obligations	12,871.23	14,743.55	13755.61	13007.27
Other items for which Bank is contingently liable	6,097.25	8,445.61	9469.53	9815.71
Total	**306,135.60**	**245,891.21**	**393909.4**	**402297.54**

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. For further information, relating to our related party transactions, see "*Financial Statements*" on page 311.

QUALITATIVE DISCLOSURE ABOUT RISKS AND RISK MANAGEMENT

We are 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 178.

For the Bank's interest rate sensitivity analysis, see "*Selected Statistical Information —Advances Portfolio – Maturity and Interest Rate Sensitivity of Loans*" on page 116.

SIGNIFICANT DEVELOPMENTS AFTER JUNE 30, 2024 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as discussed above and as otherwise stated in this Preliminary Placement Document, to our knowledge, no circumstances have arisen since the date of the last audited financial statements as disclosed in this Preliminary Placement Document which materially and adversely affects or is likely to affect, , we do not foresee any impact on the Bank's ability to pay its liabilities within the next twelve months from the date here.

SELECTED STATISTICAL INFORMATION

The following information should be read together with the information included in the sections "Selected Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" included elsewhere in this Preliminary Placement Document.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve-month ended March 31 of that year. The financial information contained in this section for Fiscals 2022, 2023 and 2024 and the three month period ended June 30, 2024, is based on or derived from the Audited Financial Statements of the Bank, included in the section "Financial Statements" of this Preliminary Placement Document.

Certain non-GAAP financial measures and certain other statistical information relating to our Bank's operations and financial performance have been included in this section and elsewhere in this Preliminary Placement Document. The Bank computes and discloses such non-GAAP financial measures and such other statistical information relating to its operations and financial performance as it considers such information to be useful measures of its business and financial performance. However, note that these non-GAAP financial measures and other statistical and other information relating to the 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.

Average Balance Sheet

The table below presents the 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 cost for the periods indicated.

Average Balance: The average balance is the fortnightly average of balances outstanding on respective dates (reporting Fridays) as reported in Form A to RBI on fortnightly basis in respective years. Average balances in respect of advances, investments and deposits are extracted from Form A and others are extracted from MIS of respective dates.

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 Bank's 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 Bank's 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 Bank's 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 Bank's financial statements for each of the periods presented.

(In ₹ million, except percentages)

Particulars	**Year ended March 31, 2022**			**Year ended March 31, 2023**			**Year ended March 31, 2024**		
	Average Balance	**Interest Income / Expense**	**Average yield/cost (%)**	**Average Balance**	**Interest Income / Expense**	**Average yield/cost (%)**	**Average Balance**	**Interest Income / Expense**	**Average yield/cost (%)**
Interest-earning assets:									
Advances	1,128,995.13	82,315.57	7.29%	1,428,686.18	114,858.15	8.04%	1,770,270.58	158,262.4	8.94%
Investments	713,182.28	43,846.90	6.15%	705,056.13	42,669.18	6.05%	695,446.22	44,607.61	6.41%
Others	74,181.06	4,029.73	5.43%	29,403.71	1,457.25	4.96%	37,298.3	2,076.87	5.57%
Total interest-earning assets	**1,916,358.47**	**13,0192.2**	**6.79%**	**2,163,146.02**	**158,984.58**	**7.35%**	**2,503,015.1**	**204,946.88**	**8.19%**
Non-interest-earning assets:									
Fixed assets	17,270.61	-	-	22,787.43	-	-	22,466.01	-	-
Other assets	151,939.08	-	-	187,089.91	-	-	191,505.62	-	-
Total non-interest earning assets	**169,209.69**	-	-	**209,877.34**	-	-	**213,971.63**	-	-
Total assets	**2,085,568.16**	**13,0192.2**	**6.24%**	**2,373,023.36**	**158,984.58**	**6.70%**	**2,716,986.73**	**204,946.88**	**7.54%**
Interest-bearing liabilities:									
Deposits (excluding current deposit)	1,607,127.32	64,581.66	4.02%	1,774,282.12	71,864.44	4.05%	2,111,449.80	100,406.31	4.76%
Borrowings	97,529.6	5,166.57	5.30%	156,936.82	9,712.37	6.19%	85,066.33	6,322.13	7.43%
Total interest-bearing liabilities	**17,046,56.92**	**69,748.23**	**4.09%**	**1,931,218.94**	**81,576.81**	**4.22%**	**2,196,516.13**	**106,728.44**	**4.86%**
Non-interest-bearing liabilities									
Capital and reserves	129,108.47	-	-	151,042.64	-	-	184,070.76	-	-
Other liabilities	251,802.77	-	-	290,761.78	-	-	336,399.84	-	-
Total non-interest-bearing liabilities	**380,911.24**	-	-	**441,804.42**	-	-	**520,470.6**	-	-
Total liabilities	**2,085,568.16**	**69,748.23**	**3.34%**	**2,373,023.36**	**81,576.81**	**3.44%**	**2,716,986.73**	**106,728.44**	**3.93%**

Particulars	**Three month period ended June 30, 2024**		
	Average Balance	**Interest Income / Expense**	**Average yield/cost (%)**
Interest-earning assets:			
Advances	1,989,539.34	44,576.67	8.96%
Investments	749,735.07	13,005.74	6.94%
Others	78,572.37	1,164.02	5.93%
Total interest-earning assets	**2,817,846.78**	**58,746.43**	**8.34%**

Particulars	Three month period ended June 30, 2024		
	Average Balance	Interest Income / Expense	Average yield/cost (%)
Non-interest-earning assets:			
Fixed assets	22,348.89	-	-
Other assets	153,357.86	-	-
Total non-interest earning assets	**175,706.75**	-	-
Total assets	**2,993,553.53**	**58,746.43**	**7.85%**
Interest-bearing liabilities:			
Deposits (excluding current deposit)	2,354,135.67	29,259.43	4.97%
Borrowings	81,335.01	1,495.98	7.36%
Total interest-bearing liabilities	**2,435,470.68**	**30,755.41**	**5.05%**
Non-interest-bearing liabilities			
Capital and reserves	206,062.79	-	-
Other liabilities	352,020.06	-	-
Total non-interest-bearing liabilities	**558,082.85**	-	-
Total liabilities	**2,993,553.53**	**30,755.41**	**4.11%**

Yields, Spreads and Margins

The following table sets forth, for the periods indicated, the yields, spreads and interest margins on our interest-earning assets:

(In ₹ million, except percentages)

Particulars	Year ended March 31,		
	2022	2023	2024
Average interest-earning assets	1,916,358.47	2,163,146.02	2,503,015.1
Average interest-bearing liabilities *excludes current account*	1,704,656.92	1,931,218.94	2,196,516.13
Average working funds (AWF)	2,080,864.86	2,371,358.27	2,701,677.07
Average interest-earning assets as a percentage of Average working funds (AWF)	92.09%	91.22%	92.65%
Average interest-bearing liabilities as a percentage of Average working funds (AWF)	81.92%	81.44%	81.30%
Average interest-earning assets as a percentage of average interest-bearing Liabilities	112.42%	112.01%	113.95%
Yield on average interest earning assets (1) (%)	6.79%	7.35%	8.19%
Cost of funds (2) (%) *includes current account*	3.78%	3.89%	4.45%
Spread (3) (%)	3.01%	3.46%	3.73%
Net Interest Margin (4) (%)	2.90%	3.26%	3.64%
Total Net Income on Business (%)	2.58%	2.45%	2.70%
Total Opex on Business (%)	1.14%	0.96%	1.01%
Net Profitability on Assets (ROAC%)	0.55%	1.10%	1.50%
Net Profitability on Business (%)	0.34%	0.64%	0.85%

Notes:

(1) *Yield is interest income divided by average interest-earning assets.*

(2) Cost of Fund is the ratio of interest expense to average interest-bearing liabilities.

(3) Spread is the difference between the yield on average interest earning assets and yield on average interest bearing liabilities excluding current deposits.

(4) Net interest margin is the difference between interest earned and interest expended divided by the average working funds (AWF).

(In ₹ million, except percentages)

Particulars	Three month period ended June 30, 2024
Average interest-earning assets	2,817,846.78
Average interest-bearing liabilities *excludes current account*	2,435,470.68
Average working funds (AWF)	3,009,856.77
Average interest-earning assets as a percentage of Average working funds (AWF)	93.62%
Average interest-bearing liabilities as a percentage of Average working funds (AWF)	80.92%
Average interest-earning assets as a percentage of average interest-bearing Liabilities	115.70%
Yield on average interest earning assets (1) (%)	8.34%
Cost of funds (2) (%) *includes current account*	4.56%
Spread (3) (%)	3.78%
Net Interest Margin (4) (%)	3.72%
Total Net Income on Business (%)	3.10%
Total Opex on Business(%)	1.17%
Net Profitability on Assets (ROA) (%)	1.72%
Net Profitability on Business (%)	1.09%

Notes:

(1) *Yield is interest income divided by average interest-earning assets.*

(2) Cost of Fund is the ratio of interest expense to average interest-bearing liabilities.

(3) Spread is the difference between the yield on average interest earning assets and yield on average interest bearing liabilities excluding current deposits.

(4) Net interest margin is the difference between interest earned and interest expended divided by the average working funds (AWF).

Financial Ratios of the Bank

The following table set forth certain key financial indicators as at and for the dates and periods indicated for the Bank.

(In ₹ million, except percentages)

Particulars	Year ended March 31,		
	2022	2023	2024
Cost to average assets(1)	1.85%	1.65%	1.78%
CET I Capital	116,666.10	142,537.86	182,750.74
Risk Weighted Assets	958,336.26	1,126,176.02	1,461,806.67
Tier I capital adequacy ratio (Basel III)	12.38%	14.25%	13.72%
Tier II capital adequacy ratio (Basel III)	4.10%	3.89%	3.66%
Total capital adequacy ratio (Basel III)	16.48%	18.14%	17.38%
Net non-performing assets ratio(2)	0.97%	0.25%	0.20%
Allowance as percentage of gross non-performing assets (PCR)(3)	94.79%	98.28%	98.34%
Fee income as % of total advance (net)	0.94%	0.76%	0.79%
Credit Cost	1.91%	1.29%	1.07%
Cost of Deposits	3.70%	3.70%	4.34%
Cost of Funds	3.35%	3.44%	3.95%
RWA density(%)	41.56%	42.08%	47.59%
Return on RWAs (%)	1.28%	2.50%	3.13%
Leverage Ratio	4.91%	5.72%	6.27%
LCR (%)	216.12	157.49	138.18%
NSFR(%)	170.11%	156.64%	143.54%
Operating Profits (Profit prior to provisions and margin)	48,478.63	60,992.13	80,053.38
Core Operating Profits Margin(4)	1.72%	2.03%	2.37%
Credit to deposit ratio(5)	67.04%	74.82%	75.48%
Cost to income ratio(6)	44.26%	39.14%	37.55%
Other income to operating income ratio(7)	30.50%	22.75%	23.38%
Return on average equity(8)	11.32%	20.38%	23.61%
Return on average assets(9)	0.55%	1.10%	1.49%

Notes

1. *(1) Cost to average assets is the ratio of the operating expenses, including depreciation, to the average working fund (AWF).*
2. *(2) Net non-performing assets ratio is the ratio of net non-performing assets divided by net advances.*
3. (3) *Allowance as a percentage of gross non-performing assets is the ratio of non-performing asset provisions. (Provision Coverage Ratio).*
4. (4) *Core Operating Profit Margin the ratio Core PPOP excluding PWO recovery and treasury gains (as a percentage to Avg. assets)*
5. *(5) Credit to deposit ratio is calculated as a ratio of total domestic advances excluding interbank advances to total domestic deposits excluding interbank deposits.*
6. *(6) 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).*
7. *(7) 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).*
8. *(8) Return on average equity is the ratio of the net profit after tax to the average net worth (capital plus reserves).*
9. *(9) Return on average assets is the ratio of the net profit after tax to the total average assets.*

(In ₹ million, except percentages)

Particulars	Three month period June 30, 2024
Cost to average assets(1)	1.86%
CET I Capital	182,199.58
Risk Weighted Assets	1,492,681.62
Tier I capital adequacy ratio (Basel III)	13.40%
Tier II capital adequacy ratio (Basel III)	3.64%
Total capital adequacy ratio (Basel III)	17.04%
Net non-performing assets ratio(2)	0.20%
Allowance as percentage of gross non-performing assets(3)	98.36%
Fee income as % of total advances (net)	0.72%
Credit Cost	1.12%
Cost of Deposits	4.48%
Cost of Funds	4.09%
RWA density(%)	48.90 %
Return on RWAs (%)	0.87 %
Leverage (x)	6.30%
LCR (%)	121.25%
NSFR(%)	137.87%
Operating Profits (Profit prior to provisions and margin)	22,943.02
Core Operating Profits Margin(4)	2.46%
Credit to deposit ratio(5)	78.04%
Cost to income ratio(6)	37.87%
Other income to operating income ratio(7)	24.21%
Return on average equity(8)	27.62%
Return on average assets(9)	1.73%

Notes

(1) *Cost to average assets is the ratio of the operating expenses, including depreciation, to the average working fund (AWF).*
(2) *Net non-performing assets ratio is the ratio of net non-performing assets divided by net advances.*
(3) *Allowance as a percentage of gross non-performing assets is the ratio of non-performing asset provisions. (Provision Coverage Ratio).*
(4) *Core Operating Profit Margin the ratio Core PPOP excluding PWO recovery and treasury gains (as a percentage to Avg. assets)*
(5) *Credit to deposit ratio is calculated as a ratio of total domestic advances excluding interbank advances to total domestic deposits excluding interbank deposits.*
(6) *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).*
(7) *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).*
(8) *Return on average equity is the ratio of the net profit after tax to the average net worth (capital plus reserves).*
(9) *Return on average assets is the ratio of the net profit after tax to the total average assets*

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 balance and average rate. The changes in net interest income between periods have been reflected as attributed either to average balance or average rate changes. For purposes of the table below, changes which are due to both average balance and average rate have been allocated solely to changes in average rate.

(In ₹ million, except percentages)

Particulars	Year ended March 31, 2022 vs Year ended March 31, 2023 Increase (decrease) due to			Year ended March 31, 2023 vs Year ended March 31, 2024 Increase (decrease) due to		
	Net change	Change in average balance	Change in average rate	Net change	Change in average balance	Change in average rate
Interest income:						
Advances	32542.58	299691.05	0.75%	43404.25	341584.40	0.90%
Investments	-1177.72	-8126.15	-0.10%	1938.43	-9609.91	0.36%
Others(1)	-2572.48	-44777.35	-0.48%	619.62	7894.59	0.61%
Total Interest Income	28792.38	246787.55	0.56%	45962.30	339869.08	0.84%
Interest expense:						
Deposits(2)	7282.78	167154.80	0.03%	28541.87	337167.68	0.70%
Borrowings	4545.80	59407.22	0.89%	-3390.24	-71870.49	1.24%
Total interest expense	11828.58	226562.02	0.13%	25151.63	265297.19	0.63%
Net Interest Income	16963.80	20225.53	0.42%	20810.67	74571.89	0.20%

Notes:

1. *Includes interest on RIDF Funds, Balance with RBI and other Banks and interest on income tax refunds.*
2. *Includes saving deposits, current deposits and term deposits.*

Return on Equity and Assets

The following table presents selected financial ratios for the periods indicated:

(In ₹ million, except percentages)

Particulars	Year ended March 31,		
	2022	2023	2024
Net profit	11,515.36	26,020.37	40550.27
Average Working Funds – AWF	2,080,864.86	2,371,358.27	2701677.07
Average total shareholders' equity(1)	98,829.08	126,060.19	157869.64
Return on assets (net profit as a percentage of average working funds)	0.55%	1.10%	1.50
Return on equity (net profit as a percentage of average total shareholders' equity)	11.65%	20.64%	25.69%
Average total shareholders' equity as a percentage of average working funds (2) (%)	4.75%	5.32%	5.84%

Notes

1. *Average total shareholder's equity is the fortnightly average share capital, reserves and surplus but excludes intangible assets*
2. *Average total shareholders' equity as a percentage of average working funds is calculated as average shareholder's equity divided by average working funds(AWF)*
3. *Ratios are annualized.*

(In ₹ million, except percentages)

Particulars	Three month period ended June 30, 2024
Net profit	12934.92
Average Working Funds – AWF	3009856.77
Average total shareholders' equity(1)	224408.56
Return on assets (net profit as a percentage of average working funds)	1.72
Return on equity (net profit as a percentage of average total shareholders' equity)	23.06%
Average total shareholders' equity as a percentage of average working funds (2) (%)	7.46%

Notes

1. *Average total shareholder's equity is the fortnightly average share capital, reserves and surplus but excludes intangible assets*
2. *Average total shareholders' equity as a percentage of average working funds is calculated as average shareholder's equity divided by average working funds(AWF)*
3. *Ratios are annualized.*

Investment Portfolio

The Bank's gross investments constituted 29.96%, 25.86%, 22.33% and, 25.11% of the Bank's assets as at March 31 2022, 2023 and 2024 and June 30, 2024, respectively.

The Bank is required to maintain a minimum holding of 18.00% (as per the prevailing RBI guidelines) of its demand and time liabilities in SLR securities. In addition, the surplus funds of the Bank's deposits and advances are invested by our Bank's treasury department. These investments are in conformity with the Bank's policy on investments and the risk limits set by the Bank's board.

Banks Domestic Portfolio

The following table sets forth the composition of the Bank's investments for the periods indicated.

(In ₹ million, except percentages)

Particulars	Year ended March 31,		
	2022	2023	2024
Domestic investments:			
SLR investments	547,189.53	558,669.17	559,478.38
Non-SLR investments	143,737.32	133,483.46	126,450.27
Total Domestic Investments	690,926.85	692,152.63	685,928.64
Total Foreign Investments	-	-	-
Total Global Investments	690,926.85	692,152.63	685,928.64

(In ₹ million, except percentages)

Particulars	Three month period ended June 30, 2024
Domestic investments:	629,299.32
SLR investments	137,574.11
Non-SLR investments	766,873.43
Total Domestic Investments	-
Total Foreign Investments	766,873.43
Total Global Investments	629,299.32

The following tables set forth, as of the dates indicated, information related to our investments classified under the held to maturity (HTM), available for sale (AFS) and held for trading (HFT) categories:

(In ₹ million, except percentages)

Particulars	**As at March 31, 2022**				**As at March 31, 2023**			
	HTM	**AFS**	**HFT**	**Total**	**HTM**	**AFS**	**HFT**	**Total**
Government Securities(1)	466,871.66	169,020.65	(1,364.04)	634,528.28	511,928.26	131,827.91	-	643,756.17
Other Approved Securities	-	-	-	-	-	-	-	-
Shares	-	4,423.40	17.11	4,440.51	-	3,886.22	-	3,886.22
Debentures and Bonds	4,946.79	40,278.41	0.00	45,225.20	4,711.38	34,472.04	-	39,183.42
Joint Venture & Subsidiaries	734.21	0.00	0.00	734.21	1,095.69	-	-	1,095.69
Others(2)	308.18	5,690.47	0.00	5,998.65	703.67	3,527.44	-	4,231.11
Total	**472,860.84**	**219,412.93**	**(1,346.93)**	**690,926.85**	**518,439.01**	**173,713.62**	**-**	**692,152.63**

(in ₹ million, except percentages)

Particulars	**As at March 31, 2024**			
	HTM	**AFS**	**HFT**	**Total**
Government Securities(1)	480,018.78	162,826.92	-	642,845.70
Other Approved Securities	-	-	-	0.00
Shares	-	3,309.23	-	3,309.23
Debentures and Bonds	550.20	37,423.12	-	37,973.32
Joint Venture & Subsidiaries	1,413.25	-	-	1,413.25
Others(2)	287.76	99.38	-	387.14
Total	**482,270.00**	**203,658.65**	**-**	**685,928.64**

Notes:

1. *Includes securities kept as margin with RBI and CCI*
2. *Includes investment in venture capital, units of mutual funds, commercial paper, security receipts of ARCs, certificate of deposit, CBLO.*

Particulars	**As at June 30, 2024**						
	HTM	**AFS**	**FVTPL HFT**	**FVTPL Non HFT**	**SAJV**	**Short Sale**	**Total**
Government Securities(1)	486,241.48	226,470.13	948.85	-	-	-1,008.48	712,651.99
Other Approved Securities	-	-	-	-	-	-	-
Shares	-	2,209.72	682.96	1,570.01	-	-	4,462.69
Debentures and Bonds	550.12	41,664.91	-	4,028.19	-	-	46,243.22
Joint Venture & Subsidiaries	-	-	-	-	2,414.31	-	2,414.31
Others(2)	-	744.96	-	356.26	-	-	1,101.22
Total	**486,791.60**	**271,089.72**	**1,631.81**	**5,954.46**	**2,414.31**	**-1,008.48**	**766,873.43**

Notes:

1. *Includes securities kept as margin with RBI and CCI*
2. *Includes investment in venture capital, units of mutual funds, commercial paper, security receipts of ARCs, certificate of deposit, CBLO.*

The following tables set forth, as of the dates indicated, the book value, market value, unrealized gain and unrealized loss for our total domestic investment portfolio.

(in ₹ million, except percentages)

Particulars	As at March 31, 2022				As at March 31, 2023			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
Government Securities$^{(1)}$	634,528.28	634,486.08	4,021.79	4,063.99	643,756.17	633,313.22	651.42	11,094.38
Other Approved Securities	-	-	-	-	-	-	-	-
Shares	4,440.51	5,502.56	1,570.59	508.54	3,886.22	3,978.01	1,666.03	1,574.25
Debentures and Bonds	45,225.20	46,261.38	1,445.47	409.29	39,183.42	39,165.24	455.52	473.70
Joint Venture & Subsidiaries	734.21	734.21	Nil	Nil	1,095.69	1,095.69	-	-
Others$^{(2)}$	5,998.65	5,402.11	25.81	622.35	4,231.11	2,889.11	22.43	1,364.44
Total	**690,926.84**	**692,386.33**	**7,063.65**	**5,604.17**	**692,152.63**	**680,441.27**	**2,795.40**	**14,506.77**

(in ₹ million, except percentages)

Particulars	As at March 31, 2024			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss
Government Securities$^{(1)}$	642,845.70	638,745.19	1,391.39	5,491.90
Other Approved Securities	-	-	-	-
Shares	3,309.23	4,006.93	1,679.99	982.30
Debentures and Bonds	37,973.32	39,152.59	1,666.64	487.38
Joint Venture & Subsidiaries	1,413.25	1,413.25	-	-
Others$^{(2)}$	387.14	324.63	-	62.51
Total	**685,928.64**	**683,642.59**	**4,738.03**	**7,024.08**

Notes:

1. *Includes securities kept as margin with RBI and CCI*
2. *Includes investment in venture capital, units of mutual funds, commercial paper, security receipts of ARCs, certificate of deposit, CBLO.*

Particulars	As at June 30, 2024			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss
Government Securities$^{(1)}$	712,651.99	709,096.48	1080.25	4635.76

Particulars	As at June 30, 2024			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss
Other Approved Securities	-	-	-	-
Shares	4,462.69	4,462.69	-	-
Debentures and Bonds	46,243.22	46,241.72	-	1.49
Joint Venture & Subsidiaries	2,414.31	2,414.31	-	-
Others(2)	1,101.22	1,101.22	-	-
Total	**766,873.43**	**763,316.42**	**1080.25**	**4637.26**

Notes:

1. *Includes securities kept as margin with RBI and CCI*
2. *Includes investment in venture capital, units of mutual funds, commercial paper, security receipts of ARCs, certificate of deposit, CBLO.*

Available for Sale Investments

The following tables sets forth, as at the dates indicated, information related to the Bank's domestic investments available for sale.

(in ₹ million, except percentages)

Particulars	As at March 31, 2022				As at March 31, 2023			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
Government Securities(1)	169,020.65	168,585.54	594.52	1,029.63	131,827.91	130,601.54	84.00	1,310.38
Other Approved Securities	0.00	0.00	0.00	0.00	-	-	-	-
Shares	4,423.40	5,485.26	1,570.30	508.44	3,886.22	3,978.01	1,666.03	1,574.25
Debentures and Bonds	40,278.41	41,098.67	1,229.56	409.29	34,472.04	34,426.39	427.09	472.74
Joint Venture & Subsidiaries	0.00	0.00	0.00	0.00	-	-	-	-
Others(2)	5,690.47	5,093.93	25.81	622.35	3,527.44	2 200.28	22.43	1,349.60
Total	**219,412.93**	**220,263.40**	**3,420.17**	**2,569.71**	**173,713.62**	**171,206.21**	**2,199.56**	**4,706.97**

(in ₹ million, except percentages)

Particulars	As at March 31, 2024			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss
Government Securities(1)	162,826.92	162,806.07	235.33	256.18
Other Approved Securities	-	-	-	-
Shares	3,309.23	4,006.93	1,679.99	982.30
Debentures and Bonds	37,423.12	38,601.93	1,666.19	487.38
Joint Venture & Subsidiaries	0.00	0.00	0.00	0.00
Others(2)	99.38	43.36	0.00	56.02

Particulars	As at March 31, 2024			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss
Total	**203,658.65**	**205,458.28**	**3,581.51**	**1,781.88**

(1) Includes securities kept as margin with RBI and CCI

(2) Includes investment in venture capital, units of mutual funds, commercial paper, security receipts of ARCs, certificate of deposit, CBLO.

(in ₹ million, except percentages)

Particulars	As at the June 30, 2024			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss
Government Securities(1)	226,470.13	226,470.13	-	-
Other Approved Securities	-	-	-	-
Shares	2,209.72	2,209.72	-	-
Debentures and Bonds	41,664.91	41,664.91	-	-
Joint Venture & Subsidiaries	-	-	-	-
Others(2)	744.96	744.96	-	-
Total	**271,089.72**	**271,089.72**	**-**	**-**

(1) Includes securities kept as margin with RBI and CCI

(2) Includes investment in venture capital, units of mutual funds, commercial paper, security receipts of ARCs, certificate of deposit, CBLO.

Held to Maturity Investments

The following tables sets forth, as at the dates indicated, information related to the Bank's domestic investments held to maturity.

(in ₹ million, except percentages)

Particulars	As at March 31, 2022				As at March 31, 2023			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
Government Securities(1)	466,871.66	467,263.04	3,425.32	3,033.94	511,928.26	502,711.68	567.41	9,784.00
Other Approved Securities	Nil	Nil	Nil	Nil	-	-	-	-
Shares	Nil	Nil	Nil	Nil	-	-	-	-
Debentures and Bonds	4,946.79	5,162.70	215.92	Nil	4,711.38	4,738.85	28.43	0.96
Joint Venture & Subsidiaries	734.21	734.21	Nil	Nil	1,095.69	1,095.69	-	-
Others(2)	308.18	308.18	Nil	Nil	703.67	688.83	-	14.84
Total	**472,860.84**	**473,468.14**	**3,641.24**	**3,033.94**	**518,439.01**	**509,235.05**	**595.84**	**9,799.80**

(in ₹ million, except percentages)

Particulars	As at March 31, 2024			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss
Government Securities[1]	480,018.78	475,939.13	1,156.06	5,235.72
Other Approved Securities	-	-	-	-
Shares	-	-	-	-
Debentures and Bonds	550.20	550.66	0.46	-
Joint Venture & Subsidiaries	1,413.25	1,413.25	-	-
Others[2]	287.76	281.28	-	6.48
Total	**482,270.00**	**478,184.31**	**1,156.51**	**5,242.20**

Notes:

1. *Includes securities kept as margin with RBI and CCI*
2. *Include investment in venture capital, units of mutual funds, commercial paper, security receipts of ARCs, certificate of deposit, CBLO.*

(in ₹ million, except percentages)

Particulars	As at June 30, 2024			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss
Government Securities[1]	486,241.48	482,685.97	1,080.25	4,635.76
Other Approved Securities	-	-	-	-
Shares	-	-	-	-
Debentures and Bonds	550.12	548.63	-	1.49
Joint Venture & Subsidiaries	-	-	-	-
Others[2]	-	-	-	-
Total	**486,791.60**	**483,234.59**	**1,080.25**	**4,637.26**

Notes:

1. *Includes securities kept as margin with RBI and CCI*
2. *Include investment in venture capital, units of mutual funds, commercial paper, security receipts of ARCs, certificate of deposit, CBLO.*

Held for Trading Investments

The following tables sets forth, as at the dates indicated, information related to the Bank's domestic investments held for trading.

(in ₹ million, except percentages)

Particulars	As at March 31, 2022				As at March 31, 2023			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
Government Securities[1]	(1,364.04)	(1,362.50)	1.95	0.41	-	-	-	-
Other Approved Securities	-	-	-	-	-	-	-	-

Particulars	**As at March 31, 2022**				**As at March 31, 2023**			
	Book Value	**Market Value**	**Unrealized Gain**	**Unrealized Loss**	**Book Value**	**Market Value**	**Unrealized Gain**	**Unrealized Loss**
Shares	17.11	17.30	0.29	0.10	-	-	-	-
Debentures and Bonds	-	-	-	-	-	-	-	-
Joint Venture & Subsidiaries	-	-	-	-	-	-	-	-
Others[(2)]	-	-	-	-	-	-	-	-
Total	**(1,346.93)**	**(1,345.20)**	**2.24**	**0.52**	-	-	-	-

(in ₹ million, except percentages)

Particulars	**As at March 31, 2024**			
	Book Value	**Market Value**	**Unrealized Gain**	**Unrealized Loss**
Government Securities(1)	-	-	-	-
Other Approved Securities	-	-	-	-
Shares	-	-	-	-
Debentures and Bonds	-	-	-	-
Joint Venture & Subsidiaries	-	-	-	-
Others(2)	**-**	**-**	**-**	**-**
Total	**-**	**-**	**-**	**-**

Notes:

1. *Includes securities kept as margin with RBI and CCI*
2. *Includes investment in venture capital, units of mutual funds, commercial paper, security receipts of ARCs, certificate of deposit, CBLO.*

FVTPL HFT Investments

(in ₹ million, except percentages)

Particulars	**As at three month period ended June 30, 2024**			
	Carrying Value	**Fair Value**	**Unrealized Gain**	**Unrealized Loss**
Government Securities(1)	948.85	948.85	-	-
Other Approved Securities	-	-	-	-
Shares	682.96	682.96	-	-
Debentures and Bonds	-	-	-	-
Joint Venture & Subsidiaries	-	-	-	-
Others(2)	-	-	-	-
Total	**1,631.81**	**1,631.81**	-	-

FVTPL NON HFT Investments

(in ₹ million, except percentages)

Particulars	As at three month period ended June 30, 2024			
	Carrying Value	Fair Value	Unrealized Gain	Unrealized Loss
Government Securities$^{(1)}$	-	-	-	-
Other Approved Securities	-	-	-	-
Shares	1,570.01	1,570.01	-	-
Debentures and Bonds	4,028.19	4,028.19	-	-
Joint Venture & Subsidiaries	-	-	-	-
Others$^{(2)}$	356.26	356.26	-	-
Total	**5,954.46**	**5,954.46**	-	-

SAJV Investments

(in ₹ million, except percentages)

Particulars	As at three month period ended June 30, 2024			
	Carrying Value	Fair Value	Unrealized Gain	Unrealized Loss
Government Securities$^{(1)}$	-	-	-	-
Other Approved Securities	-	-	-	-
Shares	-	-	-	-
Debentures and Bonds	-	-	-	-
Joint Venture & Subsidiaries	2,414.31	2,414.31	-	-
Others$^{(2)}$	-	-	-	-
Total	**2,414.31**	**2,414.31**	-	-

Short Sale Investments

(in ₹ million, except percentages)

Particulars	As at three month period ended June 30, 2024			
	Carrying Value	Fair Value	Unrealized Gain	Unrealized Loss
Government Securities$^{(1)}$	-1,008.48	-1,008.48	-	-
Other Approved Securities	-	-	-	-
Shares	-	-	-	-
Debentures and Bonds	-	-	-	-
Joint Venture & Subsidiaries	-	-	-	-
Others$^{(2)}$	-	-	-	-
Total	**-1,008.48**	**-1,008.48**	-	-

Notes:

(1) *Includes securities kept as margin with RBI and CCI*

(2) *Includes investment in venture capital, units of mutual funds, commercial paper, security receipts of ARCs, certificate of deposit, CBLO*

Residual Maturity Profile

Available for sale

The following tables sets forth, as of the dates indicated, an analysis of the residual maturity profile of the Bank's domestic investments in government and corporate debt securities classified as available for sale and their weighted average market yields.

	As of June 30, 2024							
	Up to three months		**Three months to One Year**		**One to Five Years**		**More than Five Years**	
	Amount	**Yield***	**Amount**	**Yield***	**Amount**	**Yield***	**Amount**	**Yield***
Government securities	2298.73	6.82	50741.14	7.10	53458.51	7.03	119971.75	7.06
Other debt securities	1144.28	7.29	6970.82	8.19	30344.34	7.93	3950.44	8.11
Total debt securities market value	3443.01	6.98	57711.96	7.23	83802.85	7.36	123922.19	7.09
Gross book value	3442.69	6.98	57694.80	7.23	83664.24	7.36	123771.25	7.09

	As of March 31, 2024							
	Up to three months		**Three months to One Year**		**One to Five Years**		**More than Five Years**	
	Amount	**Yield***	**Amount**	**Yield***	**Amount**	**Yield***	**Amount**	**Yield***
Government securities	27975.20	7.00	8545.83	7.07	34383.31	7.13	91901.73	7.09
Other debt securities	1397.30	8.30	7443.28	8.22	18912.46	8.04	10837.97	9.21
Total debt securities market value	29372.50	7.07	15989.11	7.61	53295.77	7.45	102739.70	7.31
Gross book value	29350.28	7.07	15979.20	7.61	53519.85	7.45	101400.71	7.31

** Yield provided is weighted average market yield at which the securities cash flows are discounted to obtain market value.*

(In ₹ million, except percentages)

	As of March 31, 2023							
	Up to three months		**Three months to One Year**		**One to Five Years**		**More than Five Years**	
	Amount	**Yield***	**Amount**	**Yield***	**Amount**	**Yield***	**Amount**	**Yield***
Government securities	45,020.88	2.31	64,951.77	4.38	20,822.95	6.84	10,564.21	8.83
Other debt securities	4,047.78	6.52	6,782.47	6.75	11,380.49	7.80	3,456.40	7.11
Total debt securities market value	49,068.66	2.66	71,734.24	4.61	32,203.44	7.18	14,020.61	8.40
Gross book value	49,231.25	2.62	72,592.25	4.56	32,510.26	7.14	14,551.21	7.17

** Yield provided is weighted average market yield at which the securities cash flows are discounted to obtain market value.*

(in ₹ million, except percentages)

	As of March 31, 2022							
	Up to three months		**Three months to One Year**		**One to Five Years**		**More than Five Years**	
	Amount	**Yield***	**Amount**	**Yield***	**Amount**	**Yield***	**Amount**	**Yield***
Government securities	32,706.43	4.45	43,092.98	4.25	96,890.11	4.87	4,607.70	7.44
Other debt securities	1,344.41	4.31	4,321.95	6.66	17,067.23	5.95	14,026.42	8.53
Total debt securities market value	34,050.84	4.44	47,414.94	4.47	113,957.35	5.03	18,634.11	8.26
Gross book value	34,619.08	4.44	47,522.51	4.47	113,195.66	5.05	17,163.46	8.04

* Yield provided is weighted average market yield at which the securities cash flows are discounted to obtain market value.

Held to maturity

The following table sets forth, as of the dates indicated, an analysis of the residual maturity profile of the Bank's domestic investments in government and corporate debt securities classified as held to maturity and their weighted average market yields.

(In ₹ million, except percentages)

	As of June 30, 2024							
	Up to three months		Three months to One Year		One to Five Years		More than Five Years	
	Amount	Yield*	Amount	Yield*	Amount	Yield*	Amount	Yield*
Government securities	3718.67	6.85	40223.36	6.91	207769.30	7.10	230974.65	7.19
Other debt securities	0.00	0.00	548.63	9.23	0.00	0.00	0.00	0.00
Total debt securities market value	3718.67	6.85	40771.98	6.94	207769.30	7.10	230974.65	7.19
Gross book value	3728.47	6.85	41159.41	6.94	210309.29	7.10	231594.42	7.19

** Yield provided is weighted average market yield at which the securities cash flows are discounted to obtain market value.*

(In ₹ million, except percentages)

	As of March 31, 2024							
	Up to three months		Three months to One Year		One to Five Years		More than Five Years	
	Amount	Yield*	Amount	Yield*	Amount	Yield*	Amount	Yield*
Government securities	4953.91	6.91	21804.25	7.10	214715.39	7.18	234465.57	7.20
Other debt securities	0.00	0.00	550.66	8.29	0.00	0.00	0.00	0.00
Total debt securities market value	4953.91	6.91	22354.91	7.13	214715.39	7.18	234465.57	7.20
Gross book value	4967.85	6.91	22551.65	7.13	218028.34	7.18	235021.15	7.20

** Yield provided is weighted average market yield at which the securities cash flows are discounted to obtain market value.*

(In ₹ million, except percentages)

	As of March 31, 2023							
	Up to three months		Three months to One Year		One to Five Years		More than Five Years	
	Amount	Yield*	Amount	Yield*	Amount	Yield*	Amount	Yield*
Government securities	66.16	7.48	30,284.31	4.81	206,229.71	6.08	266,131.50	7.13
Other debt securities	2,899.76	22.41	1,535.15	8.47	551.56	8.49	0.00	0.00
Total debt securities market value	2,965.91	22.08	31,819.46	4.99	206,781.28	6.08	266,131.50	7.13
Gross book value	2,942.97	21.50	32,186.44	4.99	212,147.30	6.07	269,610.55	7.12

** Yield provided is weighted average market yield at which the securities cash flows are discounted to obtain market value.*

(In ₹ million, except percentages)

	As of March 31, 2022							
	Up to three months		Three months to One Year		One to Five Years		More than Five Years	
	Amount	Yield*	Amount	Yield*	Amount	Yield*	Amount	Yield*
Government securities	0.00	0.00	2,967.76	4.59	200,847.01	5.67	263,448.28	4.82
Other debt securities	0.00	0.00	1,591.36	5.38	3,571.34	7.34	0.00	0.00
Total debt securities market value	0.00	0.00	4,559.12	4.87	204,418.35	5.70	263,448.28	4.82
Gross book value	0.00	0.00	4,395.44	4.87	204,213.18	5.69	263,209.83	4.82

* Yield provided is weighted average market yield at which the securities cash flows are discounted to obtain market value.

External Rating Distribution Value of the Bank's Corporate Bonds Portfolio

The following table sets forth the external rating distribution value of the Bank's corporate bonds portfolio as at the specified dates:

(In ₹ million, except percentages)

Particulars	Year ended March 31,					
	2022		2023		2024	
	Gross book	% of Total	Gross book	% of Total	Gross book	% of Total
AAA	16,578.52	36.66%	15,615.87	39.85%	17,835.03	46.97%
AA(1)	11,980.47	26.49%	10,661.37	27.21%	6,129.30	16.14%
A(2)	6,188.71	13.68%	8,935.94	22.81%	7,472.50	19.68%
BBB(3)	2,906.94	6.43%	2,347.29	5.99%	2,013.17	5.30%
BB and Below(4)	7,570.55	16.74%	1,622.95	4.14%	4,523.33	11.91%
Total	45,225.20	100.00%	39,183.43	100.00%	37,973.32	100.00%

Notes:

1. *Includes AA+, AA and AA-*
2. *Includes A+, A and A-*
3. *Includes BBB+, BBB and BBB-*
4. *Includes BB+, BB and BB- and below*

(In ₹ million, except percentages)

Particulars	Three month period ended June 30, 2024	
	Gross book	% of Total
AAA	28,414.74	61.45%
AA(1)	6,075.32	13.14%
A(2)	5,452.12	11.79%
BBB(3)	1,925.59	4.16%
BB and Below(4)	4,375.45	9.46%
Total	46,243.22	100.00%

Notes:

1. *Includes AA+, AA and AA-*
2. *Includes A+, A and A-*
3. *Includes BBB+, BBB and BBB-*
4. *Includes BB+, BB and BB- and below*

Funding

The Bank's funding operations are designed to ensure stability, low cost of funding and effective liquidity management. The sources of funding include the details set out below. The Bank's 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 issuance of bonds.

Deposits

(In ₹ million, except percentages)

Particulars	Year ended March 31,					
	2022		2023		2024	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Demand deposits	281,785.42	13.93	283,007.50	12.09	349,680.30	12.92
Savings deposits	888,566.21	43.92	966,601.98	41.29	1,078,055.59	39.81
Term deposits	852,591.28	42.15	1,091,217.36	46.62	1,279,735.79	47.27
Total	2,022,942.92	100.00%	2,340,826.84	100.00%	2,707,471.68	100.00%

(In ₹ million, except percentages)

Particulars	Three month period ended June 30, 2024	
	Amount	% of Total
Demand deposits	312,198.39	11.67
Savings deposits	1,021,141.93	38.19
Term deposits	1,340,814.77	50.14
Total	2,674,155.	100.00%

Short-term Borrowings

The following table sets forth, for the periods indicated, information related to our Bank's short-term Rupee borrowings, which are comprised primarily of money-market borrowings (call borrowing and TREPS borrowing). Short-term Rupee borrowings include securities sold under repurchase agreements with market participants but exclude those with the RBI. For the purpose of the below table, short-term borrowings exclude our Bank's interbank deposits taken under the credit support annex arrangements.

(In ₹ million, except percentages)

Particulars	Year ended March 31,		
	2022	2023	2024
Period end balance	31,946.40	44,977.60	0.00
Average balance during the period(1)	31,093.55	102,368.16	18,827.50
Average interest rate during the period (%)	3.27%	5.62%	6.58%
Average interest rate at period end	3.30%	6.78%	0.00%

Notes:

1. *(1) Average is based on fortnightly balances*
2. *(2) Represents the ratio of interest expense on borrowings to the average balances of borrowings.*
3. *(3) Represents the average rate of interest on borrowings outstanding as of Year ended March 31, 2022, 2023 and 2024*

(In ₹ million, except percentages)

Particulars	Three month period ended June 30, 2024
Period end balance	18,493.20
Average balance during the period(1)	3,171.30
Average interest rate during the period (%)	6.57%
Average interest rate at period end	6.70%

Notes:

(1) *Average is based on fortnightly balances*

(2) *Represents the ratio of interest expense on borrowings to the average balances of borrowings.*

(3) *Represents the average rate of interest on borrowings outstanding as of Three month period ended June 30, 2024*

Perpetual Debt, Tier II Instruments and INFRA Bond

Perpetual Debt

Type	Series	Date of Issue	Date of Maturity	Tenure (Months)	Coupon Rate (in %)	Call Date	Step up coupon rate if call option is not exercised	Amount (₹ in millions)
Basel III Additional Tier I	III	December 26, 2022	-	Perpetual	8.74	26.12.2027	-	8,800.00
Basel III Additional Tier I	II	September 8, 2022	-	Perpetual	8.74	08.09.2027	-	7,100.00
Basel III Additional Tier I	I	March 24, 2022	-	Perpetual	8.75	24.03.2027	-	2,900.00

Tier II Instruments

Our Bank also obtains funds from the issuance of unsecured non-convertible subordinated debt securities, which qualify as Tier II risk based capital based on Basel III guidelines. The following table sets forth the Bank's Tier II debt securities, for the periods indicated.

Type	Series	Date of Issue	Date of Maturity	Tenure (Months)	Coupon Rate (in %)	Call Date	Step up coupon rate if call option is not exercised	Amount (₹ in millions)
Basel III Tier II	VII	14.12.2023	14.12.2033	120	7.99	14.12.2028	-	2,590.00
Basel III Tier II	VI	18.09.2023	18.09.2033	120	7.98	18.09.2028	-	5,150.00
Basel III Tier II	V	07.12.2022	07.12.2032	120	8.00	07.12.2027	-	3,480.00
Basel III Tier II	IV	21.10.2021	21.10.2031	120	7.86	21.10.2026	-	10,000.00
Basel III Tier II	III	23.03.2021	23.03.2031	120	8.00	23.03.2026	-	1,000.00
Basel III Tier II	II	11.02.2021	11.02.2031	120	8.00	11.02.2026	-	2,050.00
Basel III Tier II	I	14.12.2020	12.12.2030	120	7.75	12.12.2025	-	2,007.00
Basel III Tier II	I	06.03.2020	06.03.2030	120	8.70	06.03.2025	-	6,000.00
Basel III Tier II	I	27.06.2016	27.09.2026	123	9.20	27.09.2026	-	5,000.00

INFRA Bond

Type	Series	Date of Issue	Date of Maturity	Tenure (Months)	Coupon Rate (in %)	Call Date	Step up coupon rate if call option is not exercised	Amount (₹in Million)
-	-	-	-	-	-	-	-	-

Interest Coverage Ratio

The following table sets forth the Bank's interest coverage ratios, for the periods indicated.

(In ₹ million, except percentages)

Particulars	Year ended March 31,		
	2022	2023	2024
Net Profit (A) for the year	11,515.36	26,020.37	40550.27
Interest expended (B)*	5,166.57	9,712.37	6322.13
Depreciation (C)^	2,683.41	2,624.77	2234.72
Other amortisation – investment (D)#	1,353.97	2,148.47	1530.2
Sub Total (A+B+C+D=E)	20,719.31	40,505.98	50637.32
Interest Coverage Ratio (E/B)	4.01	4.17	8.01

(In ₹ million, except percentages)

Particulars	Three month period ended June 30, 2024
Net Profit/Loss (A) for the Period	12934.92
Interest expended (B)*	1495.98
Depreciation (C)^	561.90
Other amortisation – investment (D)#	61.74
Sub Total (A+B+C+D=E)	15054.54
Interest Coverage Ratio (E/B)	10.06

*For this purpose: interest expended means interest expended other than interest on deposits as per schedule forming part of Annual Financial Statements
#For this purpose: amortisation of investments as reduced in Schedule 13
^Depreciation in Bank's property

Asset Liability Gap

The following table sets forth, for the periods indicated, our Bank's asset-liability gap position:

As on June 30, 2024

(in ₹ million, except percentages)

S. N.	Outflows	Upto 30 days	31 days to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
1	Capital	0.00	0.00	0.00	0.00	0.00	0.00	70813.70	70813.70
2	Reserves & Surplus	0.00	0.00	0.00	0.00	0.00	0.00	127894.10	127894.10
3	Deposits	195410.20	246093.10	322320.60	728669.70	383179.00	170312.00	628170.00	2674154.70
4	Borrowings	19400.30	2051.00	2595.00	5063.80	14290.40	0.00	51077.00	94477.50
5	Other Liabilities & Provisions	196580.50	9817.20	0.00	0.00	8281.50	0.00	77101.40	291780.70
6	Lines of Credit committed to	12878.00	0.00	0.00	0.00	0.00	0.00	0.00	12878.00
7	Un-availed portion of CC / OD/ Demand Loan component of Working Capital	28445.20	58654.60	60306.50	13360.60	0.00	0.00	0.00	160766.80
8	LC / Guarantees	392.10	579.20	1126.50	1569.10	0.00	0.00	0.00	3666.90
9	Repos/Market Repo	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Bills Rediscounted (DUPN)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Swaps (Buy/sell)/ maturing forwards	1145.30	13828.50	40919.10	40915.80	424.80	0.00	0.00	97233.50
12	Interest payable	47.70	108.50	189.00	485.10	184.10	10.70	40.50	1065.60
13	Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A.	**Total Outflow**	**454299.40**	**331132.10**	**427456.70**	**790064.10**	**406359.90**	**170322.60**	**955096.80**	**3534731.60**
B.	**Cumulative Outflow**	**454299.40**	**785431.50**	**1212888.20**	**2002952.30**	**2409312.10**	**2579634.80**	**3534731.60**	
S. N.	**INFLOWS**								
1	Cash	12543.30	0.00	0.00	0.00	0.00	0.00	0.00	12543.30
2	Balance with RBI	5419.90	16201.70	15785.00	35685.00	18765.40	8340.70	30763.30	130960.90
3	Balance with other banks	325.80	0.00	0.00	0.00	0.00	0.00	0.00	325.80
4	Performing Investments (Including Repos but excluding reverse Repos)	140659.20	4996.90	31768.20	50947.60	171630.70	75776.50	303167.40	778946.60
5	Advances (performing)	152483.00	188652.50	133412.40	261020.30	468753.50	302296.60	544965.30	2051583.60

6	NPAs (Advances and Investments)	0.00	0.00	0.00	0.00	0.00	4323.90	534.50	4858.50
7	Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00	22454.40	22454.40
8	Other Assets	186487.90	8849.40	2039.80	4183.50	31957.70	7408.40	18645.20	259571.80
9	Reverse Repos/CBLO Lending	1097.90	0.00	0.00	0.00	0.00	0.00	0.00	1097.90
10	Swaps (Sell/buy) / maturing forwards	2552.60	17330.00	47055.50	45511.60	424.80	0.00	0.00	112874.70
11	Bills rediscounted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	Interest receivable	41.60	113.90	724.00	3846.20	3911.60	1727.00	6916.70	17280.90
13	Committed Line of Credit	3000.00	0.00	0.00	0.00	0.00	0.00	0.00	3000.00
14	Export Refinance from RBI(un-availed)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C.	**Total Inflows**	**504611.10**	**236144.40**	**230784.90**	**401194.20**	**695443.70**	**399873.00**	**927446.80**	**3395498.20**
D.	Mismatch (C-A)	50311.80	-94987.70	-196671.70	-388869.90	289083.80	229550.40	-27650.00	
E.	Mismatch as % to Outflow	11.07	-28.69	-46.01	-49.22	71.14	134.77	-2.89	
F.	**Cumulative Mismatch**	**50311.80**	**-44675.90**	**-241347.70**	**-630217.60**	**-341133.80**	**-111583.40**	**-139233.40**	
G.	Cum. Mismatch as % to Cum. Outflows (F as a % to B)	11.07	-5.69	-19.90	-31.46	-14.16	-4.33	-3.94	

Advances Portfolio

As at June 30, 2024, the Bank's gross advances portfolio was ₹ 2,090,311.24 million and the Bank's gross non-fund based exposure which includes guarantees given on behalf of constitutes and acceptances, endorsements and obligations was ₹,110,251.96 million. Our Bank's gross loans and credit substitutes are to borrowers given in India.

The Bank makes loans to a wide range of customers in the public and private sectors, including commercial and industrial customers, agricultural customers and individual customers, in each case within the guidelines issued by the RBI. Working capital facilities consist of revolving cash credit facilities and short-term loans. Revolving cash credit facilities, based on a traditional overdraft system of lending, have been the most common form of working capital financing in India. Pursuant to RBI guidelines, only a specified percentage of a working capital facility can be accessed as cash credit, with the balance being short-term loans having a minimum maturity of one year. Loans are classified into retail based on the criteria of orientation, the nature of the product, granularity of the exposure and quantum thereof as laid down by the Basel committee. For a description of our Bank's retail and wholesale loan products, see the "*Business*" section.

The following table sets forth, for the periods indicated, our Bank's gross advance portfolio (including advances made by our overseas branches) classified by product group.

(in ₹ million, except percentages)

Gross Advances	Year ended March 31,		
	2022	2023	2024
Agriculture	189,677.54*	233,996.60*	304,562.66*
MSME	262,797.24	332,436.17	421,171.15
Retail	354,222.20	434,326.03	517,265.80
Corporate and Others	545,701.10	750,436.20	793,639.86
Total gross advances	1,352,398.08	1,751,195.00	2,036,639.47

(in ₹ million, except percentages)

Gross Advances	Three month period ended June 30, 2024
Agriculture	318,830.10
MSME	425,614.98
Retail	531,610.00
Corporate and Others	814,256.16
Total gross advances	2,090,311.24

* Including PSLC Sold and excluding Investments

External rating wise advances (Above ₹250 millions)

The following tables set forth, the details of total eligible borrowings for external ratings:

Particulars	As at June 30, 2024			As at March 31, 2024		
	No of borrowers	Outstanding amount (in ₹ million)	% of outstanding amount	No of borrowers	Outstanding amount (in ₹ million)	% of outstanding amount
Total Eligible Exposure for External Rating	489	956148.95	100%	483	920797.27	100%
AAA	10	54807.32	6%	11	54394.88	6%
AA	80	294557.48	31%	72	274159.32	30%
A	118	223989.62	23%	110	228458.99	25%
BBB	116	132968.60	14%	101	115526.58	13%
BB & Below	46	36246.62	4%	48	42456.40	5%
Total Rated	370	742569.65	78%	342	714996.17	78%
Govt. Guaranteed Exposure	21	154045.60	16%	20	146486.32	16%

(Unrated)*						
Total Rated plus Govt. Guarantee	391	896615.25	94%	362	861482.49	94%
Other Unrated	98	59533.70	6%	121	59314.78	6%

**(Including exposure backed by Treasury Deposits of State Governments)*

Maturity and Interest Rate Sensitivity of Loans

The following tables set forth, the maturity and interest rate sensitivity of our loans:

(in ₹ million, except percentages)

Particulars	Year ended March 31,		
	2022	2023	2024
Interest rate classification of loans by maturity:			
Fixed Rates	61,457	63,228.93	79,931.30
Variable Rates	1,290,941	1,687,966.06	1,956,708.2
Gross Advances	1,352,398.08	1,751,195.00	2,036,639.50

(in ₹ million, except percentages)

Particulars	Three-month period ended June 30, 2024
Interest rate classification of loans by maturity:	
Fixed Rates	81,928.90
Variable Rates	2,008,382.3
Gross Advances	2,090,311.20

The following table sets forth the interest rate sensitivity analysis of the Bank’s assets for the Bank's Indian operations as at June 30, 2024:

(in ₹ million, except percentages)

Assets	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Non-Sensitive	Total
Cash and balances with RBI	0.00	0.00	0.00	0.00	143504.17	143504.17
Balances with other banks	0.00	0.00	0.00	156.86	168.86	325.71
Advances	1252043.70	767351.20	7008.30	30038.80	0.00	2056442.00
Investments	6426.52	99820.22	295737.96	358596.59	6977.16	767558.46
Fixed Assets	0.00	0.00	0.00	0.00	22454.45	22454.45
Other Assets	20980.47	92567.10	0.00	0.00	72091.64	185639.21
Total Assets	1279450.69	959738.52	302746.26	388792.25	245196.28	3175924.00

The following table sets forth the interest rate sensitivity analysis of the Bank’s liabilities for the Bank's Indian operations as at June 30, 2024:

(in ₹ million, except percentages)

Liabilities	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Non-Sensitive	Total
Capital and reserve	0.00	0.00	50077.00	0.00	163686.72	213763.72
Deposits	521063.34	1032867.13	988954.72	131269.93	0.00	2674155.12
Borrowings	21451.29	7658.74	9290.43	0.00	0.00	38400.46
Other liabilities	14973.80	81834.90	0.00	0.00	129677.54	226486.24
Repos	0.00	0.00	0.00	0.00	0.00	0.00
Total liabilities	557488.43	1122360.77	1048322.14	131269.93	293364.26	3152805.53

Concentration of Advances

From April 2020, in accordance with the Large Exposure Framework ("LEF"), our exposure limits for single and group borrowers are 20.0% and 25.0% of our Tier 1 capital funds, respectively. These limits may be subjected to further changes and revisions in future.

The following table sets forth, for the periods indicated, our Bank's gross loans outstanding by the borrower's industry or economic activity and as a percentage of our Bank's gross loans (where such percentage exceeds 2.00% of the total). Our Bank does not consider retail loans a specific industry for this purpose. For further information, see "*Regulations and Policies in India*" on page 235.

(in ₹ million, except percentages)

Industry	2022	% of Total Advances	2023	% of Total Advances	2024	% of Total Advances
Mining and Quarrying (Inclusive coal)	1,083.90	0.08%	6,417.50	0.37%	1980.60	0.10%
Iron and Steel	5,668.00	0.42%	13,044.00	0.74%	16275.20	0.80%
Other metal and metal products	7,379.30	0.55%	20,082.20	1.15%	23555.90	1.16%
All engineering	12,353.80	0.91%	19,352.20	1.11%	25833.40	1.27%
Cotton Textile	5,462.60	0.40%	181.50	0.01%	1641.60	0.08%
Jute Textile	70.10	0.01%	0.00	0.00%	0.00	0.00%
Man made textile	5.40	0.00%	9.60	0.00%	18.70	0.00%
Food processing	3,274.70	0.24%	853.00	0.05%	2035.00	0.10%
Sugar	1,515.10	0.11%	0.00	0.00%	0.00	0.00%
Tea	0.00	0.00%	0.00	0.00%	0.00	0.00%
Vegetable Oil	50.30	0.00%	0.00	0.00%	227.60	0.01%
Paper and Paper Products	3,658.30	0.27%	4779.80	0.27%	5141.60	0.25%
Rubber, plastics and their products	8,165.50	0.60%	10,380.90	0.59%	12200.50	0.60%
Chemical, dyes, Paints and Pharmaceuticals	13,570.10	1.00%	13,760.60	0.79%	19493.40	0.96%
Fertilizer	1,116.70	0.08%	1736.80	0.10%	3281.30	0.16%
Perto Chemical	2,810.50	0.21%	3017.30	0.17%	6130.00	0.30%
Drug and Pharmaceuticals	8,815.10	0.65%	7117.20	0.41%	10082.10	0.50%
Cement and Cement Products	2,063.70	0.15%	3,437.70	0.20%	2541.30	0.12%
Leather and Leather Products	1,112.00	0.08%	1,046.40	0.06%	1417.30	0.07%
Gem and Jewellery	2,543.00	0.19%	2,297.30	0.13%	2872.60	0.14%
Construction	1,285.70	0.10%	6,509.00	0.37%	13331.10	0.65%
Petroleum, Coal Products and Nuclear Fuel	6,007.40	0.44%	19,739.10	1.13%	27839.90	1.37%
Vehicles, Vehicles Parts and Transport Equipment's	7,381.30	0.55%	7,452.90	0.43%	10068.00	0.49%
Computer Software	636.90	0.05%	865.80	0.05%	0.00	0.00%
Infrastructure	216,436.00	16.01%	192,021.20	10.97%	358949.15	17.62%

Industry	2022	% of Total Advances	2023	% of Total Advances	2024	% of Total Advances
Power	89,807.80	6.65%	120,268.86	6.87%	107586.31	5.28%
Communication	5,307.50	0.39%	5,299.63	0.30%	5297.34	0.26%
Water and Sanitation	0.00	0.00%	0.00	0.00%	87108.20	4.28%
Social and Commercial Structure	64,044.20	4.74%	33,920.70	1.94%	39171.90	1.92%
NBFCs	111,327.90	8.24%	156,618.50	8.94%	171326.90	8.41%
Trading	132,852.60	9.83%	151,946.20	8.62%	156592.10	7.69%
Beverage and Tobacco	365.30	0.03%	99.10	0.01%	371.20	0.02%
Wood and Wood Products	1,879.50	0.14%	2,281.00	0.13%	2711.60	0.13%
Other Industries	12,484.20	0.92%	10,179.60	0.58%	18056.10	0.89%
Total	**557,117.50**	**41.22%**	**643,355.10**	**36.74%**	**1133137.90**	**55.64%**
Total Gross Advances	**1,352,398.08**		**1,751,195.00**		**2036639.47**	

Industry	As at June 30, 2024	% of Total Advances
Mining and Quarrying (Inclusive coal)	2,255.30	0.11%
Iron and Steel	23,301.80	1.11%
Other metal and metal products	24,365.90	1.17%
All engineering	27,913.20	1.34%
Cotton Textile	1,393.70	0.07%
Jute Textile	-	0.00%
Man made textile	33.00	0.00%
Food processing	2,873.50	0.14%
Sugar	-	0.00%
Tea	-	0.00%
Vegetable Oil	552.60	0.03%
Paper and Paper Products	5,492.70	0.26%
Rubber, plastics and their products	12,966.40	0.62%
Chemical, dyes, Paints and Pharmaceuticals	18,129.20	0.87%
Fertilizer	3,734.10	0.18%
Perto Chemical	6,272.80	0.30%
Drug and Pharmaceuticals	8,122.20	0.39%
Cement and Cement Products	2,307.70	0.11%
Leather and Leather Products	1,304.60	0.06%
Gem and Jewellery	2,850.50	0.14%
Construction	13,545.30	0.65%
Petroleum, Coal Products and Nuclear Fuel	29,433.60	1.41%
Vehicles, Vehicles Parts and Transport Equipment's	9,661.60	0.46%
Computer Software	-	0.00%
Infrastructure	4,63,440.20	22.17%
Power	1,19,413.50	5.71%
Communication	5,191.50	0.25%
Water and Sanitation	89,799.30	4.30%
Social and Commercial Structure	51,205.60	2.45%
NBFCs	1,75,419.70	8.39%
Trading	1,53,925.50	7.36%
Beverage and Tobacco	370.90	0.02%

Industry	As at June 30, 2024	% of Total Advances
Wood and Wood Products	2,570.70	0.12%
Other Industries	18,955.30	0.91%
Total	**12,76,801.90**	**61.08%**
Total Gross Advances	**20,90,311.24**	

The following table sets forth the Bank's top 10 largest loan exposures by sectors as at the dates indicated.

(in ₹ million, except percentages)

Industry wise top 10 (Funded + Non-Funded Exposure)	As at June 30, 2024
Infrastructure	463440.2
Agriculture & Allied Activities	391864.2
Housing	340819.1
Trading	185139.6
NBFC	176206.6
Professional and Other Services	116558.9
Basic Metal & Metal Product	73022.2
All Engineering	54832.1
Commercial Real Estate	50862.7
Textiles	41270.2

(in ₹ million, except percentages)

Industry wise top 10 (Funded + Non-Funded Exposure)	As at March 31, 2024
Infrastructure	472091.3
Agriculture & Allied Activities	387040.5
Housing	326180.0
Trading	185218.6
NBFC	176350.5
Professional and Other Services	114416.1
Basic Metal & Metal Product	65802.9
All Engineering	50612.4
Commercial Real Estate	48444.7
Textiles	43407.8

(in ₹ million, except percentages)

Industry wise top 10 (Funded + Non-Funded Exposure)	As at March 31, 2023
Agriculture & Allied Activities	297214.3
Housing	271767.6
Infrastructure	249740.2
Trade	184566.4
Non-Banking Financial Companies (NBFCs) other than Public Financial Institutions (PFIs)	162536.3
Power	143104.3
Professional and Other Services	107019
Basic Metal & Metal Product	46628.7
All Engineering	43734.4
Loans against gold jewellery	43155.6

(in ₹ million, except percentages)

Industry wise top 10 (Funded + Non-Funded Exposure)	As at March 31, 2022
Infrastructure	300,831.20
Housing	238,006.30
Agriculture & Allied Activities	218,553.80
Other Services	182,853.70

Trade	156,608.10
Non-Banking Financial Companies (NBFCs) other than Public Financial Institutions (PFIs)	121,291.90
Power	115,664.20
Professional and Other Services	74,719.80
Other Personal Loans	69,221.10
All Engineering	34,984.10

Priority Sector Lending

The RBI has issued guidelines requiring Indian banks to lend 40% of their adjusted net bank credit (ANBC), as computed in accordance with such guidelines, or the credit equivalent amount of off-balance sheet exposures (CEOBE), whichever is higher, as of March 31 of the previous fiscal year to certain sectors called "priority sectors." Priority sectors are broadly comprised of agriculture, micro small and medium enterprises (MSMEs), export credit, education, housing, social infrastructure, renewable energy and others subject to certain limits.

Our Bank is required to comply with the priority sector lending requirements as of March 31, in each fiscal year. Any shortfall in the amount required to be lent to the priority sector may be required to be deposited with government sponsored Indian developmental banks such as NABARD under the Rural Infrastructure Development Fund Scheme or funds with other financial institutions as specified by RBI, which generate lower levels of interest compared to advances made to the priority sector.

The following table sets forth, for the periods indicated, our Bank's directed lending broken down by sector:

(in ₹ million, except percentages)

Particulars	As at March 31,					
	2022		2023		2024	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Directed lending:						
Agriculture (Including RIDF, PTC PSLCs & IBPC)	196,171.53	18.81	245,191.53#	20.82	314,418.30	18.72
Micro and small enterprises – PS	101,076.59	9.69	296,056.53##	25.14	374,229.29	22.28
Other	155,009.64	14.87	146,095.74	12.41	167,725.88	9.98
Total directed lending	452,257.76	42.01	68,7347.80###	58.37	856,373.47	50.98

 # After deduction of ₹200 crore up to 31.03.2023 under PSLC sale transaction
After deduction of ₹500 crore up to 31.03.2023 under PSLC sale transaction
After deduction of ₹700 crore up to 31.03.2023 under PSLC sale transaction

(in ₹ million, except percentages)

Particulars	Three month period ended June 30, 2024	
	Amount	% of Total
Directed lending:		
Agriculture (Including RIDF, PTC PSLCs & IBPC)	327,867.89	18.46
Micro and small enterprises – PS	376,148.12	21.18
Other	150,075.13	8.45
Total directed lending	854,091.14	48.09

Regional Concentration

The Bank's widespread branch network enables the Bank to diversify its lending risks geographically. The following table presents an analysis of the Bank's gross credit by region as of the dates indicated.

(in ₹ million, except percentages)

Particulars	Three month period ended June 30, 2024	
	Amount	% of Total
Andaman & Nicobar	410.4	0.02%
Andhra Pradesh	50887.2	2.43%
Arunachal Pradesh	693.3	0.03%
Assam	5087	0.24%
Bihar	30604.7	1.46%
Chandigarh	2938.9	0.14%
Chhattisgarh	23988.6	1.15%
Dadra And Nagar Haveli & Daman And Diu	486.6	0.02%
Delhi	116484.3	5.57%
Goa	14681	0.70%
Gujarat	61416.6	2.94%
Haryana	27926.1	1.34%
Himachal Pradesh	1410.9	0.07%
Jammu And Kashmir	453.5	0.02%
Jharkhand	6524.1	0.31%
Karnataka	185277.4	8.86%
Kerala	75258.3	3.60%
Madhya Pradesh	84835.6	4.06%
Maharashtra	989827.3	47.35%
Manipur	1001	0.05%
Meghalaya	232.4	0.01%
Mizoram	300.2	0.01%
Nagaland	1097.1	0.05%
Orissa	21093.1	1.01%
Pondicherry	1332.1	0.06%
Punjab	13090.3	0.63%
Rajasthan	76846.7	3.68%
Sikkim	5115.4	0.24%
Tamil Nadu	117792.6	5.64%
Telangana	85495.3	4.09%
Tripura	224.7	0.01%
Uttar Pradesh	62482.5	2.99%
Uttaranchal	2236.5	0.11%
West Bengal	22780.9	1.09%
Gross Advances	20,90,311.24	

Particulars	As at March 31,					
	2022		2023		2024	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Andaman & Nicobar	121.16	0.01%	250.28	0.01%	386.5	0.02%
Andhra Pradesh	39,233.73	2.90%	42934.81	2.45%	50338.9	2.47%
Arunachal Pradesh	413.94	0.03%	553.20	0.03%	706.5	0.03%
Assam	3,541.33	0.26%	4198.27	0.24%	5117.4	0.25%
Bihar	20,544.15	1.52%	25675.97	1.47%	29669.8	1.46%
Chandigarh	4,020.75	0.30%	5259.74	0.30%	6025.1	0.30%
Chattisgarh	14,561.84	1.08%	18939.13	1.08%	22998.9	1.13%
Dadra And Nagar Haveli & Daman And Diu	277.30	0.02%	297.17	0.02%	437.5	0.02%
Delhi	84,973.92	6.28%	90748.47	5.18%	112077.4	5.51%
Goa	7,944.58	0.59%	8872.94	0.51%	14779.8	0.73%
Gujarat	31,947.85	2.36%	43444.34	2.48%	58299.7	2.86%

Particulars	As at March 31,					
	2022		2023		2024	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Haryana	11,195.08	0.83%	15634.53	0.89%	23017.8	1.13%
Himachal Pradesh	521.04	0.04%	742.53	0.04%	1150.9	0.06%
Jammu And Kashmir	190.93	0.01%	192.58	0.01%	356.4	0.02%
Jharkhand	1,614.54	0.12%	3073.18	0.18%	5629.2	0.28%
Karnataka	91,086.50	6.74%	157782.88	9.01%	177624.0	8.73%
Kerala	42,240.69	3.12%	68434.91	3.91%	68194.6	3.35%
Madhya Pradesh	61,834.10	4.57%	78358.22	4.47%	81915.7	4.02%
Maharashtra	691656.71	51.14%	856871.02	48.93%	971369.09	47.67%
Manipur	449.00	0.03%	680.74	0.04%	907.8	0.04%
Meghalaya	115.51	0.01%	188.67	0.01%	212.6	0.01%
Mizoram	97.29	0.01%	121.96	0.01%	254.8	0.01%
Nagaland	564.34	0.04%	868.48	0.05%	1043.8	0.05%
Orissa	8,437.78	0.62%	13973.37	0.80%	19600.5	0.96%
Pondicherry	566.80	0.04%	723.09	0.04%	1177.0	0.06%
Punjab	8,527.09	0.63%	9490.11	0.54%	13006.6	0.64%
Rajasthan	21,982.36	1.63%	55629.19	3.18%	77258.4	3.80%
Sikkim	4,909.69	0.36%	5237.14	0.30%	5257.3	0.26%
Tamilnadu	58,574.91	4.33%	84045.02	4.80%	114384.7	5.62%
Telangana	67,928.46	5.02%	77802.61	4.44%	84887.9	4.17%
Tripura	183.47	0.01%	205.02	0.01%	212.0	0.01%
Uttar Pradesh	58,168.21	4.30%	62254.19	3.55%	64378.2	3.16%
Uttaranchal	1,353.98	0.10%	1786.88	0.01%	2231.3	0.11%
West Bengal	12,619.05	0.93%	15924.36	0.91%	21731.5	1.07%
Gross Advances	1352393.08		1751195.00		2036639.47	

Non-Performing Assets

The Bank has in the past suffered losses through impairment of loans as some borrowers were impacted by negative trends in the global market place, recessionary conditions in the domestic economy, increased competition and volatility in industrial growth and commodity prices. The Bank has adopted several measures to refine its credit selection processes and appraisal capabilities.

a) Our Bank is focusing on:-

    1. Newly slipped accounts for upgradation.
    2. To reduce small accounts, particularly agriculture NPA accounts having balance up to ₹1 million.

b) Our Bank has introduced two Structured OTS schemes, “*Maha Sahyog Yojana*” and “*Maha Sandhi Yojana*.” In addition to above scheme bank has also introduced Maha Samvedena schemes Upto Rs 50.00 Lakhs for borrowers who are deceased.
c) Our Bank has been making intensive follow-ups with the defaulting borrowers through visits, letters, notices, Recovery Camps, Lok Adalats, Mahabank Adalats and actions under SARFAESI / DRT Act. We have also engaged the services of recovery agents and resolution agents.
d) Our Bank’s management is regularly interacting with Zones, Top 4 SAM Branches & 13 ARBs (the total NPA portfolio entrusted with Top 4 SAM Branches & 13 ARBs are more than 70%) through video conferencing. Our NPA management and NPA recovery are amongst the focus points of the review with the Zones. Concerted efforts at the field level on these recovery issues are emphasized.

The management of NPAs has been one of the focus areas of the Bank. Towards this goal, the Bank has focused on:

- **Action under SARFAESI / DRT**- Timely actions and follow up in SARFAESI/ DRT cases including e-auctions, private treaty etc. are undertaken. Banks has launched My-Kase mobile based application for daily monitoring of DRT/Civil suit filed cases.

- **Follow up of NCLT cases**- All the NCLT cases were thoroughly followed up for early resolutions. Follow up with Resolution Professionals are done on regular basis to speed up the resolution process. Section 7 application of IBC 2016 is being initiated against the eligible corporate debtors. Under Sec 95 of IBC- PIRP is being initiated against the personal guarantor.
- **Lok Adalats & Mahabank Adalats**- Special Lok Adalats & Mahabank Adalats are conducted on regular basis. In addition to the Adalats, Recovery Drives / Camps are organized to boost the recovery.
- **Special OTS schemes** – Structured OTS schemes for accounts with o/s balance upto 50 Crores are introduced with liberal terms.
- **Reducing Fresh Slippages**- Focused efforts to upgrade the newly slipped accounts by recovering the overdues, being soft targets. Follow up with borrower is done right from SMA 0, 1 & 2 level to arrest fresh slippages.
- **Loan Tracking Cell**- A special cell is put in place for effective follow up with borrowers through phone calls on day to day basis to get recovery and upgradation.
- **Outsourced Agencies**- Services of Debt Recovery Agents, Resolution Agents, Enforcement Agents, are being utilized for effective follow up to get recovery / OTS etc.

Our Bank's gross NPA ratio decreased from 2.47% as of March 31, 2023 to 1.88% as of March 31, 2024. Our Bank's net NPA ratio decreased from 0.25% as of March 31, 2023 to 0.20% as of March 31, 2024.

See "*Risk Factors — Risks Relating to the Bank's Business — An increase in our Bank's portfolio of NPAs or provisioning requirements mandated by the RBI could adversely affect our Bank's business, financial condition and results of operations*" on page 42.

The following table sets forth, for the periods indicated, information about the Bank's NPA portfolio.

(in ₹ million)

Non-Performing Assets	As at March 31,		
	2022	2023	2024
Gross NPAs	53,272.13	43,340.02	38,330.53
Specific provisions (NPA and NPV provisions)	40,088.73	38,606.26	33,620.34
Floating provisions	0.00	0.00	0.00
NPA net of provisions and net table credits	12,765.70*	4,351.80	4,089.90
Gross customer assets	13,52,398.08	17,51,195.00	20,36,639.47
Net customer assets	13,11,704.40	17,12,206.70	20,02,398.84
Gross NPAs/gross customer assets (%)	3.94%	2.47%	1.88%
Net NPAs/net customer assets (%)	0.97%	0.25%	0.20%
Specific provision as a percentage of gross NPAs	75.25%	89.08%	87.71%
Total provisions as a percentage of gross NPAs	76.43%	90.44%	89.88%
Slippage Ratio (%)	2.05%	1.24%	0.73%
Delinquency Ratio	2.05%	1.24%	0.73%
NNPA/Net-worth	12.55%	3.41%	2.38%
Provision cover (including prudential write-offs)	94.79%	98.28%	98.34%

(in ₹ million)

Non-Performing Assets	Three month period ended June 30, 2024
Gross NPAs	38,727.63
Specific provisions (NPA and NPV provisions)	34,359.52
Floating provisions	0.00
NPA net of provisions and net table credits	4,147.00
Gross customer assets	20,90,311.24
Net customer assets	20,55,730.65
Gross NPAs/gross customer assets (%)	1.85%
Net NPAs/net customer assets (%)	0.20%
Specific provision as a percentage of gross NPAs	88.72%
Total provisions as a percentage of gross NPAs	89.84%
Slippage Ratio (%)	1.18%
Delinquency Ratio	1.18%

NNPA/Net-worth	2.21%
Provision cover (including prudential write-offs)	98.36%

The Bank's net provisioning coverage ratio as of March 31, 2022, 2023, and 2024, and June 30, 2024 computed as per RBI guidelines, was 94.79%, 98.28%, 98.34%, and 98.36% respectively.

The following table sets forth, for the periods indicated, information about Bank's provisions against NPAs.

(in ₹ millions)

	Year ended March 31,		
	2022	**2023**	**2024**
Specific provisions:			
Specific provisions at the beginning of the period	50,725.37	40,088.73	38606.26
Additions during the period	27,109.37	22,808.99	21742.65
Reductions during the period on account of recovery and write-offs	37,746.01	24,291.46	26728.58
Specific provisions at the end of the period	40,088.73	38,606.26	33620.34
Floating provisions:			
Floating provisions at the beginning of the period	0.00	0.00	0.00
Additions during the period	0.00	0.00	0.00
Utilizations during the period	0.00	0.00	0.00
Floating provisions at the end of the period	0.00	0.00	0.00
Total specific and floating provisions at the end of the period	**40,088.73**	**38,606.26**	**33620.34**

(in ₹ millions)

	Three month period ended June 30, 2024
Specific provisions:	
Specific provisions at the beginning of the period	33620.34
Additions during the period	5863.90
Reductions during the period on account of recovery and write-offs	5124.71
Specific provisions at the end of the period	34359.52
Floating provisions:	
Floating provisions at the beginning of the period	0
Additions during the period	0
Utilizations during the period	0
Floating provisions at the end of the period	0
Total specific and floating provisions at the end of the period	**34359.52**

The following table sets forth the classification of gross loan assets of the Bank at the dates indicated.

(in ₹ million)

	As at March 31,		
	2022	**2023**	**2024**
Standard	1,299,125.95	1707,854.97	19,98,308.94
Non-performing assets	53,272.13	43,340.02	38,330.53
Sub-standard assets	19,857.71	14,669.73	11,813.34
Doubtful assets	31,081.02	26,918.67	25,130.90
Loss assets	2,333.40	1,751.63	1,386.29
Total	1,352,398.08	1751,194.99	20,36,639.47

(in ₹ million)

	Three month period ended June 30, 2024
Standard	20,51,583.61

Non-performing assets (Gross)	38,727.63
Sub-standard assets	12,782.25
Doubtful assets	24,520.59
Loss assets	1,424.79
Total	20,90,311.24

The following table sets forth the Bank's NPAs for its ten largest accounts, broken down by industry, as of June 30, 2024.

(in ₹ million)

Borrower's Industry	**Gross Principal Outstanding**
Services	614.83
Services	328.19
Agriculture	304.91
Agriculture	287.41
Manufacturing	197.58
Agriculture	195.73
Services	179.68
Manufacturing	163.67
Manufacturing	153.19
Manufacturing	149.06

The following table sets forth the movement of the Bank's NPAs as of the periods indicated:

(in ₹ million)

Movement of NPAs	Year ended March 31		
	2022	2023	2024
Gross NPA – opening	77,796.79	53,272.13	43,340.03
Additions	21,823.57	16,297.17	12,551.97
Reductions of which:	46,348.24	26,229.27	17,561.46
Recovery + Upgrades	15,172.66	11,323.54	7,661.76
Write-off	31,175.58	14,905.73	9,899.71
Transfer to ARCs	0	0	-
Gross NPA – closing	53,272.13	43,340.02	38,330.53
Provisions, ECGC claim settled	40,497.20	38,988.26	34,240.64
Net NPA	12,765.70	4,351.77	4089.90
Provision cover – specific (%) (NPA accounts only)	76.43%	90.44%	89.88%
Provision cover – including technically written-off (%)	94.79%	98.28%	98.34%

(in ₹ million)

Movement of NPAs	Three month period ended June 30, 2024
Gross NPA – opening	38,330.53
Additions	5,959.62
Reductions of which:	5,562.52
Recovery + Upgrades	2,129.24
Write-off	3,433.28
Transfer to ARCs	-
Gross NPA – closing	38,727.63
Provisions, ECGC claim settled	34,580.62
Net NPA	4,147.00
Provision cover – specific (%) (NPA accounts only)	89.84%
Provision cover – including technically written-off (%)	98.36%

The following table sets forth the Bank's segment-wise NPA Position

Sector NPA	June 30, 2024
Total Retail Segment	1991.25
Housing	880.44
Education	71.47
Vehicle	88.51
Others	950.83
Total MSME Segment	10301.58
Micro	8135.61
Small	1651.80
Medium	514.17
Agriculture Segment	25115.64
Corporate Segment	1319.15
Grand Total	38727.63

Recognition of NPAs and Provisioning

RBI Classification and Provisioning Requirements

The Bank classifies its assets in accordance with the RBI guidelines. The RBI guidelines require Indian banks to classify their NPAs into three categories, as described below, based on the period for which the asset has remained non performing and the estimated realization of amounts due in relation to such asset. Further, the NPA classification is at the borrower level, rather than at the facility level and, accordingly, if one of the advances granted to a borrower becomes non-performing, such borrower is classified as non-performing and all advances due from it are so classified.

A non-performing asset is a loan or an advance where: (i) interest and/or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan; (ii) the account remains "out of order" in respect of an overdraft or cash credit; (iii) the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted; (iv) the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops; (v) the instalment of principal or interest thereon remains overdue for one crop season for long duration crops; (vi) the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of 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 July 2013, an account should be classified as an NPA on the basis of the record of recovery and not merely on deficiencies which are temporary in nature, such as non-renewal of limits on the due date or non-submission of stock statements.

Further, RBI requires the banks to classify an account as a non-performing asset only if the interest due and charged during any quarter is not serviced fully within 90 days from the end of the quarter

Assets are classified as below:

Standard asset	Performing assets are Standard Assets which do not disclose any problem and which do not carry more than the normal risk attached to the business. The performing asset is one which generates income for the bank.
Sub-standard asset	With effect from March 31, 2005, a Sub-standard Asset would be one which has remained a NPA for a period less than or equal to 12 months.

Doubtful asset	With effect from March 31, 2005, an asset would be classified as doubtful if it had remained in the sub-standard category for 12 months. Further, these doubtful assets are to be classified into the following three categories, depending on the period for which such assets have been classified as doubtful: • assets which have remained in the doubtful category for a period of up to one year; • assets which have remained in the doubtful category for a period of more than one year but less than three years; and • assets which have remained in the doubtful category for a period of more than three years.
Loss asset	In accordance with RBI guidelines, a loss asset is one where the loss has been identified by the bank, internal auditor, external auditors or the RBI at the time of inspection, but the amount has not been written off wholly. In cases of serious credit impairment, an asset is required to be immediately classified as doubtful or as a loss asset, as appropriate. Further, erosion in the value of the security provided may also be considered significant when the realizable value of the security is less than 50.00% of the value as assessed by the bank or as accepted by RBI at the time of the last inspection of the security, as the case may be. In such a case, the assets secured by such impaired security may immediately be classified as doubtful, and provisioning should be made as applicable to doubtful assets. If the realizable value of the security, as assessed by the bank or approved valuation agents or by RBI, is less than 10.00% of the outstanding amount in the borrower's accounts, the existence of security should be ignored and the asset should be immediately classified as a loss asset and it may be either written off or fully provided for by the bank.

The following table provides a summary of the Bank's gross loan assets as of the periods indicated, in accordance with RBI classifications.

(in ₹ millions)

Asset Category	**As of March 31,**		
	2022	**2023**	**2024**
Standard assets	12,99,125.95	1,707,854.97	1,998,308.94
Sub-standard assets	19,857.71	14,669.73	11,813.34
Doubtful assets	31,081.02	26,918.67	25,130.90
Loss assets	2,333.40	1,751.63	1,386.29
Total	**1,352,398.08**	**1,751,194.99**	**2,036,639.47**

(in ₹ millions)

Asset Category	**As of June 30, 2024**
Standard assets	2,051,583.61
Sub-standard assets	12,782.25
Doubtful assets	24,520.59
Loss assets	1,424.79
Total	**2,090,311.24**

The following table sets forth the Bank's provisions for possible credit losses at the dates indicated.

(in ₹ millions)

Asset Category	**As of March 31,**		
	2022	**2023**	**2024**
Provision held	40,088.73	38,606.26	33,620.34
Provision held as percentage of gross advances	2.96%	2.20%	1.65%
Provision held as percentage of gross NPAs	75.25%	89.08%	87.71%

(in ₹ millions)

Asset Category	**As of June 30, 2024**
Provision held	34,359.52
Provision held as percentage of gross advances	1.64%
Provision held as percentage of gross NPAs	88.72%

Restructured Assets

The RBI has issued separate guidelines for restructured assets. A fully secured standard asset can be restructured by rescheduling principal repayments and/or the interest element, but it must be separately disclosed as a restructured asset. The amount of sacrifice, if any, in the element of interest, measured in present value terms, is either written-off, or provision is made to the extent of the sacrifice involved. Similar guidelines apply to substandard assets. The sub-standard assets which have been subjected to restructuring as per earlier guidelines of RBI, whether in respect of a principal instalment or an interest amount, are eligible to be upgraded to the standard category only after the specified period, which is a period of one year after the date when first payment of principal or interest, whichever is earlier, falls due, subject to satisfactory performance during the period.

The following table sets forth a summary of the Bank's restructured assets as of and for the Fiscal year ended March 31, 2024 and three months ended June 30, 2024.

(in ₹ million)

	Standard	**NPAs**	**Total**
Restructured assets as of April 01, 2023	42611.30	3058.11	45669.41
New restructured assets during Fiscal 2024	1465.77	0	1465.77
Asset upgraded to restructured assets during Fiscal 2024	215.38	0	215.38
Restructure assets downgraded during Fiscal 2024	2435.05	0	2435.05
Change in outstanding/write off/recovery/closures during Fiscal	19070.29	1528.71	20599.00
Restructured assets as of March 31, 2024	**22787.11**	**1529.40**	**24316.51**

	Standard	**NPAs**	**Total**
Restructured assets as of April 01, 2024	22787.11	1529.40	24316.51
New restructured assets during Fiscal 2025 (till June 30, 2024)	467.73	0	467.73
Asset upgraded to restructured assets during Fiscal 2025 (till June 30, 2024)	94.87	0	94.87
Restructure assets downgraded during Fiscal 2025 (till June 30, 2024)	975.13	0	975.13
Change in outstanding/write off/recovery/closures during Fiscal (till June 30, 2024)	1291.08	171.27	1462.35
Restructured assets as of June 30, 2024	**21083.50**	**1358.13**	**22441.63**

(1) Note : Restructured assets amount is inclusive of GECL and FITL accounts.

Note:

(2) Restructured standard advances which no longer required higher provisioning and therefore not required to be classified as a restructured asset.

	Fiscal 2022	Fiscal 2023	Fiscal 2024
Standard Restructured Advances (₹ Million)	55,467.80	42,611.30	22,787.11
Standard Restructured Advances (as a % of Standard credit)	4.26%	2.50%	1.14%
SMA*(I & II), as a % of Standard credit	0.15%	0.08%	0.24%
Standard Adv. / Total Adv. (%)	96.06%	97.52%	98.12%

	Three month Period ended June 30, 2024
Standard Restructured Advances (₹ Million)	21083.50

Standard Restructured Advances (as a % of Standard credit)	1.02%
SMA*(I & II), as a % of Standard credit	0.24%
Standard Adv. / Total Adv. (%)	98.15%

The following table sets forth restructured standard assets of the Bank by industry, as of March 31, 2024 and June 30, 2024.

(in ₹ million, except percentages)

Business segment	**As of 31.03.2024**	
	Amount	**Percentage of Total**
Agri and Agri processing	1663.52	7.30%
Auto and Auto anciliary	35.66	0.16%
Cement	15.02	0.07%
Education Trusts	26.20	0.11%
Engineering	1199.88	5.27%
Hotel	85.93	0.38%
Infrastructure- other than power	2715.90	11.92%
Iron and Steel	0.00	0.00%
Oil Exploration	0.00	0.00%
Others	15905.93	69.80%
Pharmaceuticals	19.55	0.09%
SME	1119.53	4.91%
Textile	0.00	0.00%
Grand Total	**22787.11**	**100.00%**

(in ₹ million, except percentages)

Business segment	**As of June 30, 2024**	
	Amount	**Percentage of Total**
Agri and Agri processing	1460.41	6.93%
Auto and Auto anciliary	11.50	0.05%
Cement	15.19	0.07%
Education Trusts	11.88	0.06%
Engineering	831.77	3.95%
Hotel	78.98	0.37%
Infrastructure- other than power	2976.42	14.12%
Iron and Steel	0.00	0.00%
Oil Exploration	0.00	0.00%
Others	14595.43	69.23%
Pharmaceuticals	18.63	0.09%
SME	1083.29	5.14%
Textile	0.00	0.00%
Grand Total	**21083.50**	**100.00%**

Provisioning and Write-Offs

RBI guidelines on provisioning and write-offs are as follows~~:~~

Standard asset	A general provision on Standard Assets with a minimum of 0.40% is to be made with the exception of direct advances to agriculture, individual housing loans and MSME sectors for which a provision of 0.25% will be made, and for residential housing loans under “teaser” loan category, a provision of 2.00% will be made. For commercial real estate loans, a provision of 1.00% will be made. Further in case of advance restructured

<table>
<tr><td></td><td>with effect from June 1, 2016 and prior to June 1, 2016, a provision of 5.00% and 3.50% respectively is done for a period covering moratorium and two years thereafter if the account remains standard.</td></tr>
<tr><td>Sub-standard asset</td><td>A general provision of 15.00% on total outstanding loans should be made without making any allowance for Export Credit Guarantee Corporation of India (ECGC) guarantee cover and securities available. The unsecured outstanding i.e. ab initio which are identified as sub-standard would attract an additional provision of 10.00% (<i>i.e.</i> a total of 25.00% on the outstanding balance).</td></tr>
<tr><td>Doubtful asset</td><td>Provisioning at 100.00% is to be made for the deficit portion i.e. to the extent to which advances are not covered by the realizable value of the security. With regard to the secured portion, as per the revised guidelines of the RBI, provision is to be made at rates ranging from 25.00% to 100.00% of the secured portion depending upon the period for which the advance has remained in the doubtful category.
In regard to the secured portion, provision is to be made in accordance with the table below:
<table>
<tr><td>Period for which advance remained in “Doubtful” category</td><td>Provision Requirement (%)</td></tr>
<tr><td>Up to one year</td><td>25.00%</td></tr>
<tr><td>One to three years</td><td>40.00%</td></tr>
<tr><td>More than three years</td><td>100.00%</td></tr>
</table></td></tr>
<tr><td>Loss asset</td><td>The entire asset is written off or 100.00% provision is made on outstanding amount.</td></tr>
</table>

Floating Provisions

In June 2006, the RBI issued prudential norms on creation and utilization of floating provisions (i.e., provisions which are not made in respect of specific non-performing assets or are made in excess of regulatory requirements for provisions for Standard Assets). The norms state that floating provisions can be used only for contingencies under extraordinary circumstances for making specific provisions in impaired accounts after obtaining approval from the Board of Directors and with the prior permission of the RBI. These extraordinary circumstances would broadly fall under three categories: (i) general, wherein the bank is put unexpectedly to loss due to events such as civil unrest, collapse of currency in a country, natural calamities, pandemics etc; (ii) market, wherein there is a general meltdown in the markets affecting the entire financial system; and (iii) credit, wherein exceptional credit losses are encountered. Floating provisions for advances and investments would be held separately and cannot be reversed by credit to the profit and loss account. Until utilization of such provisions, they can be netted out from gross non-performing assets to arrive at disclosure of net non-performing assets. Alternatively, floating provisions can be treated as part of Tier II capital within the overall ceiling of 1.25% of total risk-weighted assets.

Analysis of Non-Performing Loans by Industry Sector

The following tables set forth, for the periods indicated, the Bank's NPAs, by borrowers' industry or economic activity and as a percentage of its loans in the respective industry or economic activities sector. These figures do not include credit substitutes.

(in ₹ million, except percentages)

Borrower industry or economic activity	**March 31, 2022**			**March 31, 2023**			**March 31, 2024**		
	Gross Loans	**NPA**	**% of NPA in Industry**	**Gross Loans**	**NPA**	**% of NPA in Industry**	**Gross Loans**	**NPA**	**% of NPA in Industry**
Basic Metal and Metal Products	13,139.50	951.60	7.24%	33,126.20	535.80	1.62%	39,831.00	263.60	0.66%
Coal and Mining	1,083.90	65.40	6.03%	6,417.50	9.90	0.15%	1,980.60	56.40	2.85%
All Engineering	12,353.80	445.80	3.61%	19,352.20	524.50	2.71%	25,833.40	433.70	1.68%
Textiles	20,503.00	833.50	4.07%	22,846.70	448.70	1.96%	27,823.00	201.20	0.72%
Infrastructure	206,352.10	1,795.50	0.87%	192,021.20	10.40	0.01%	1,92,453.60	6.40	0.00%
Of which power and distribution companies	79,724.10	779.50	0.98%	119,113.40	2.90	0.00%	31,475.80	5.00	0.02%
Construction & Contractors	1,285.70	5.90	0.46%	6,509.00	8.60	0.13%	13,331.10	0.30	0.00%
Other Industries (Including other sectors)	1,097,680.10	49,174.40	4.48%	1,351,808.80	41,799.20	3.09%	17,35,386.77	37,368.93	2.15%
Total	**1,352,398.10**	**53,272.10**	**3.94%**	**1,751,194.99**	**43,340.00**	**2.47%**	**20,36,639.47**	**38,330.53**	**1.88%**

(in ₹ million, except percentages)

Borrower industry or economic activity	**June 30, 2024**		
	Gross Loans	**NPA**	**% of NPA in Industry**
Basic Metal and Metal Products	47,667.70	211.10	0.44%
Coal and Mining	2,255.30	7.60	0.34%
All Engineering	27,913.20	425.10	1.52%
Textiles	27,958.90	159.20	0.57%
Infrastructure	1,92,147.50	56.40	0.03%
Of which power and distribution companies	1,10,203.00	-	0.00%
Construction & Contractors	13,545.30	0.30	0.00%
Other Industries (Including other sectors)	17,78,823.34	37,867.93	2.13%
Total	**20,90,311.24**	**38,727.63**	**1.85%**

Business segment analysis of the Bank's domestic NPA portfolio as of June 30, 2024:

(in ₹ million)

Business segment	As of June 30, 2024
Corporate	1319.15
Small and Medium Enterprises	10301.58
Retail	1991.25
Agriculture	25115.64
Total	38727.63

Business segment analysis of the Bank's retails sector NPA portfolio as of June 30, 2024:

Particulars	Advances (in ₹ millions)	Sector NPA (in ₹ millions)	Sector NPA%
Total Retail Credit	531610.02	1991.25	0.37%
(Of which)			
Housing	310044.49	880.44	0.28%
Education	23331.62	71.47	0.31%
Vehicle	28925.71	88.51	0.31%
Others	169308.20	950.83	0.56%

Business segment analysis of the Bank's MSME sector NPA portfolio as of June 30, 2024:

Particulars	Advances (in ₹ millions)	Sector NPA (in ₹ millions)	Sector NPA%
Total MSME Credit	425614.98	10301.58	2.42%
(Of which)			
Micro	248819.83	8135.61	3.27%
Small	127328.30	1651.80	1.30%
Medium	49466.85	514.17	1.04%

Top Five Non-Performing Industries/Sectors

The following table sets forth information regarding the Bank's five largest NPAs, classified by industry sector, as well as the value of the collateral securing the loan, as of June 30, 2024. However, the net realizable value of such collateral may be substantially less.

(in ₹ million, except percentages)

Industry	Type of Banking Arrangement	Gross Principal Outstanding	Provisions	Principal Outstanding Net of Provisions for Credit Losses
Leather & Leather Products	Sole/Multiple/Consortium	93.10	27.40	65.70
Gems & Jewelry	Sole/Multiple/Consortium	160.60	8.50	152.10
Paper & Paper Products	Sole/Multiple/Consortium	208.10	193.30	14.80
Wood & Wood Products	Sole/Multiple/Consortium	43.80	30.40	13.40
Other Industries	Sole/Multiple/Consortium	315.20	188.60	126.60

Management of Stressed Assets

An integrated approach to review and manage stressed assets including rehabilitation and restructuring has been put in place. The primary intent in the approach is to ensure that a Special Managed Account ("SMA") (account showing sign of trouble) does not slip into an NPA. Identification, determination of the cause of the problem and initiation of remedial measures on a proactive basis are the hallmarks of this approach.

A separate vertical, stressed assets management vertical has been established in order to review the stressed assets on an ongoing basis. The appropriate reviewing authority would give necessary directions on the recommended action plan. Based on a detailed viability study, if the unit is found viable, it is put on a rehabilitation package. Borrowers accounts may also be referred to the NCLT on a selective basis for resolution.

NPA Management

The Bank is committed to efficiently managing and reducing its NPAs and has implemented the following measures to manage and reduce its NPA ratio:

Slippage Management

Our Bank's Slippages Management Committee at the Head office meets on a monthly basis to monitor/ review the zones/ branches for early recovery of dues in respect of individual SMA accounts with limits of ₹50 million and above. General Managers of functional credit departments and deputy and assistance general managers participate in the meeting.

All SMA accounts (SMA 0, SMA 1 and SMA 2) are followed up on daily basis from H.O/Zones and respective Branches for regularisation of SMA accounts. As per RBI guideline, reporting of defaulted borrowers with exposure of ₹50 million and above is done on weekly basis to Central Repository of Information on Large Credits (CRILC) in addition to the monthly reporting of borrowers with exposure of ₹50 million and above.

Our Bank's credit monitoring department within the corporate office continuously monitors the branches/ zonal offices through various credit monitoring tools and MIS reports for recovery and regularisation of SMA accounts to avoid addition of slippages. Our Bank also engages its call centres in the recovery process for follow up with the borrowers directly through auto dialer system for ensuring repayment of their dues on time.

NPA Management

Our Bank's NPA management consists of the following aspects:

(a) Initiating recovery action on slippage of accounts, including taking non-legal recovery actions or initiating legal action.

(b) Conducting recovery meetings at regional and zonal levels to arrive at settlements which are both cost effective and mutually beneficial. Recovery meetings involve inviting defaulting borrowers of the Bank in order to negotiate and reach mutually agreeable settlement proposals.

(c) Compromise settlements through Lok Adalats ("people's courts"), established by the Government to facilitate the efficient settlement of disputes by way of mutual agreement. While any claim can be brought to a Lok Adalat, given that the Lok Adalats do not charge any fees and their decisions are binding on the parties, it is often quicker to resolve disputes through a Lok Adalat than through regular courts. In light of this, the Bank strives to recover NPAs through the Lok Adalats as much as practicable.

(d) Follow up of NCLT cases- All the NCLT cases were thoroughly followed up for early resolutions. Follow up with Resolution Professionals are done on regular basis to speed up the resolution process. Section 7 application of IBC 2016 is being initiated against the eligible corporate debtors. Under Sec 95 of IBC- PIRP is being initiated against the personal guarantor.

(e) Reporting of wilful defaulters with outstanding amounts equal to a ₹2.5 million and more to the RBI. The RBI then consolidates the data of such wilful defaulters and disseminates this information amongst banks for their use. While the Bank does not rehabilitate or restructure NPAs of a wilful defaulter, it enters into an acceptable mutual settlement with such a borrower.

(f) Close monitoring of "compromise settled accounts" for recovery in accordance with the terms of settlement. By maintaining open dialogue with borrowers of the compromise settled accounts, the Bank seeks to recover its NPAs within specified periods and with minimum costs.

(g) Aggressively pursuing and achieving substantial progress in respect of measures allowed to be implemented by the Bank under the SARFAESI Act.

(h) Monitoring the recovery of overdue amounts under any account by law officers subject to a court ruling. The role of such law officers is to liaise with the advocate, branch and debtor and the Debt Recovery Tribunal during the relevant debt recovery action, and to take timely action

(i) Invoking the provision of Insolvency and Bankruptcy Code, sale of assets to ARCs and restructuring of the assets are some of the other NPA management tools applied based on consideration including security available and viability of the unit upon restructuring.

(j) Strict adherence to rehabilitation packages under the CDR (for both normal and SME accounts) and monitoring the accounts closely for early recovery.

See "*Risk Factors - Risks Relating to our Business — An increase in our portfolio of NPAs or provisioning requirements mandated by the RBI could adversely affect our business, financial condition and results of operations." on page 42.*

Capital Adequacy

The following table sets forth, for the periods indicated, our Bank's capital adequacy ratios computed as per applicable RBI guidelines:

(in ₹ million, except percentages)

Particulars	As at March 31,		
	2022	2023	2024
Common equity tier I (CET I)	116,666.10	142,537.86	182750.74
Additional tier I capital	2000.00	17,900.00	17900.00
Tier I capital	118,666.10	160,437.86	200650.74
Tier II capital	39,242.64	43,799.80	53460.16
Total capital	157,908.74	204,237.66	254110.90
Risk weighted assets	958,336.26	1,126,176.02	1461806.67
CET I ratio (%)	12.17%	12.66%	12.50%
Tier I capital ratio	12.38%	14.25%	13.72%
Tier II capital ratio	4.10%	3.89%	3.66%
Total capital ratio	16.48%	18.14%	17.38%

Notes:

Tier I and Tier II capital, risk weighted assets and capital adequacy ratios have been calculated in accordance with RBI guidelines (Basel III Capital Regulations, generally referred to as Basel III). See the section *"Regulation and Policies in India" on page 235.*

(in ₹ million, except percentages)

Particulars	As at June 30, 2024
Common equity tier I (CET I)	182199.58
Additional tier I capital	17900.00
Tier I capital	200099.58
Tier II capital	54303.63
Total capital	254403.21
Risk weighted assets	1492681.62
CET I ratio (%)	12.21%
Tier I capital ratio	13.40%
Tier II capital ratio	3.64%
Total capital ratio	17.04%

Notes:

Tier I and Tier II capital, risk weighted assets and capital adequacy ratios have been calculated in accordance with RBI guidelines (Basel III Capital Regulations, generally referred to as Basel III). See the section *"Regulation and Policies in India" on page 235*

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 in accordance with Basel III:

(in ₹ million, except percentages)

Particulars	As at March 31,		
	2022	2023	2024
Credit risk RWA	802,058.93	968,232.36	1241293.05
Market risk RWA	51,549.02	34,953.98	75142.47
Operational risk RWA	104,728.30	122,989.68	145371.12
Total risk weighted assets	958,336.26	11,26,176.03	14,61,806.67

(in ₹ million, except percentages)

Particulars	As at June 30, 2024
Credit risk RWA	1308735.30
Market risk RWA	4262.18
Operational risk RWA	179684.14
Total risk weighted assets	1492681.62

Liquidity

Particulars	As at March 31,		
	2022	2023	2024
HQLA (Amount)	603,749.22	599,840.00	595777.30
Total Asset (Amount)	2,306,113.61	2,676,513.90	3071378.6
HQLA/ Total Asset (%)	26.18%	22.41%	19.40%
Liquid Asset (Cash & Investments)/Deposits (%)	34.71%	30.84%	35.84%
Cash/ Total Asset (%)	0.05%	0.04%	0.33%
LCR(%)	216.12%	157.49%	138.18%
NSFR(%)	170.11%	156.64%	143.54%

Particulars	As at June 30, 2024
HQLA (Amount)	697607.40
Total Asset (Amount)	3052320.33
HQLA/ Total Asset (%)	22.85%
Liquid Asset (Cash & Investments)/Deposits (%)	24.78%
Cash/ Total Asset (%)	0.41%
LCR(%)	121.25%
NSFR(%)	137.87%

Digital and Technology initiatives

Particulars	As at June 30, 2024	As at March 31, 2024
ATM Card Base (million)	13.81	13.59
Digital transaction (%)	98.30	97.55
UPI/BHIM Transactions (million)	599.89	558.85
Whats App Onboarding (million)	1.11	0.96
QR Merchant Transaction (million)	11.96	8.38
Mobile Banking Users (million)	1.32	1.17
UPI/BHIM Users (million)	2.93	2.90
Internet Banking Users (million)	2.57	2.45
QR Merchant Onboarding (million)	0.90	0.96

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available documents from various sources and has not been prepared or independently verified by our Bank, the BRLMs or any of their affiliates or advisers. Data in this section may have been re-classified by us for the purposes of presentation. The accuracy and completeness of the industry sources and publications referred to by us, and the underlying assumptions on which such sources and publications are based, are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Further, statements in this section that are not statements of historical fact constitute "forward-looking statements". Such forward-looking statements are subject to various risks, assumptions and uncertainties and certain factors could cause actual results to materially differ. Accordingly, prospective investors should not base their investment decision, or otherwise place undue reliance, on this information. If one source is used for an entire paragraph, the source for the information in that paragraph is given at the end of that paragraph.

Global Macroeconomic Outlook

The global economy is expected to grow by 3.2% in 2024 and 3.3% in 2025. While momentum varied at the start of the year, output divergence among economies has narrowed as cyclical factors wane. Services price inflation is hindering disinflation efforts complicating monetary policy normalization. With increased risks to inflation, interest rates may remain high for longer, amidst escalating trade tensions and policy uncertainty. Effective management of these risks is crucial to maintaining growth and achieving price stability. Global activity and trade improved, driven by strong exports from Asia's technology sector. While first quarter growth exceeded expectations in many countries, the US and Japan saw notable slowdowns due to moderating consumption and supply disruption, respectively. Europe experienced an economic recovery in services and China saw a boost from domestic consumption and surge in exports. *(Source: IMF World Economic Outlook, July 2024)*

The pace of global disinflation is slowing, with persistent services inflation and stronger goods disinflation. Nominal wage growth remains high in some countries, influenced by earlier wage negotiations and elevated inflation expectations. *(Source: IMF World Economic Outlook, July 2024)*. In advanced economies, the pace of disinflation is projected to decelerate through 2024 and 2025. This is primarily due to persistent inflation in service prices and elevated commodity costs. Despite these challenges, a gradual cooling of labor markets and anticipated declines in energy prices are expected to help achieve target headline inflation by the end of 2025. Meanwhile, emerging market and developing economies are likely to experience higher and slower-declining inflation compared to advanced economies. Nonetheless, thanks in part to decreasing energy prices, inflation in these economies is approaching levels seen before the pandemic. (*Source: IMF World Economic Outlook, July 2024)*

Headline inflation remains elevated in most advanced economies and about a quarter of inflation-targeting emerging market and developing economies ("**EMDEs**"), with global inflation reaching 3.2% year-on-year in April, down from 6.7% a year earlier. Global inflation, weighted by gross domestic product ("**GDP**"), is expected to decrease to 3.5% in 2024 and further to 2.8% by 2026, aligning closely with average country inflation targets. While goods prices in advanced economies show signs of stabilizing, service prices continue to rise notably in both advanced economies and EMDEs *(Source: World Bank Global Monthly July, 2024).*

Indian Economy

Amidst the sluggish global growth, India's economy has showed its strength and stability. India's GDP grew at 8.2% in Fiscal 2024 (*Source: RBI Bulletin July 2024*), marking the highest growth rate among major economies, propelled by a robust domestic market and government-led investments that have bolstered demand. Early estimates suggest that GDP growth for the first quarter of Fiscal 2025 is likely to remain close to 7.1% (Source *RBI Bulletin August 2024)*. The growth momentum of Indian economy is anticipated to remain robust in Fiscal 2025 as well with a projected GDP growth of 7.2% as per the Reserve Bank of India ("**RBI**") (*Source RBI MPC August 6 to August 8, 2024*).

The Indian economy also ended Fiscal 2024 on a strong footing as can be seen from high frequency indicators. GST collections crossed ₹ 2.1 trillion benchmark in April 2024, the highest ever (*Source Press Information Bureau dated May 1, 2024*). India's manufacturing Purchasing Managers' Index ("**PMI**") was recorded at 57.5, while India's services PMI was also strong at 60.9 in August 2024 (*Source: PMI by S&P Global, dated September*

2, 2024). High frequency indicators point towards sustained momentum in domestic demand conditions in April 2024. E-way bills grew year-on-year by 19.2% in July 2024 and toll collections increased year-on-year by 9.4% in July 2024. GST collections recorded a growth of 10.3%. Non-tax revenue receipts recorded a year-on-year growth of 80.7% during April-June 2024 on the back of higher than budgeted surplus transfer from the Reserve Bank. *(Source: RBI Bulletin August 2024)*

Fiscal deficit also improved to 5.6% of GDP in Fiscal 2024, lower than the targeted 5.8%, with robust capex and tax collections (*Source: RBI Bulletin July 2024*). Going forward, Fiscal 2025 fiscal deficit is expected to be even lower at around 4.9% of GDP (*Source: Indian Budget 2024-2025*). Industrial sector has also been performing well with the IIP and Core sector indices registering good growth on account of sustained demand economic activity in the country.

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)* In June 2024, India's headline inflation, measured by year-on-year changes in the all-India consumer price index (“**CPI**”), rose slightly to 5.1% from 4.8% in May. Food inflation increased to 8.4% in June 2024 from 7.9% in May 2024, driven by higher prices in cereals, milk, fruits, sugar, and prepared meals. Fuel group continued to remain in deflation, reflecting the cumulative impact of the sharp cut in LPG price in August 2023 and March 2024 *(Source: RBI Bulletin August 2024)*.

Growth Outlook

The global economy is stabilizing and domestic economic activity is strengthening as exhibited by the resilient performance of leading indicators. Equity markets are performing well and corporates are reporting healthy balance sheets. Business sentiments are upbeat with sustained momentum in manufacturing and services activity. The south-west monsoon is expected to be above normal, which augurs well for agriculture and rural demand. Coupled with sustained momentum in manufacturing and services activity, this should enable a revival in private consumption. Investment activity is likely to remain on track, with high-capacity utilisation, government’s continued thrust on infrastructure spending, and optimism in business sentiments. Improving world trade prospects could support external demand. Headwinds from geopolitical tensions, volatility in international commodity prices, and geo-economic fragmentation, however, pose risks to the outlook. Moreover, the slow moderation in retail inflation, along with persistent food price inflation, elevated services inflation, and volatile international crude prices are additional downside risks. The RBI projects real GDP growth for Fiscal 2025 at 7.2% (*Source: Reserve Bank of India, Resolution of the Monetary Policy Committee (“**MPC**”) August 6 to August 8, 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, About Us)*

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*)

Introduction to the Indian Financial Sector

The RBI, the central banking and monetary authority of India, is the central regulatory and supervisory authority for the Indian financial system. A variety of financial intermediaries in the public and private sectors participate in India's financial sector, including (i) commercial banks, comprising: private sector banks, regional rural banks ("**RRBs**"), public sector banks ("**PSBs**"), foreign banks, co-operative banks, small finance banks and payment banks; (ii) long-term lending institutions; (iii) non-banking financial companies ("**NBFCs**"), including housing finance companies ("**HFCs**"); (iv) other specialized financial institutions and state-level financial institutions; (v) insurance companies; (vi) micro-finance companies; and (vii) mutual funds.

Set forth below are the details of financial intermediaries in the public and private sectors participating in India's financial sector.

Scheduled Commercial Banks ("SCBs")

Scheduled commercial banks in India have traditionally focused on meeting the short-term financial needs of industry, trade and agriculture. In recent years, they have also focused on increasing long-term financing to sectors like infrastructure. Scheduled commercial banks are banks that are listed in the second schedule to the RBI Act and are further categorized as public sector banks, private sector banks, small finance banks, payments banks, regional rural banks and foreign banks. *(Source: RBI, List of Scheduled Commercial Banks)*

Public Sector Banks ("PSBs")

Public sector banks are SCBs with significant government shareholding. PSBs constitute the largest category of banks in the Indian banking system. These include the 12 nationalised banks, as of August 2024 *(Source: RBI, List of Scheduled Commercial Banks (SCBs))* In Fiscal 2020, the GoI announced several additional amalgamations of public banks: the amalgamation of Canara Bank with Syndicate Bank; the amalgamation of United Bank of India and Oriental Bank of Commerce with our Bank; the amalgamation of Andhra Bank and Corporation Bank with Union Bank; and the amalgamation of Allahabad Bank with Indian Bank, all of which were effective from April 1, 2020. Following these amalgamations, the number of PSBs is 12 as at April 1, 2020, down from 27 as at March 31, 2017.

Further, the government's focus has now also shifted towards disinvestment and promoting privatisation of state-owned commercial banks. As per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015. Every listed company [other than public sector company] shall maintain public shareholding of at least 25%. Any listed company which has public shareholding below 25%, on the commencement of the Securities Contracts (Regulation) (Amendment) Rules, 2010, shall increase its public shareholding to at least 25%, within a period of three years from the date of their commencement. (*Source: SEBI Circular*)

With respect to the same, the central government recently came out with the decision to reduce its shareholding to less than 75% in five Public Sector Banks including Punjab & Sind Bank, Indian Overseas Bank, UCO Bank, Central Bank of India, and Bank of Maharashtra in order to comply with SEBI's minimum public shareholding ("**MPS**") norms. (*Source: RBI Notification on Merger March 30, 2020*)

Private Sector Banks

Most large banks in India were nationalised in 1969, resulting in PSBs making up the largest portion of Indian banking. The GoI's focus on PSBs was maintained throughout the 1970s and 1980s. In addition, existing private sector banks that showed signs of an eventual default were merged with state-owned banks. In July 1993, as part of the banking reform process and as a measure to induce competition in the banking sector, the RBI permitted entry of the private sector into the banking system. This resulted in the introduction of private sector banks. *(Source: Banking Law and Practice by Mishra Sukhvinder, Chapter 5: Commercial Banks, page 176)* As of June 2024, there were a total of 21 private banks. *(Source: RBI, List of SCBs)*

Foreign Banks

According to the RBI, there were 45 foreign banks operating in India as of June 2024. *(Source: RBI, List of SCBs)* Foreign banks may operate in India by establishing wholly owned subsidiaries, which are allowed to raise rupee resources through the issue of non-equity capital instruments, as allowed to domestic banks. In addition, wholly owned subsidiaries of foreign banks may be allowed to open branches in Tier I to Tier VI centres except at specified locations considered sensitive for national security reasons. Establishment of a wholly owned subsidiary would require approval of the RBI which would be subject to various factors including economic and political relations with the parent bank's country of incorporation and reciprocity with the parent bank's home country. The regulatory framework for a subsidiary of a foreign bank is substantially similar to the regulatory framework applicable to domestic banks, including with respect to management, directed lending, investments and branch expansion. Wholly owned subsidiaries of foreign banks may, after further review, be permitted to enter into merger and acquisition transactions with Indian private sector banks, subject to adherence to the foreign ownership limit of 49% under the automatic route and 74% under the government approval route that is currently applicable to Indian private sector banks. *(Source: RBI – Scheme for Setting up of Wholly Owned Subsidiaries ("**WOS**") by foreign banks in India and Consolidated FDI Policy notified by the DPIIT under DPIIT File Number 5(2)/2020 – FDI Policy dated the October 15, 2020, effective from October 15, 2020)* .

Co-operative Banks

The RBI continues to play a key role in strengthening the co-operative banking sector by fortifying the regulatory and supervisory framework. The primary responsibility of the Department of Co-operative Bank Supervision ("**DCBS**") is supervising urban co-operative banks ("**UCBs**") and ensuring the development of a safe and well-managed co-operative banking sector. The Banking Regulation (Amendment) and Miscellaneous Provisions Act, 2004, which came into effect on September 24, 2004, specifies that all multistate co-operative banks are under the supervision and regulation of the RBI. Accordingly, the RBI is currently responsible for the supervision and regulation of urban co-operative societies, state co-operative banks and district central co-operative banks. The wide network of co-operative banks, both rural and urban, supplements the commercial banking network for deepening financial intermediation by bringing a large number of depositors/borrowers under the formal banking network.

According to the RBI, there are 34 state co-operative banks, 49 scheduled urban co-operative banks and 1,434 non-scheduled urban co-operative banks. *(Source: RBI List of Co-operative Banks)*

Non-Banking Financial Companies

The primary activities of the non-banking financial companies are providing consumer credit, including automobile finance, home finance and consumer durable products finance, factoring, microfinance, wholesale finance products such as bill discounting for small and medium companies and infrastructure finance, and fee-based services such as investment banking and underwriting. All non-banking financial companies are required to register with the RBI.

Depending upon the line of activity, NBFCs are categorised into different types such as Asset Finance Company, Loan Company, Infrastructure Finance Company, securitisation/asset reconstruction companies, Investment Company, (Systemically Important) Core Investment Company, Infrastructure Debt Fund – NBFC, NBFC – Micro Finance Institution, NBFC – Factors, Mortgage Guarantee Companies, NBFC – Non-Operative Financial Holding Company. *(Source: RBI, Discussion Paper on Wholesale & Long-Term Finance Banks, April 2017)*

There were 9,327 NBFCs registered with the RBI as at March 31, 2024, of which 25 were deposit accepting **("NBFCs-D")** and 504 were systemically important non-deposit accepting NBFCs **("NBFCs-ND-SI")**. *(Source: RBI, accessed in September 2024)*

As per the framework for scale-based regulation for NBFCs by RBI released on October 22, 2021, regulatory structure for NBFCs shall comprise of four layers based on their size, activity and perceived riskiness. NBFCs in the lowest layer shall be known as NBFC – Base Layer ("**NBFC-BL**"). NBFCs in middle layer and upper layer shall be known as NBFC – Middle Layer ("**NBFC-ML**") and NBFC – Upper Layer ("**NBFC-UL**") respectively. The Top layer is ideally expected to be empty and will be known as NBFC – Top Layer ("**NBFC-TL**"). *(Source: RBI, Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs)*

Housing Finance Companies

HFCs are specialised institutions which extend housing credit, along with SCBs. Effective August 9, 2019 HFCs are being regulated as a category of NBFCs, after the transfer of regulation of HFCs to the Reserve Bank by amendment of the 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)*

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: 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 31 March 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*)

Small Finance Banks

The objective of small finance banks is to further financial inclusion by providing savings vehicles and supplying credit to small business units, small and marginal farmers, micro and small industries and other unorganized sector entities through high technology-low cost operations. The RBI granted in-principle approvals to ten small finance banks in September 2015 pursuant to which all ten small finance banks have started operations. *(Source: Draft Guidelines for 'on tap' Licensing of Small Finance Banks in the Private Sector and RBI – RBI grants "In-principle" Approval to 10 Applicants for Small Finance Banks)*

Payment Banks

The RBI has liberalised the licensing regime for banks in India and intends to issue licences on an ongoing basis, subject to meeting the RBI's criteria. The RBI is supportive of creating more specialised banks and granting differentiated banking licences, e.g., for payment banks and small finance banks. The RBI also plans to create wholesale and long-term finance banks in the near future. In November 2014, the RBI released guidelines for licensing payment banks and for licensing of small finance banks in the private sector. On August 19, 2015 the RBI granted in-principle approval to 11 applicants to set up payment banks. (*Source: RBI Press Release dated August 19, 2015)*. As of September 2024, there are six (6) payments banks in India *(Source: RBI. List of Payment Banks, accessed in September 2024)*

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)*

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.

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 August 2024, the aggregate average assets under management for mutual funds (excluding fund of funds – domestic but including fund of funds – overseas) was ₹ 66,04,057.21 crore, and aggregate average assets under management for mutual funds (domestic fund of funds) was ₹ 82,517.98 crore. The total number of schemes as of August 2024 was 1,599. (*Source: Association of Mutual Funds in India, Monthly Report for the Month of August 2024).* On April 27, 2020, the RBI opened a special liquidity facility for mutual funds with a view to ease liquidity pressures on mutual funds. Under such a facility, the RBI would conduct repo operations of 90 days' tenor at the fixed repo rate in an on-tap and open-ended manner, starting April 27, 2020 and up to May 11, 2020 or up to the full usage of the allocated amount, whichever is earlier. Funds availed under this facility are to be used by banks exclusively for meeting mutual funds' liquidity requirements by extending loans and outright purchase of, and/ or repos against, the collateral of investment grade corporate bonds, commercial papers, debentures and certificates of Deposit held by mutual funds. Liquidity support availed under this facility will be classified as HTM even in excess of 25.0% of the total investment permitted to be included in the HTM portfolio. Exposures under this facility will also not be considered under the large exposure framework or for computation of adjusted non-food bank credit for determining priority sector targets/ sub-targets, and they will be exempt from banks' capital market exposure limits. *(Source: RBI, Press Release dated April 27, 2020)*

Key Banking Industry Trends in India

The 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. The asset quality of Scheduled Commercial Banks ("**SCB**") recorded sustained improvement and their gross non-performing assets ("**GNPA**") ratio moderated to a 12-year low level of 2.8% in March 2024. Their net non-performing assets ("**NNPA**") ratio too improved to a record low of 0.6%, indicative of active and deep provisioning. Among bank groups, PSBs' GNPA ratio recorded substantial improvement (76 basis points) during 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 provisioning coverage ratio ("**PCR**"), which stood at 76.4% in March 2024 compared to 74% in March 2023. (*Source: RBI – Financial Stability Report Issue No. 29, June 2024*)

As per RBI's fortnightly data, bank credit growth has moderated to 13.9% or 17.4% when considering the impact of the merger between HDFC Bank and HDFC Ltd, as on June 2024. Deposit growth during this period stood at 10.6% or 11.1% (including the impact of the merger). *(Source: RBI SCBs Statement of Position as on Friday, June 28, 2024)* Additionally, GNPA have notably decreased from 11.25% in 2018 to 2.8% by March 2024. (*Source: RBI – Financial Stability Report Issue No. 29, June 2024)*

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

The SCBs credit growth year-on-year, which started picking up during Fiscal 2022, sustained its momentum and gathered pace to touch 17.36% (including HDFC Bank and HDFC merger) as on June 28, 2024. The increase has been broad-based across geography, economic sectors, population groups, organisations, type of accounts and bank groups. Aggregate deposits recorded some moderation growing year-on-year at 11.12% (including HDFC Bank and HDFC merger), with growth in time deposits outpacing demand deposits (11.83% versus 6.22%) as on May 17, 2024. (*Source: RBI SCBs Statement of Position as on Friday, June 28, 2024*)

The share of CASA in total deposits for SCBs has declined from 43.5% in March 2023 from 41.0% in March 2024 primarily driven by higher interest rate differential between Term Deposits and CASA deposits. The term deposits in the 1 to 3-year bucket have increased because of probable higher interest rate offered by the SCBs in this bucket. (*Source: RBI – BSR 1 – Quarterly Statistics – Credit by SCBs March 2024*)

The net interest margin ("**NIM**") of all SCBs witnessed a slight moderation from 3.7% in March 2023 to 3.6% in March 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. On the back of significant increase in NII and OOI, PVBs registered higher PAT growth vis-à-vis PSBs. 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: Return on equity ("**RoE**") (13.8% for all SCBs in Fiscal 2024) and Return on assets ("**RoA**") (1.3% for all SCBs in Fiscal 2024) ratios touched decadal highs in March 2024 even as the transmission of past monetary policy rate increases led to a 100 basis points rise in cost of funds (5.4% in Fiscal 2024) from March 2023 to March 2024. The yield on assets remained stable compared to the first half of Fiscal 2024 (8.4% in Fiscal 2024). (*Source: RBI – Financial Stability Report Issue No. 29, June 2024)*

Asset Quality and Capital Adequacy

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, PSBs' 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 half-yearly slippage ratio (viz., new NPA accretions as a share of standard advances), decreased across bank groups. It stood at 0.5% for PSBs 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 Issue No. 29, June 2024, RBI – Financial Stability Report Issue No. 28, December 2023)*

As SCBs bolstered their capital base through capitalisation of reserves from higher profits and by raising fresh capital, their capital to risk-weighted assets ratio ("**CRAR**") remained robust in March 2024 (16.8%), albeit lower than the March 2023 level (17.1%). 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%) (*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

With retail loan growth outpacing borrowings by large borrowers, the share of the latter in gross advances of SCBs has declined further between March 2020 and March 2024. Asset quality in the large borrower portfolio saw significant improvement, which contributed to lowering of the share of large borrowers (47.6% in March 2024 down from 53.9% in March 2023) in GNPAs of SCBs (GNPA of large borrowers – 3.0% in March 2024). The SMA-2 ratio for large borrowers, which had risen during the first half of Fiscal 2024, declined during the third quarter and fourth quarter of Fiscal 2024. The same was evident in the SMA-2 ratio also (0.3% for Fiscal 2024). In the large borrower accounts, the proportion of standard assets to total funded amount outstanding has been improving over the past three years (96.1% for Fiscal 2024), and the share of top 100 borrowers, which was rising for two years until March 2023, witnessed moderation during Fiscal 2024 (35.5% for Fiscal 2024). In terms of value, investment grade advances (rated BBB and above) constituted 90.3% of total externally rated funded advances of large borrowers. (*Source: RBI - Financial Stability Report Issue No. 29, June 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. These tests attempt to assess capital ratios over a one-year horizon under a baseline and two adverse (medium and severe) scenarios. The stress test results reveal that SCBs are well-capitalised and capable of absorbing macroeconomic shocks even in the absence of any further capital infusion by stakeholders. Under the baseline scenario, the aggregate CRAR of 46 major banks is projected to slip from 16.7% in March 2024 to 16.1% by March 2025. It may go down to 14.4% in the medium stress scenario and to 13.0% under the severe stress scenario by March 2025, which would also remain above the minimum capital requirements. No SCB would breach the minimum capital requirement of 9% in the next one year. The common equity tier 1 ("**CET1**") ratio of the select 46 SCBs may decline from 13.8% in March 2024 to 13.4% by March 2025 under the baseline scenario. Even in a severely stressed macroeconomic environment, the aggregate CET1 ratio would deplete by 300 basis points, but would still remain above the minimum regulatory norms. All banks would be able to meet the minimum regulatory CET1 ratio of 5.5%. Under the baseline scenario, the GNPA ratio of all SCBs may improve to 2.5% by March 2025 from the current level of 2.8%. If the macroeconomic environment worsens to a medium or a severe stress scenario, the ratio may rise to 2.8% and 3.4%, respectively. At the bank group level, the GNPA ratios of PSBs may swell from 3.7% in March 2024 to 4.1% in March 2024, whereas it may go up from 1.8% to 2.8% for PVBs and from 1.2% to 1.3% for FBs under the severe stress scenario. (*Source: RBI - Financial Stability Report Issue No. 29, June 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)*

In the last year, banking sector has witnessed a profound transformation driven by digitalization. The widespread adoption of digital technologies has revolutionized customer interactions, streamlining processes and enhancing operational efficiency. Digital banking platforms have enabled seamless transactions, personalized services, and real-time access to financial products, thereby improving customer experience and satisfaction. Moreover, digitalization has facilitated the integration of innovative FinTech solutions, fostering collaborations and partnerships to deliver innovative financial services. India is experiencing the rise of new business models due to the success of UPI, the implementation of the Account Aggregator (“**AA**”) framework, and the widespread adoption of digital banking services. Access to numerous easy and convenient digital payment modes such as BHIM-UPI, debit/credit cards, IMPS, NEFT, RTGS, AePS, NETC, PPIs have transformed the digital payment ecosystem increasing person-to-person (“**P2P**”) and person-to-merchant (“**P2M**”) payments.

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).* India has also surpassed the US in daily cashless transactions using UPI. India's UPI services have also been extended to Sri Lanka, Mauritius, and Nepal, indicating the growing influence and acceptance of Indian digital payment solutions beyond its borders.

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*

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*)

(₹ in lakh crores, except parentheses)

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.*			

(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 ongoing economic stress on account of COVID-19, it has been decided to defer the implementation of NSFR guidelines by a further period of six months. Accordingly, the NSFR Guidelines came into effect from October 1, 2021. *(Source: RBI – Basel III Framework on Liquidity Standards – Net Stable Funding Ratio, 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 ("**PIRP**") for MSMEs with defaults up to ₹ 1 crore. It also allows Distressed Corporate Debtors ("**CDs**") to initiate a PIRP with the approval of two-thirds of their creditors to resolve their outstanding debt under the new mechanism. The management of the affairs of the corporate debtor shall continue to vest in the board of directors or the partners who shall make every endeavour to protect and preserve the value of the property of the corporate debtor, and manage its operations as a going concern. (*Source: The Gazette of India – The Insolvency and Bankruptcy Code (Amendment) Act, 2021 dated August 11, 2021*)

Amendments to the Banking Regulation Act

The Banking Regulation (Amendment) Act, 2017 was enacted with a view to give the RBI extensive powers to issue directions to banks for the resolution of stressed assets. The amendment introduced two new sections to the Banking Regulation Act: Section 35AA, which enables the RBI, with the authorisation of the Central Government, to direct banks to commence the insolvency resolution process against the defaulting company under the IBC and Section 35AB, which enables the RBI to issue directions to any banking company or group of banking companies for the resolution of stressed assets. *(Source: The Gazette of India – The Insolvency and Bankruptcy Code (Amendment) Act, 2017)*

The Banking Regulation (Amendment) Act, 2020 was enacted with a view to expand the RBI's regulatory control over co-operative banks in terms of management, capital, audit and liquidation. The Bill makes two changes: (i) extending previously omitted provisions of the Banking Regulation (Amendment) Act, 2017 to co-operative banks, and (ii) amending certain provisions of the Banking Resolution Act, 1949 applying to all banks. *(Source: The Gazette of India – The Banking Regulation (Amendment) Act, 2020)*

Recent Policy Measures Undertaken by the RBI

SLR Holdings in Held-to-Maturity Category

On September 1, 2020, the RBI increased the limits under the HTM category from 19.5% to 23% of NDTL in respect of SLR-eligible securities acquired on or after September 1, 2020 and on or before March 31, 2021. (*Source: RBI - Statement on Developmental and Regulatory Policies dated February 5, 2022)* This dispensation was made available up to March 31, 2023. With a view to enable banks to better manage their investment portfolios, it has now been decided to extend the dispensation of the enhanced HTM limit of 23% up to March 31, 2024 to include securities acquired between September 1, 2020 and March 31, 2024. The HTM limit will be restored from 23% to 19.5% in a phased manner starting from the quarter ending June 30, 2024. *(Source: RBI Annual Report – 2022-2023)*

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 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 16 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read sections "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", on pages 42 and 86, 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 Standalone Financial Statements, and the financial information for the three months ended June 30, 2023 and 2024 is derived from our Unaudited Limited Reviewed Standalone 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.
Unless otherwise stated, references to "the Bank" and "our Bank" are to the Bank of Maharashtra on a standalone basis and references to "we", "us", "our", are to the Bank of Maharashtra, its Subsidiary and its Associate on a consolidated basis.

Overview

Incorporated in the year 1935 and nationalised along with 13 other banks in the year 1969, we offer a diversified portfolio of banking products and services to corporate, retail, agriculture and micro, small and medium enterprise ("**MSME**") customers. Our Bank is amongst the prominent public sector banks in the state of Maharashtra, with 45.98% of our Bank's total banking outlets and 47.35% of our Bank's total advances is contributed by customers, located within the state of Maharashtra as of June 30, 2024. Our operations are internally aligned into distinct business lines for (i) wholesale banking operations, (ii) retail banking operations, (iii) treasury operations, and (iv) other banking operations. The total business of our Bank grew at 15.94% from ₹ 4,092,021.84 million as on March 31, 2023 to ₹ 4,744,111.15 million as on March 31, 2024. Total deposits of our Bank grew at 15.66 % from ₹2,340,826.84 million as on March 31, 2023 to ₹2,707,471.68 million as on March 31, 2024. Gross advances grew at 16.30% from ₹1,751,195.00 million as on March 31, 2023 to ₹2,036,639.47 million as on March 31, 2024. CASA Deposits grew at 14.25% over the previous year from ₹1,249,609.48 million as on March 31, 2023 to ₹1,427,735.90 million as on March 31, 2024. Our net profit increased by 55.84% year-over-year, reaching ₹40,550.27 million as of March 31, 2024, compared to ₹26,020.37 million for the year ended March 31, 2023.

We offer a wide range of banking and financial services primarily to Retail Customers, Agricultural and Micro, Small and Medium enterprises ("**RAM**"). Through our corporate and commercial portfolio, we cater to the business needs of multinational companies, public enterprises and private companies. We provide deposits, loans and finance facilities to our customers by offering a variety of products such as term loans, short term loans, working capital finance including cash credit, export credit, bill discounting, line of credit, letters of credit and guarantees. We also extend financial support to the priority sectors which include agriculture, MSME, affordable housing and education but with specific focus on offering products to the MSME sector. As a percentage of our Bank's total advances, our Bank's advances in the corporate and wholesale segment accounted for 40.35%, 42.85%, 38.97%, 41.75% and 38.96% in Fiscal 2022, Fiscal 2023 and Fiscal 2024 and three-month period ended June 30, 2023 and June 30, 2024, respectively.

Our retail banking portfolio consists of savings account, current account and term deposit services. In our retail lending business, we offer loan towards housing, vehicle, education, personal and other loans including agriculture to our customers, with the maximum aggregated retail exposure to one counterpart not exceeding the threshold of ₹75 million (up till March 2023-₹50 Million) and other personal banking products. We offer our customers global debit cards and “anywhere banking” facilities, and internet and mobile banking. As a percentage of our Bank’s total advances, our Bank’s advances in the retail segment accounted for 26.19%, 24.80%, 25.40% and 25.43% in Fiscal 2022, Fiscal 2023 and Fiscal 2024 and three-month period ended June 30, 2024 respectively.

Our treasury segment comprises liquidity management by maintaining a level of liquidity, in compliance with the CRR and the SLR requirements of the RBI and monitoring and implementation of non-SLR investments of our Bank. We maintain the SLR through a portfolio of Central Government, State Government and Government-guaranteed securities and other approved securities that we actively manage to optimize yield and benefit from price movements. We are also involved in the trading of debt securities, equity securities and foreign exchange within permissible limits. In our international business, we are extending our banking services to NRI customer base to meet their credit requirements. As a percentage of our Bank’s total assets, our Bank’s net investments accounted for 29.74% 25.73%, 22.23% and 25.02% in Fiscal 2022, Fiscal 2023, Fiscal 2024 and three month period ended June 30, 2024, respectively.

We also offer other banking services such as bancassurance (distributors of life and non – life insurance products), and tax collection services (including GST). In addition to our primary segments, we offer a comprehensive range of ancillary products and services such as depository services, ASBA facility, electronically secured bank and treasury receipt (eSBTR), locker facilities, safe custody facility, bill payment services, online and off-line fee collection services, payment and remittance services. For Fiscal 2022, Fiscal 2023 Fiscal 2024 and three month period ended June 30, 2024, our Bank generated fee based income amounting to ₹12,333.42 million, ₹13,091.15 million, ₹ 15,822.31 million and ₹ 3,678.91 million, respectively, representing 7.87%, 7.20%, 6.73% and 5.44% of our Bank’s total income.

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 15.71% from ₹2,022,942.92 million in Fiscal 2022 to ₹2,340,826.84 million in Fiscal 2023 and grown 15.66% from ₹2,340,826.84 million in Fiscal 2023 to ₹2,707,471.68 million in Fiscal 2024 and grown (1.23)% from ₹ 2,707,471.68 million in Fiscal 2024 to ₹2,674,155.09 million in three month period ended June 30, 2024. Our Bank’s CASA ratio was 57.85% as of March 31, 2022, 53.38% as of March 31, 2023 52.73% as of March 31, 2024 and 49.86% as of June 30, 2024.

As of June 30, 2024, our Bank had a Pan-Indian presence across 28 states and 7 union territories through a network of 2499 branches and 68 fixed point outlets served by Bank Mitras, named as Customer Service Point (“**CSP**”), and 2285 ATMs (including 208 offsite and 2077 onsite ATMs), 3,163 Business Correspondents. As of June 30, 2024, our Bank had approximately 30.49 million customers. Our Bank also has internet, mobile banking and doorstep banking solutions. As of June 30, 2024, our Bank had approximately 2.57 million internet banking users and 1.32 million mobile banking users generating over 3.93 million internet banking transactions and 5.10 million mobile banking transactions. The Bank’s branch network is further complemented by its online and mobile banking solutions that enable it to provide its customers with access to on-demand banking services. 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.

Our Subsidiary, The Maharashtra Executor and Trustee Company Private Limited (“METCO”), provides services auxiliary to banking services such as consultation, drafting and execution of will, management of Public and Private Trusts, Management of investments and properties under power of attorney, guardianship of minor’s property. The net profit of METCO for Fiscal 2024 and three-month period ended June 30, 2024, was ₹ 8.14 million and ₹ 1.95 million, respectively. As of June 30, 2024, METCO managed 1048 public and private trusts and 1291 wills in custody for management.

Our Associate, Maharashtra Gramin Bank is a regional rural bank headquartered at Aurangabad covering 17 districts of Maharashtra through 425 branches, as of June 30, 2024. As of June 30, 2024, Maharashtra Gramin Bank had total business from deposits and gross advances of ₹277579.72 million and operating profit of ₹818.21 million.

The table below sets forth summaries of certain of the Bank’s key operating and financial performance parameters, as of and for the periods indicated below:

	As of and for the years ended March 31,			**As of and for the three months ended June 30, 2023**	**As of and for the three months ended June 30, 2024**
	2022	**2023**	**2024**		
Average interest-earning assets	1,916,358.47	2,163,146.02	2,503,015.1	2423715.62	2,817,846.78
Net interest income	60,443.97	77,407.78	98,218.45	23397.15	27,991.01
Average Working Funds – AWF	2,080,864.86	2,371,358.27	2701677.07	2644807.67	3009856.77
Average yield(1)	6.24%	6.70%	7.54%	6.4%	7.81%
Cost of funds(2)(%) includes current account	4.09%	4.22%	4.45%	4.19	4.56%
Spread(3)	3.01%	3.46%	3.73%	3.71%	3.78%
Net interest margin(4)	2.90%	3.26%	3.64%	3.54%	3.72%
Return on equity (net profit as a percentage of average total shareholders' equity)	11.65%	20.64%	25.69%	20.38%	23.06%
Return on assets (net profit as a percentage of average working funds)	0.55%	1.10%	1.50%	1.33%	1.72%
Earning per share	1.72	3.87	5.78	1.29	1.83
Book value per share-tangible	15.12	18.97	24.26	21.78	26.45
Tier I capital adequacy ratio	12.38	14.25	13.72	14.36	13.40
Tier II capital adequacy ratio	4.10	3.89	3.66	3.71	3.64
Total Tier I and Tier II capital adequacy ratio	16.48	18.14	17.38	18.07	17.04
Net NPAs(5)	12765.70	4351.80	4089.90	4138.7	4147.00
Net NPAs ratio(6)	0.97	0.25	0.20	0.24	0.20
Credit to deposit ratio(7)	66.85	74.81	75.22	71.89	78.17
Cost to income ratio(8)	44.26	39.14	37.55	37.23	37.87
Staff cost to income ratio	23.81	20.54	22.14	22.42	24.37
Other cost to income ratio	20.45	18.60	15.41	14.81	13.50
Interest coverage ratio(9)	4.01	4.17	8.01	6.92	10.06
Provisioning coverage ratio (including technical write-off)(10)	94.79	98.28	98.34	98.37	98.36
Credit cost	1.91	1.29	1.07	1.23	1.12
CASA ratio(11)	57.85	53.38	52.73	50.97	49.86
Slippage ratio(12)	2.41	1.44	1.23	1.26	1.18
Total business	3,375,341.00	4,092,021.84	4,744,111.15	4200411.46	4,764,466.33
Gross total advances	1,352,398.08	1,751,195.00	2,036,639.47	1756758.07	2,090,311.24
Gross Deposits	2,022,942.92	2,340,826.84	2,707,471.68	2443653.39	2,674,155.09

(₹ in million)

Notes:

(1) Average balances are daily averages for deposits/ advances/investments and all others are based on monthly averages as reported to the RBI.

(2) Cost of Fund is the ratio of interest expense to average interest-bearing liabilities.

(3) *Spread is the difference between the yield on average interest earning assets and yield on average interest bearing liabilities excluding current deposits.*
(4) *Net interest margin is the difference between interest earned and interest expended divided by the average working funds (AWF).*
(5) *Net NPAs reflect the Bank's gross NPAs less provisions for NPAs.*
(6) *Net NPAs ratio is the ratio of net NPAs divided by net advances.*
(7) *Credit to deposit ratio is calculated as a ratio of total gross advances to total deposits.*
(8) *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).*
(9) *Interest coverage ratio is calculated as net profit and depreciation on the Bank's property, divided by interest expended.*
(10) *PCR (including technical write-off) comprises provisions plus technical write off as percentage to Gross NPA plus technical write off.*
(11) *Ratio of domestic current account deposits and savings account deposits to domestic deposits (including inter-bank deposits).*
(12) *Slippages are fresh accretion to NPAs during a period. Slippage Ratio is fresh NPAs divided by Standard Advances at the beginning of the period.*

Our Competitive Strengths

We believe that our Bank has the following competitive strengths.

Diversified asset base with a focus on retail and MSME segment

Our diversified loan products are designed to suit and cater to the financing needs of our customers across geographic locations, varied business segments as our branches are spread across metropolitan cities, urban, semi urban and rural areas. We offer retail credit, products suitable for financial requirements of agriculture, MSME and corporate sector for their domestic, business as well as international banking requirements. We have focused on growing our advances to the retail, agriculture and MSME sectors (the "**RAM sectors**"). As of June 30, 2024, our Bank's advances to retail, agriculture and MSME sectors represented 25.43%, 15.25% and 20.36% of our Bank's total advances, respectively, and together the RAM sectors represented 61.04% of our Bank's total advances. In comparison, as at March 31, 2022, our Bank's advances to retail, agriculture and MSME sectors represented 26.19%, 14.03% and 19.43% of our Bank's total advances, respectively, and together the RAM sectors represented 59.65% of our Bank's total advances. Our Bank's corporate advances represented 40.35% of our Bank's total advances in Fiscal 2022, 42.85% of our Bank's total advances in Fiscal 2023, 38.97% of our Bank's total advances in Fiscal 2024, and 38.95% of our Bank's total advances in three month period ended June 30, 2024.

Under the Priority Sector Guidelines, 40.00% of the ANBC should be provided to the priority sector, with 18% and 10% of such priority sector credit provided to the agriculture sector and weaker sections (as identified in the Priority Sector Guidelines), respectively and 5% of ANBC should be given to women beneficiaries, among other. We have achieved the goals set for priority sector lending for each of Fiscal 2022, 2023, 2024 and the three months ended June 30, 2024.

Set out below are details of our financial inclusion targets.

Parameter	National Goals (based on Priority Sector Circular)	Achieved	Outstanding Balance as of June 30, 2024 (₹ million)
Priority Sector			
Priority Sector (% of ANBC)	40%	48.09%	854,091.14
Total agriculture advances (% of ANBC)	18%	18.46%	327,867.90
Small and marginal farmers (% of ANBC)	10%	11.30%	200,651.32
Micro enterprises accounts (year on year growth) (%)	NA	16.78%	0.32

Parameter	National Goals (based on Priority Sector Circular)	Achieved	Outstanding Balance as of June 30, 2024 (₹ million)
Credit to micro enterprises (% of ANBC)	7.50%	14.00%	248,819.83

As of March 31, 2022, 2023 and 2024 and as of June 30, 2024, we had achieved the targets set out for us by the RBI for lending to the priority sector, amounting to 43.37%, 58.37%, 50.98% and 48.09% of our ANBC, respectively.

We believe our array of loan products and other related banking services have helped us in maintaining the bond with our customers. Our retail credit portfolio consists of a wide range of products to meet various financial needs like housing loans, vehicle loans, education loans, personal loans, other retail loans, gold loans and loans for pensioners. We extend financial support to priority sectors as identified by the Government of India and the regulator that includes agriculture, MSME, affordable housing and education but with specific focus on products to the MSME sector. We also cater to the banking needs of the corporate sectors across various industries, and our diversified portfolio helps in mitigating sector specific risks. Lending to these corporate sectors across various industries also opens up avenues of non-interest income from the ancillary products and services.

We have driven our operations towards a balanced asset portfolio with a focus on our retail operations, and selective attention to our corporate operations, determined by our ability to match the risk appetite of such corporate credit. We have deployed our resources to the higher yielding sectors of retail and MSME credit. In the retail sector, our Bank increased our loans by 19.10% from ₹434,326.00 million in Fiscal 2023 to ₹517,265.80 million in Fiscal 2024 and 18.26 % from ₹ 449,524.10 million in three month period ended June 30, 2023 to ₹ 531610.00 million in three month period ended June 30, 2024, driven by growth in vehicle, gold and housing loans.. In the agriculture sector, our Bank increased our loans by 30.16% from ₹233,996.60 million in Fiscal 2023 to ₹ 304,562.70 million in Fiscal 2024, driven by growth in loans to agriculture infrastructure and ancillary agricultural activities. In the MSME sector, our Bank increased our loans by 26.69% from ₹332,436.17 million in Fiscal 2023 to ₹421,171.15 million in Fiscal 2024, driven by growth in credit to micro and medium enterprises. We believe our strategically diversified asset portfolio across the RAM sectors will lead to better risk diversification, increased revenue and improved margins.

Stable and growing deposit base

Our Bank developed a wide customer base which has resulted in low cost of funding opportunities and has strengthened our resource portfolio. Our Bank Direct Sales Agents offers current (also known as demand) deposits, savings deposits and term deposits. Our Bank's deposits have grown 15.71% from ₹ 2,022,942.92 million in Fiscal 2022 to ₹2,340,826.84 million in Fiscal 2023, grown 15.66% from ₹2,340,826.84 million in Fiscal 2023 to ₹ 2,707,471.68 million in Fiscal 2024 and grown 9.43% from ₹2,443,653.39 million in June 30, 2023 to ₹2,674,155.08 million in June 30, 2024

A sizeable portion of our deposit base is from retail segment that enables lower dependency on bulk deposits and provides a deposit base with a lower concentration risk. We offer a wide range of deposit products to our retail customers like "Diamond Current Account Scheme","BOM Pro Biz-Prime","BOM Pro Biz-Supreme","Mahabank Purple Savings Account", "Mahabank Royal Savings Account","BOM Smart SB Sheme-15", "BOM Smart SB Scheme-25","Maha Suraksha Payroll Scheme", "Yuva Savings Scheme", "Mahabank Salary Saving Account", "Mahalaxmi, Mahanidhi Term Deposit Schemes" , "Special rate term deposit scheme for 200,400,666 and 777 days" and "Maha Millionaire RD scheme Our Bank's ratio of retail deposits (CASA+ Retail term Deposits) to total deposits in Fiscal 2022 Fiscal 2023, Fiscal 2024 and three month period ended June 30, 2024, was 95.16% 86.91%, 82.86% and 81.54% respectively. We also have a large, stable percentage of relatively low-cost CASA deposits within our deposit mix. The Bank's ratio of domestic CASA deposits to its total domestic deposits was 57.85%, 53.38%, 52.73% and 49.86% as of March 31, 2022, 2023, 2024 and June 30, 2024, respectively. Our savings deposits have also been growing over the years and grew from ₹ 888566.21 million as of March 31, 2022 to ₹ 966601.97 million as of March 31, 2023 and ₹ 10,78,055.59 million crores as of March 31, 2024. Our savings deposits grew from ₹ 962767.88 million as of the three months ended June 30, 2023 to ₹ 10,21,141.94 million as of the three months ended June 30, 2024. Our funding requirements are met through deposits and borrowings and a substantial share is derived from the low-cost demand and savings deposits from customers. Deposits constituted 87.83% of our total liabilities as of June 30, 2024 and contributed 95.14% to our average cost of funds as of and for the three months ended June 30, 2024. Our Bank continues to maintain a robust and healthy capital position which is well above regulatory thresholds. The Total Basel III Capital Adequacy Ratio (CRAR) was 17.38%, while the Common Equity Tier 1 Ratio stood at 12.50% for Fiscal 2024.

Improving asset quality

We are focused on maintaining a high level of asset quality and our asset quality has been improving. Our risk management and credit evaluation processes, coupled with our ability to evaluate and appropriately price risk, have helped us reduce our exposure to NPAs, restructured standard assets and Special Mention Accounts Category 2 ("**SMA2**"). Our Bank's net NPA, net restructured standard assets, and SMA2 were 0.20%, 1.02% and 0.05% of net advances respectively as of June 30, 2024. Our Bank's gross NPAs as a percentage of gross advances was 3.94% 2.47%, 1.88% and 1.85% in Fiscal 2022, Fiscal 2023, Fiscal 2024 and three month period ended June 30, 2024, respectively, and our Bank's net NPAs as a percentage of net advances was 0.97% 0.25%, 0.20% and 0.20% in Fiscal 2022, Fiscal 2023, Fiscal 2024, and three month period ended June 30, 2024, respectively. Our Bank's provision coverage ratio as of March 31, 2022, March 31, 2023, March 31, 2024 and June 30, 2024, was 94.79% 98.28%, 98.34% and 98.36%, respectively. Our Bank's slippage ratio was 2.41%, 1.44%, 1.23%, and 1.18% in Fiscal 2022, Fiscal 2023, Fiscal 2024, and three month period ended June 30, 2024 respectively. Our Bank's credit cost was 1.91% 1.29%, 1.07% and 1.12% in Fiscal 2022, Fiscal 2023, Fiscal 2024, and three month period ended June 30, 2024 , respectively. Our Bank continued its conservative provision strategy and its provision coverage ratio stood at 98.34% on March 31, 2024 as against 98.28% on March 31, 2023.

We believe that our Bank has been able to reduce NPA levels and improve our asset quality by implementing our independent risk management function covering enterprise risk management, credit risk, market risk and operational risk that are updated on a continuous basis towards preserving our asset quality amongst other risk objectives. Our independent risk management system seeks to identify and manage risks at the Bank's business level, using models and processes to allow us to manage its risks effectively and within the Bank's policies. We have taken steps to restrict fresh delinquencies, including use of credit monitors, strengthening our loan review mechanism, broad basing our monitoring framework with more objective asset performance review reports for spotting signals of early stress, identification of accounts for timely restructuring, strengthening our NPA recovery mechanism, assessing need based credit limits and regular follow up for timely recovery of over-dues. In addition, we have introduced schemes such as '*Maha Sandhi Yojana*', "*Maha Sahyog Yojana*" and "*Maha Samvedana Yojana*" for quick resolution and recovery of NPAs. Further, our Bank has also appointed resolution agents for high value NPAs and recovery agents for other NPAs and intensive efforts are being made to follow up with the defaulting borrowers.

The Bank is in compliance with Basel II and Basel III requirements and has implemented new credit risk assessment models, independent validation of internal ratings and increased use of IT to improve and maintain the quality of loan data. Our Bank's capital adequacy ratio was 17.04% as at June 30, 2024, which is higher than the statutory requirement of 11.50%.

Pan India presence through a wide network of branches and ATMs

Our Bank was incorporated in 1935 with the objective of catering to the banking needs of the common man. Over a period of time, our Bank has developed into a well-recognized brand with pan India presence. Further, our Bank has built long term relationship with its customers through its ability to provide consistent quality services based on their needs which has been instrumental in the growth of our Bank. As of June 30, 2024, the Bank also had 2499 branches and 68 CSP across 28 states and 7 union territories of India. Our Bank's pan-India branch network allows us to provide banking services to a wide variety of customers, including large and mid-sized companies, institutions, state-owned enterprises, as well as corporate, agricultural, industrial and retail customers. In addition, the Bank has a strong branch network, with 51.06% of our Bank's branches in Western and 15.69% in Central India. 45.98% of our Bank's total branches are located in the state of Maharashtra. We believe that our strong presence of more than 8 decades in the state of Maharashtra has given us a key strength because it is an industrial and financial centre which includes the cities of Mumbai and Pune. As of June 30, 2024, the Bank's banking outlets are also well distributed across different tiers of cities with 24.41% in rural areas, 29.01% in semi urban areas, 22.01% in urban areas and 24.57% in metro cities.

As of June 30, 2024, our Bank had 2285 ATMs across the country to complement our Bank's branch network to offer round the clock banking facility to our customers. As of June 30, 2024, our Bank had 78 "Klick to Bank" e-lounges facilities which offers 24x7 services for cash withdrawal, cash deposit and self-passbook updating facility. As of June 30, 2024, our Bank had issued 13.81 million debit cards. We have our own EFT Switch which helps our Bank to derive significant advantages like reduced turn-around time, better customer experience, reduced risk, instant hot-listing of lost cards through multiple channels and a host of other value-added services.

Our Bank also offer our services through 3,163 banking correspondents ("**BCs**") and bank mitras. Through these BCs and bank mitras we are able to reach out to a larger group of customers, especially those in remote areas, by providing them formal banking facility which lends strength and stability to our Bank's low cost deposit base.

Emphasis on leveraging and improving digital technology capabilities

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. In order to improve competitiveness, convenience and customer experience, we have established Digital Banking Department with special focus on strengthening digital banking footprint of our Bank. We have strived to migrate transactions to digital channels which are more cost effective than physical channels, and which provide our customers with convenience and transparency in banking activities. Our recent digital products and initiatives include tab banking and online saving account opening, white label payment gateway, DDE (digital document execution), a national common mobility card ("**NCMC**"), BoMy Virtual Assistant, WhatsApp/Chatbot, Quick Pay, QR Merchant On-boarding, mobile applications and Online Locker Module. We have introduced a comprehensive programme titled '*MahaParivartan*' which will further amplify our efforts of building a future-ready Bank. Our Bank had deployed 50 Robotic Process Automation ("RPA") solutions which have led to enhanced operational efficiencies and improvement in customer response time. We also enabled the '*Namo Shetkari Nidhi Yojna*' on behalf of the Govt. of Maharashtra using RPA and have delivered an industry-leading success rate of 99.58% for all digital transactions. Bank has developed an in-house Digital Business Dashboard called "*Mahadarpan*". This dashboard enables business users with single source of information for guidelines, MIS, reporting etc. It is a centralize display key performance indicators and metrics to help the Bank monitor, analyse and manage the operations effectively.

As of June 30, 2024, our Bank had approximately 2.57 million internet-banking users and 1.32 million mobile banking users generating over 3.93 million internet banking transactions and 5.10 million mobile banking transactions. As of March 31, 2022, March 31, 2023, March 31, 2024 and June 30, 2024, 95.98%, 96.92%, 98.30% and 97.55% of our Bank's transactions in such periods, respectively, were performed through digital channels. As of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, our Bank had approximately 2.93 million, 2.89 million, 2.56 million and 1.72 million UPI BHIM mobile payment customers, respectively, generating approximately 599.89 million, 558.85 million, 369.60 million and 271.59 million UPI BHIM transactions in the respective years. Of the total number of our Bank's transactions, 1.70% were branch transactions and 98.30% were digital transactions as of June 30, 2024.

Our Bank has a robust internet banking platform, named "*Mahaconnect*", fortified with '*Mahasecur*e' a two-factor authentication solution for convenient as well as safe banking experience. Apart from viewing, managing accounts and transfer of funds, various facilities are being provided through our internet banking platform for facilitating online payment of taxes, utility bill payments, online shopping, travel reservations, insurance premium payment, e-SBTR and facility for viewing tax credit statements ("**26AS**").

We also offer technology based banking as well as transaction platforms like Maha Mobile banking, immediate payment services through Maha UPI, POS terminals, and e-lounges for customer convenience. Our mobile banking services enable customers to undertake banking activities such as inter-bank mobile payments services, funds transfer through NEFT/IMPS, balance enquiry, mini statement, cheque book request and utility payments.

Experienced management team with demonstrated track record

We have a management team with extensive experience and knowledge in the Indian banking and financial sector. We believe the quality of our management team has been critical in achieving our business results. We are guided by our Bank's Managing Director and Chief Executive Officer, Shri Nidhu Saxena, along with our Executive Directors Shri Asheesh Pandey and Shri Rohit Rishi who bring with them extensive experience in the banking sector. Our Board is also supported by other Directors such as Directors who are representatives of GoI, RBI and shareholders with rich experience in banking, finance, strategic management and economics. Our Bank is also assisted by senior management with knowledge of banking segment, credit management, treasury segment, risk management and information technology.

We believe that the experience of our Board and professionalism of the senior management team complements each other to understand the industry dynamics and set a strong platform for successful banking business. Our management's rich experience helps us make timely strategic and business decisions in response to evolving customer needs and market conditions. We believe in continuous development and have invested in our employees through regular training programmes to improve skills and service standards, enhance loyalty, reduce attrition rates and increase productivity. For further information, see "Board of Directors and Senior Managerial Personnel" on page 219.

Our Strategies

Our vision is to be a vibrant, forward looking, techno-savvy, customer-centric bank serving a diverse section of society, enhancing shareholders' and employees value while moving towards a global presence.

Our key business strategies are set forth below.

Increase quality of our credit portfolio

We intend to continue to focus on reducing our impaired assets with the objective of reducing our NPA levels, while improving the quality of our assets. We believe that effective risk management is essential to our growth, strategic planning and long-term sustainable development. We plan to continue strengthening our risk management and internal control capabilities by improving our policies and procedures and introducing advanced risk management tools. Our risk management and credit evaluation processes, coupled with our ability to evaluate and appropriately price risk, have helped us reduce our NPAs, restructured standard assets and Special Mention Accounts Category 2 ("**SMA2**"). Our Bank's net NPAs, net restructured standard assets, and SMA2s represent 0.20%, 1.02% and 0.05% of our Bank's net advances, respectively, as of June 30, 2024. Our Bank's gross NPAs as a percentage of gross advances were 3.94%, 2.47%, 1.88% and 1.85% in Fiscal 2022, Fiscal 2023, Fiscal 2024 and three month period ended June 30, 2024 , respectively, and our Bank's net NPAs as a percentage of net advances were 0.97%, 0.25%, 0.20% and 0.20% in Fiscal 2022, Fiscal 2023, Fiscal 2024 and three month period ended June 30, 2024, respectively..

Emphasis on retail, agriculture and MSME segment

We will continue to focus on growing our RAM portfolio in order to diversify and minimise the risk of our weighted assets as part of our strategy to increase the quality of our credit portfolio. In addition, we believe that our priority sectors, such as agriculture and MSME industries, offer large and potentially profitable growth opportunities. As at June 30, 2024, our Bank's advances to retail, agriculture and MSME sectors represented 25.43%, 15.25% and 20.36% of our Bank's total advances, respectively, and together the RAM sectors represented 61.05% of our Bank's total advances. In comparison, as at June 30, 2023, our Bank's advances to retail, MSME and agriculture sectors represented 25.59%, 19.21 % and 13.45% of our Bank's advances, respectively, and together the RAM sectors represented 58.25% of our Bank's total advances.

We intend to maintain and enhance our position in agricultural lending and further strengthen our ties with the agricultural community and related agri-based industry participants. We have a nationwide presence in, and extend finance to, the MSME industry. We intend to further expand its MSME sector banking activities, which is in the process of getting further integrated into the formal Indian economic and banking system after the implementation of the GST regime.

We also aim to continue our growth in the size of our RAM loans. In Fiscal 2022, Fiscal 2023, Fiscal 2024 and three month period ended June 30, 2024, our Bank's average ticket size of advances (O/s on the reporting date) in our RAM portfolio was ₹0.45 million ₹0.53 million, ₹0.61 million and ₹0.62 million respectively.

Focus on growth of our core retail business

We believe that retail lending has its inherent benefits for our Bank in terms of risk diversification, risk adjusted return, scope for cross selling and stability to the credit portfolio. Over the years, our Bank has increased its focus on retail lending, which stands at 25.43 % of the Bank's total advances as at June 30, 2024. Our Bank's advances to the retail sector (housing, vehicle etc.) have increased at CAGR of 20.84% to ₹354,222 million from Fiscal 2022 to ₹517,266 million in Fiscal 2024, which constituted 25.40% of our Bank's gross advances for Fiscal 2024. As of June 30, 2024, our Bank's advances to the retail sector (housing, vehicle, etc) were ₹ 531,610 million.

We intend to improve our retail lending profile by expanding our retail banking business through the acquisition of new customers, providing a convenient banking experience to existing customers, offering differentiated products and solutions to meet the specific needs of particular customer demographics, and deploying sufficient manpower to cater to this particular segment. As part of our strategy to focus on retail customers, we plan to customize and introduce new products, improve our lending processes and distribution channels. GoI initiatives towards affordable housing such as '*housing for all*' under Pradhan Mantri Awas Yojana ("**PMAY**") scheme, and Credit Linked Subsidy Scheme ("**CLSS**") have increased housing demand. Our presence in rural Maharashtra along with these government initiatives is expected to further increase the share of housing loans to total retail portfolio. Further, as part of our strategy to focus on this segment we have launched an array of retail loan products for varied customer class like housing loan, vehicle loan, education loan, personal loans and other retail loans, overdraft facility to salary accounts, gold loan, mortgage loan and loan for pensioners. We also intend to launch additional schemes/ campaigns to increase our housing loan, vehicle loan and property loan. Further, we have set up a 'Gold Loan' wing, which is exclusively focused on providing gold loans to our customers. We also intend to market our retail credit products to employees of several GoI and state government departments, multinationals and corporations, real estate developers and automobile manufacturers and dealers. Our focus on retail lending will also allow us to diversify our risk profile, increase our interest income and improve efficiency in capital utilization. With an increased retail base, we believe that we will be able to generate significant opportunities for cross-selling. We have designed our retail loan products keeping in mind the financing needs of every member of a family, true to our tag line '*Ek Parivar, Ek Bank*'. To augment growth in retail advances, we have identified branches to focus our efforts and have set up gold points and branches for gold loans. We plan to customize and introduce new products, improve our lending processes and distribution channels, such as tie ups with various automobile companies for quick vehicle loan proposal processing and introduction of various incentive schemes for automobile dealers.

Focus on cross selling of products

With an increased retail base, we believe that we will be able to generate significant opportunities for cross-selling. We have set up 49 specialized retail loan central processing cells across the country, one at each of our zonal offices which ensures quick turnaround of loan proposals. We intend to organize focused campaigns for vehicle and housing loans in festive seasons and other region-specific occasions and outcomes of such campaigns organized in the past were highly encouraging. In addition, the Bank has undertaken the following cross selling initiatives, among others:

- Introduction of a locker facility, which is used in connection with cross selling to our retail loan borrowers and establishing a long term relationship with our customers

- Introduction of a credit life insurance scheme for retail loan borrowers has been introduced to all existing and new retail borrowers.

- Introduction of pre-approved personal loans to existing corporate salary account holders.

We intend to grow our income from fee-based services by introducing new products and services and by cross-selling our offerings to our existing customers. We also intend to pursue strategic relationships with corporate entities and the GoI and state governments to provide our products to their employees and customers.

Strategize and innovate to increase non-interest income

In addition to loans and other interest generating products, the 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 credit cards, foreign exchange cards, mobile payments and point of-sale payments, treasury and trade services, government business and cash management services, among others. For Fiscal 2022, Fiscal 2023, Fiscal 2024 and three month period ended June 30, 2024, our Bank generated fee based income amounting to ₹12,333.42 million, ₹13,091.15 million, ₹ 15,822.31 million and ₹ 3,678.91 million, respectively, representing 7.87%, 7.20%, 6.73% and 5.44% of our Bank's total income. We intend to focus on increasing our fee-based income by expanding our third-party product offerings. As of June 30, 2024, these third-party products included life, general and health insurance products, and mutual fund distribution services. We intend to increase our fee-based services and alliances 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 market, sell and distribute, as may be applicable, insurance products of certain large corporations and companies. 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 the Bank's digital platforms of mobile and internet banking apart from dedicated business campaigns.

Arresting delinquency and robust recovery of NPAs

One of our Bank's major area of focus is on asset recovery and NPA management. Our Bank's gross NPAs as a percentage of gross advances were 3.94%, 2.47%, 1.88% and 1.85% in Fiscal 2022, Fiscal 2023, Fiscal 2024 and three month period ended June 30, 2024 , respectively, and our Bank's net NPAs as a percentage of net advances were 0.97%, 0.25%, 0.20% and 0.20% in Fiscal 2022, Fiscal 2023, Fiscal 2024 and three month period ended June 30, 2024, respectively. We intend to contain our NPA levels by improving the quality of credit disbursed through credit assessment, a robust monitoring framework, one-time settlements and exclusive monitoring of small value NPA and written off NPA accounts. We have introduced an online digital one-time settlement platform for the settlement of NPA accounts, as well as a structured settlement scheme. We also undertake proactive monitoring of accounts, having set up a centralised call centre for the monitoring of special mention account borrowers under the retail and MSME sector.

To further support our efforts in asset recovery and management, we have set up a credit compliance and monitoring vertical, a stressed assets management vertical, and a distressed asset recovery team to improve recoveries and prevent slippages in the collection of loans process.

Focus on increasing profitability

We intend to drive profitability by growing our interest income from our RAM business and increasing our fee-based income while controlling our operating costs. We have been implementing a focused strategy towards rationalization of our branch network and manpower. In order to increase our operating profit, our bank has undertaken various initiatives as enlisted below:

- The Bank has centralised some functions which were earlier performed in the branches such as TDS and tax audit functions.
- The electronic mails and digital channels were preferred over physical communication in order to save postage and courier expenses.
- Video conferencing were preferred instead of physical meetings in order to save travelling and other expenditure.
- The electrical audits were performed in field offices and suitable actions were taken to save electricity expenses.

Open new banking outlets to expand our Bank's network

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. In addition, our branch network allows us to drive growth in advances in our RAM banking business. Accordingly, our Bank is looking to expand its branch network. Our Bank is increasing its banking outlets to cover districts (especially in Southern and Northern India) where we expect that the Bank will be able to increase its CASA Deposits as well as RAM sector advances including gold loans. We intend to continue to leverage our network to tap additional CASA accounts and to increase our marketing efforts to corporates and GoI agencies to handle their CASA accounts. We believe that by leveraging our core banking solution platform, internet and mobile banking systems, we will be able to increase our customer base, thereby increasing CASA deposits.

Currently, our branch and ATM network is spread across metropolitan cities as well as rural and urban areas and caters to a diverse customer base. We also intend to focus on ensuring high customer satisfaction standards across our various customer interfaces through centralized customer support services. We intend to continue to expand our branch network, strategically focused on retail business. We intend to increase the number of on-site and offsite ATMs along with the number of cash deposit machines and passbook kiosks at our branches in order to increase accessibility of these services to our customers.

Adopting Digital Platform for on-boarding of customers, operations & compliance

We have been significantly upgrading its technology and plans to continue to do so in order to capture deposits at a lower cost, bring down costs of resources, facilitate cross selling and enhance customer service and operational efficiency, including the use of a document management service to optimize internal processes. As of the date of this Preliminary Placement Document, our Bank has rolled out its Core Banking Solution in all branches. We have adopted an integrated marketing strategy to promote Retail, Agri, MSME products and digital banking services.

The marketing team participated in various expos in the physical and virtual modes under the Retail, Agri & MSME sectors to increase our presence and business mobilization.

We intend to utilize data analytics to improve lead generation and are working to fully digitize our loan processing end to end. We have also partnerships with financial technology companies and is exploring digital lending through our electronic platforms. We have s launched digital lending products under co-lending arrangement with various NBFCs which enable end to end digitization of MSME loans. Using technology, the Bank intends to increase cross-selling opportunities, reduce costs, and enhance our customer experience.

Overview of Banking Segments

We categorize our business primarily into four segments: (i) wholesale banking, (ii) retail banking, (iii) treasury and (iv) other banking segments.

The table below sets forth our Bank’s revenue of each segment and the revenue by segment as a percentage of our Bank’s total revenue for Fiscal 2022, Fiscal 2023, Fiscal 2024 and three month period ended June 30, 2024 .

Revenue	**As of March 31,**						**Three-month period ended June 30, 2023**		**Three-month period ended June 30, 2024**	
	2022		**2023**		**2024**					
	Amount (₹ million)	**Amount (₹ million)**	**Percentage of total (%)**	**Percentage of total (%)**	**Amount (₹ million)**	**Percentage of total (%)**	**Amount (₹ million)**	**Percentage of total (%)**	**Amount (₹ million)**	**Percentage of total (%)**
Corporate/ Wholesale Banking	45,374.00	28.95%	65,805.70	36.20%	84315.60	35.89%	19110.00	35.27%	25909.80	38.28%
Retail Banking	54,381.30	34.70%	70,193.50	38.61%	98245.90	41.82%	22909.80	42.29%	26762.85	39.54%
Treasury	50,940.00	32.50%	43,219.80	23.77%	50028.10	21.30%	11692.20	21.58%	14430.30	21.32%
Other Banking segments	6,021.70	3.84%	2,568.30	1.42%	2336.00	0.99%	462.50	0.85%	582.80	0.86%
Total	**156,717.00**	**100.00%**	**181,787.30**	**100.00%**	**2,34,925.60**	**100.00%**	**54174.50**	**100.00%**	**67,685.75**	**100.00%**

The table below sets forth our Bank’s advances from our corporate and commercial lending, our retail lending, our agriculture lending and our MSME lending and as a percentage of our Bank’s total advances for Fiscal 2022, Fiscal 2023, Fiscal 2024 and three month period ended June 30, 2024.

Advances			**As of March 31,**				**Three month period ended June 30, 2023**		**Three month period ended June 30, 2024**	
	2022		**2023**		**2024**					
	Amount (₹ million)	**Percentage of total (%)**	**Amount (₹ million)**	**Percentage of total (%)**	**Amount (₹ million)**	**Percentage of total (%)**	**Amount (₹ million)**	**Percentage of total (%)**	**Amount (₹ million)**	**Percentage of total (%)**
Lending										
Corporate & commercial lending	5,45,706.02	40.35%	7,50,436.23	42.85%	7,93,639.72	38.97%	733472.99	41.75%	8,14,256.16	38.95%
Retail lending	3,54,222.20	26.19%	4,34,326.00	24.80%	5,17,265.90	25.40%	449524.06	25.59%	5,31,610.00	25.43%
Agriculture lending	1,89,678.50	14.03%	2,33,996.60	13.36%	3,04,562.70	14.95%	236365.97	13.45%	3,18,830.10	15.25%
MSME lending	2,62,791.00	19.43%	3,32,436.17	18.99%	4,21,171.15	20.68%	337395.03	19.21%	4,25,614.98	20.36%
Total	**13,52,398.08**	**100.00%**	**17,51,195.00**	**100.00%**	20,36,639.47	100.00%	1756758.05	100.00%	20,90,311.24	100.00%

Corporate/wholesale banking

Our corporate/wholesale banking segment includes our corporate and commercial banking, our agriculture banking and our micro, small and medium enterprise sector (“**MSME**”) banking.

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, such as commercial paper, debentures and other funded products. We also offer foreign exchange and derivatives products to assist corporations in managing their currency and interest rate exposures.

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 March 31, 2022, March 31, 2023, March 31, 2024 and June 30, 2024, our Bank’s advances in the corporate and commercial sector amounted to ₹545,706.02 million ₹750,436.23 million, ₹793,639.72 million and ₹814,256.16 million, respectively, which represented 40.35% 42.85%, 38.96% and 38.95% respectively, of our Bank’s total advances in such periods.

Priority Sector Lending

The lending norms of the RBI as prescribed under Master Directions – Priority Sector Lending (PSL) – Targets and Classification, require every scheduled commercial bank to extend 40.00% of its adjusted net bank credit (“**ANBC**”) or credit equivalent of off-balance sheet (“**CEOBE**”) purposes, whichever is higher, to certain eligible sectors which include (i) agriculture; (ii) MSMEs; (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.

If we are unable to meet our priority sector lending requirements, we will subsequently be required to place the difference between the required lending level and actual priority sector lending 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. Further, subsequent deposits placed by banks on account of non-achievement of priority sector lending targets or sub-targets are not eligible for classification as indirect finance to agriculture or MSMEs, as the case may be. We have met the RBI’s PSL targets in each of the last three fiscal years. 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.

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.

To ensure hassle free, need based and timely disbursement of agriculture credit, we have simplified the forms for "Maha Kisan Credit Card" scheme, "Mahabank Gold Loan Scheme- Agriculture", "Mahabank Kisan Tatkal" scheme, "Mahabank Farm House Loan" scheme for construction of farmhouse to agriculturist, "Maha Krishi Samruddhi (MKSY)" scheme for Agro and Food processing, scheme for marketing loans to farmers against storage of agricultural commodities and bulk financing to warehouse / cold storage and other agriculture loans. In addition, we provide farmers with credit facilities for the rescheduling and re-phasing of existing loans if they are unable to repay their existing loans due to various reasons, including natural calamities.

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 9.50% of which is prescribed for Small and Marginal Farmers ("**SMFs**") and 11.50% is prescribed for Weaker Sections.

As of March 31, 2022, March 31, 2023, March 31, 2024 and June 30, 2024, our Bank's advances to the agricultural sector amounted to ₹189,677.54 million ₹233,996.91 million, ₹ 304,562.70 million and ₹ 318,830.10 million respectively, which represented 14.03%, 13.36%, 14.95% and 15.25% 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.

Advances	As of March 31,						Three month period ended June 30, 2023		Three month period ended June 30, 2024	
	2022		2023		2024					
	Amount (₹ million)	**Percentage of total (%)**	**Amount (₹ million)**	**Percentage of total (%)**	**Amount (₹ million)**	**Percentage of total (%)**	**Amount (₹ million)**	**Percentage of total (%)**	**Amount (₹ million)**	**Percentage of total (%)**
Farm Credit	123,608.44	65.17	135235.5	57.79	165,251.10	54.26	127982.50	54.15	170,866.6	53.59
Agri Infra	5,050.55	2.66	5,360.23	2.29	7,470.60	2.45	6,458.20	2.73	7,456.8	2.34
Agri Ancillary Activities	61,018.55	32.17	93,404.03	39.92	131,841.10	43.29	101,925.40	43.12	140,506.7	44.07
Total	**189,677.54**	**100.00**	**233,996.91**	**100.00**	304,562.70	100.00	236366.10	100.00	318830.10	100.00

Micro, Small and Medium Enterprise ("MSME") Sector

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 June 30, 2024, we had 75 MSME designated branches. We have installed a dedicated toll-free telephone connection at our head office to address all queries of entrepreneurs in the MSME sector. We have set up a MSME care centre at all our zonal offices to improve lending and to redress the grievances of our customers under this sector. 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 ₹1 million, 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 *Mahabank GST Credit Scheme, Mahabank MSME Project Loan Scheme, Mahabank MSME Cash Credit Scheme, Mahabank MSME Hospitality Finance, Mahabank Loan Scheme for doctor, CA, Engineers and Architect and Mahabank Contractor Scheme.*

Our Bank is financing Progressively under SUI, PMSVANiDHI schemes to eligible MSME borrowers. Bank has entered into co-lending arrangement with leading NBFCs to reach out to MSME entrepreneurs. Our Bank is using Online PSB59 platform for MSME loan lead sourcing. The objective of the platform is automating the loan making process for the MSME industry.

As of March 31, 2022, March 31, 2023, March 31, 2024 and June 30, 2024, our Bank's advances to the MSME sector amounted to ₹262,791.03 million ₹332,436.17 million, ₹421,171.15 million and ₹425,614.98 million, respectively, which represented 19.43% 18.98%, 20.68% and 20.36% 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.

Advances	As of March 31,						Three month period ended June 30, 2023		Three month period ended June 30, 2024	
	2022		2023		2024					
	Amount (₹ million)	Percentage of total (%)	Amount (₹ million)	Percentage of total (%)	Amount (₹ million)	Percentage of total (%)	Amount (₹ million)	Percentage of total (%)	Amount (₹ million)	Percentage of total (%)
Micro	166,077.93	63.20%	208,077.22	62.59%	249,599.80	59.26%	21339.00	63.24%	248,819.83	58.46%
Small	78,362.37	29.82%	93,120.21	28.01%	124,629.49	29.59%	9265	27.45%	127,328.30	29.92%
Medium	18,350.74	6.98%	31,238.74	9.40%	46,941.86	11.15%	3136	9.29%	49,466.85	11.62%
Total	**262,791.03**	**100.00%**	**332,436.17**	**100.00%**	**421,171.15**	**100.00%**	33740.00	100.00%	**425,614.98**	**100.00%**

Retail Banking

Retail banking 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 million and (ii) maximum aggregated retail exposure to one counterpart is up to the threshold limit of ₹50 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, personal loans and other retail loans and specialized loan schemes for corporate employees. Our retail deposit products include savings accounts, time deposits and specific products for customers in various sectors, such as accounts for high net-worth individuals, 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 multi-channel electronic banking system.

The following table sets forth a breakdown of our Bank's retail loan portfolio by product type as of the dates indicated.

Advances	As of March 31,						Three month period ended June 30, 2023		Three month period ended June 30, 2024	
	2022		2023		2024					
	Amount (₹ million)	Percentage of total (%)	Amount (₹ million)	Percentage of total (%)	Amount (₹ million)	Percentage of total (%)	Amount (₹ million)	Percentage of total (%)	Amount (₹ million)	Percentage of total (%)
Housing Loans	211,030.60	59.58%	251,810.61	57.98%	2,97,862.70	57.58%	256947.32	57.16%	3,10,044.50	58.32%
Vehicle Loans	20,899.90	5.90%	23,863.97	5.49%	27,714.46	5.36%	23999.54	5.34%	28,925.71	5.44%
Education	14,588.50	4.12%	18,286.38	4.21%	22,791.94	4.41%	18784.35	4.18%	23,331.63	4.39%
Personal	8,278.02	2.34%	13,814.61	3.18%	2,1248.37	4.11%	15348.32	3.41%	22,518.20	4.24%
Other Retail loans	99,425.18	28.06%	126550.46	29.14%	1,47,648.40	28.54%	134,444.5	29.91%	1,46,790.00	27.61
Total	**354,222.20**	**100.00%**	**434326.03**	**100.00%**	**5,17,265.90**	**100%**	449524.05	100%	**5,31,610.00**	**100%**

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 30 years. We offer our "*Maha Super Housing Loan*" scheme for purchasing plots and construction homes thereon, for construction and acquiring of new or existing houses or flats and for extensions, repairs, renovations and alterations of existing houses and flats. Our Bank's housing finance portfolio increased from ₹211,030.60 million in Fiscal 2022 to ₹297,862.70 million in Fiscal 2024. Bank also offers Flexi Housing Loan Scheme for HNI clients to get the benefit of Interest by way of balance in linked SB account.

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 sales agents, corporate packages and joint promotion programs with automobile manufacturers. We offer "*Maha Super Car Loan Scheme*" for purchase of new four wheelers and "*Maha Bank Vehicle Loan Scheme*" for purchase of two wheelers and second hand cars. Our Bank's vehicle loan portfolio increased from ₹20,899.90 million in Fiscal 2022 to ₹27,714.46 million in Fiscal 2024 Bank has recently launched Green Car Loan scheme to finance the EVs.

Education Loans**:** We also offer education loans to individuals for higher education and vocational courses in India and abroad, and, recently, we introduced our *Model Education Loan Scheme* for students. Our Bank's education loan portfolio increased from ₹14,588.50 million in Fiscal 2022 to ₹22,791.94 million in Fiscal 2024.

Personal Loans**:** We offer "*Maha Bank Personal Loan Scheme*" for assisting individuals to meet their various family and personal needs during their service or after retirement such as medical expenses, purchase of consumer durables and marriage expenses. Bank offers lowest Rate of Interest in Personal loan starting at RLLR + 0.70% at present.

Other retail loans: We also offer gold loans, loans against securities, business purpose loans against residential and commercial property as collateral etc. We also offer loans against equity shares, mutual fund units, bonds issued by the RBI and other securities that are on our approved list.

As of March 31, 2022, March 31, 2023, March 31, 2024 and June 30, 2024, our Bank's advances to the retail sector amounted to ₹354,222.20 million ₹434,326.03 million, ₹517,265.90 million and ₹531,610.00 million, respectively, which represented 26.19%, 24.80%, 25.40% and 25.43% respectively, of our Bank's total advances in such periods.

Our Bank established Centralised Processing Cells ("**CPCs**") for processing and sanctioning of commercial and retail advances at all its zones to improve the turnaround time ("**TAT**") in facilitating timely credit.

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 and increasing spread of our liability portfolio. We believe that retail credit has significant advantages including a better risk spread, higher yield and cross-selling opportunities.

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Our Bank's ratio of retail deposits (CASA+ Retail term Deposits) to total deposits in Fiscal 2022, Fiscal 2023, Fiscal 2024 and three month period ended June 30, 2024, was 95.16%, 86.91%, 82.86% and 81.54% respectively. Our Bank's CASA ratio was 57.85% as of March 31, 2022 53.38% as of March 31, 2023, 52.73% as of March 31, 2024, and 49.86% as of June 30, 2024. For further information, see "Deposits" below.

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 June 30, 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 June 30, 2024, SLR securities consisted of 23.05% of our Bank's demand and time liabilities. Under the RBI's CRR requirements, as of June 30, 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 June 30, 2024, 100% 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 116.

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.

(in ₹ million)

Particulars	**As of March 31,**		
	2022	**2023**	**2024**
Held to Maturity	472,860.84	518,439.01	482,270.00
Available for sale	219,412.93	173,713.62	203,658.65
Held for Trading	-1,346.93	0.00	0.00
Total	**690,926.84**	**692,152.63**	**685,928.64**

As per the revised RBI Guidelines applicable from April 1, 2024, Bank's domestic investment portfolio as on three-month period ended June 30, 2024.

Particulars	**Three month period ended June 30, 2023**	**Three month period ended June 30, 2024**
Held to Maturity	518,830.99	486,791.60
Available for sale	204,955.01	271,089.72
FVTPL Held for Trading	5.86	1,631.81
FVTPL Non Held for Trading		5,954.46
SAJV		2,414.31
Short Sale		-1,008.48
Total	**723,791.87**	**766,873.43**

The following table sets forth the allocation of our Bank's net investment portfolio for the periods indicated therein.

(in ₹ million, except percentages)

Securities	**As of March 31, 2022**		**As of March 31, 2023**		**As of March 31, 2024**		**As of Three month period ended June 30, 2024**	
	Amount		**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
SLR								
Government securities	547,189.53	79.20%	558,669.17	80.71%	559,478.38	81.57%	629,299.32	82.06%
Other approved Securities	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Sub total	547,189.53	79.20%	558,669.17	80.71%	559,478.38	81.57%	629,299.32	82.06%
Non-SLR								
Subsidiaries and Joint Ventures	734.21	0.11%	1,095.69	0.16%	1,413.25	0.21%	2,414.31	0.31%
Debentures and Bonds	45,225.20	6.55%	39,183.43	5.66%	37,973.32	5.54%	46,243.22	6.03%
Special SDL Uday Bonds	87,338.75	12.64%	85,087.00	12.30%	83,367.32	12.15%	83,352.67	10.87%
Shares	4,440.51	0.64%	3,886.22	0.56%	3,309.23	0.48%	4,462.69	0.58%
Other	5,998.65	0.87%	4,231.11	0.61%	387.14	0.06%	1,101.22	0.14%
Sub total	143,737.32	20.80%	133,483.46	19.29%	126,450.27	18.43%	137,574.11	17.94%
Total	**690,926.84**	100.00%	**692,152.63**	100.00%	**685,928.64**	100.00%	**766,873.43**	100.00%

Other banking segments

In addition to our primary offerings, we also offer a variety of fee-based services, including cash management services, remittance services for NRIs and collection services. We offer general banking services to our customers including debit cards, prepaid cards, cash management, remittance services and collection services. We have agency function for collection of Central Government Revenue viz. direct and indirect taxes (including GST) through physical mode by authorized branches and through e-mode by all branches 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.

Debit Cards

We offer debit cards which may be used for cash-less transactions in India and abroad. Further, pursuant to the Pradhan Mantri Jan Dhan Yojana scheme, a large rural population was incentivized to open bank accounts and were issued debit cards. Our debit card enables instant access to the money in your account anywhere anytime avoiding the hassles of carrying cash. These cards support the financial inclusion of the urban un-banked population and disbursal of small loans to semi-urban and rural unbanked population. With the use of debit card, our customers can have 24-hour access to their funds such as withdraw the cash, know the balance amount and the mini-statement, fund transfer, purchase of goods on internet including e-ticketing. We had around 13.81 million debit cards outstanding as of June 30, 2024. The cards can be used at ATMs and point-of-sales terminals in India and in other countries across the world.

Depository and Trading Services

We are registered as a Depository Participant and provide depository services to our Bank's customers, which aims at providing fast and accurate transactions under depository environment. Our Bank has been extending Depository Services to its customers.

These products are with facilities of investment, trading, exposure, margin trading, funding, IPO applications through ASBA, systematic investment, placing aftermarket orders and future orders valid for 365 days.

Third party products

Bancassurance

We provide bancassurance services through corporate agencies for distribution of (i) life insurance products; (ii) general insurance products; and (iii) health insurance products. We earn commissions from the distribution of such insurance products. In order to provide a wide range of finance and investment products to its customers as a value addition, and also to augment its noninterest income, our Bank is in distribution of insurance products to its customers of which our Bank has tied up with various insurance corporations and companies.

During Fiscal 2024, we sold more than 12273 life insurance policies and 226953 non-life insurance policies. Our Bank's income from bancassurance was ₹282.90 million ₹356.90 million, ₹405.90 million and ₹84.60 million, respectively, for Fiscal 2022 Fiscal 2023, Fiscal 2024 and three month period ended June 30, 2024. We also distribute Government insurance schemes such as *Pradhan Mantri Jeevan Jyoti Bima Yojana* (for life insurance coverage) and *Pradhan Mantri Suraksha Bima Yojana* (for accidental death or disability) through our branches.

Mutual Funds

We also distribute various mutual fund products through select branches. Our Bank's income from mutual fund products & others was ₹18.80 million, ₹9.40 million, ₹ 2.30 million and ₹ 0.20 million, respectively, for Fiscal 2022, Fiscal 2023, Fiscal 2024 and three month period ended June 30, 2024.

Tax collection

In addition to our primary banking operations discussed above, we also provide certain services on behalf of GoI and state governments. We have been appointed by GoI to collect direct taxes. Our branches also collect other state government taxes including GRAS of Maharashtra state. Our Bank processes and credits monthly pension payments of Central Government, Defence, Railway and Telecom pensioners at our Central Pension Processing Cell ("CPPC"), Pune. Our Bank's income from tax collection services was ₹56.64 million ₹76.40 million, ₹ 50.61 million and ₹ 8.11 million, respectively, for Fiscal 2022, Fiscal 2023, Fiscal 2024 and three month period ended June 30, 2024.

Doorstep Banking Services

We offer doorstep banking services to high net-worth individuals and this service includes corporate and retail cash pickup and delivery and cheque collection services at our customer's doorstep.

International Banking

Our international banking division offers a wide range of products related to trade and investment besides tailor-made schemes for our significant NRI customer base. As of June 30, 2024, we provided these services through 50 authorized dealer branches across the country. As of June 30, 2024, we were authorized to transact in major freely convertible foreign currencies through a network of correspondent banks. As of June 30, 2024, we maintained correspondent relationships with banks abroad and maintain nostro accounts in foreign currencies.

We offer both fund-based and non-fund based finance to our exporter and importer customers. We also offer term loan facilities in foreign currencies to meet the credit requirements of our customer base. We have a separate NRI cell in our Planning Department to provide support to branches and to concentrate on increasing NRI business. Our Bank's export credit stood at ₹21,449.70 million as of June 30, 2024. Our Bank's NRI deposits for June 30, 2024, amounted to ₹15,024.2 million. At present, our Bank has 50 "B" category branches catering to the international business needs of the customers of the Bank apart from Treasury and International Banking Branch (TIBB) at Mumbai as "A" category Branch.

Deposits

We offer a wide range of deposit products to our retail customers like "*Diamond Current Account Scheme*", "*Mahabank Purple Savings Account*", "*Mahabank Royal Savings Account*", "*Maha Supreme Payroll Scheme*", "*Yuva Savings Scheme*", "*Salary Saving Scheme*", "*BOM Pro-Biz Supreme*", "*BOM Pro-Biz Premium*", "*BOM Smart SB -15*" and "*BOM Smart SB- 25*" . We also offer a range of deposit and transaction banking services such as cash management, custodial and clearing bank services and correspondent banking. The tenure of these deposit accounts normally range from a minimum of 7 days to a maximum of 10 years. We offer several deposit accounts to Non-Resident Indians, including deposits in foreign currencies

The following table sets forth the composition of our Bank's total deposits for Fiscal 2022, Fiscal 2023, Fiscal 2024 and three month period ended June 30, 2024.

(in ₹ million, except percentages)

Particulars	**As of March 31, 2022**		**As of March 31, 2023**		**As of March 31, 2024**		**Three-month period ended June 30, 2023**		**Three-month period ended June 30, 2024**	
	Deposits	**% of Total deposits**	**Deposits**	**% of Total deposits**	**Deposits**	**% of Total Deposits**	**Deposits**	**% of Total Deposits**	**Deposits**	**% of Total Deposits**
Corporate	97,994.72	4.84	306,414.23	13.09	463,813.40	17.13	399,513.40	16.35	493,544.41	18.45
Retail	754,580.00	37.31	784,803.13	33.53	815,922.37	30.13	798,672.76	32.68	847,270.35	31.68
Total Term Deposits	**852,574.72**	**42.15**	**1,091,217.36**	**46.62**	**1,279,735.77**	**47.26**	1,198,186.08	**49.03**	**1,340,814.76**	**50.13**
Current Account	281,785.42	13.93	283,007.50	12.09	349,680.30	12.91	282,699.42	11.56	312,198.38	11.67
Saving Account	888,566.21	43.92	966,601.98	41.29	1,078,055.59	39.81	962,767.87	39.39	1,021,141.93	38.18
Total CASA	**1,170,351.63**	**57.85**	**1,249,609.47**	**53.38**	**14,27,735.89**	**52.72**	**1,245,467.30**	**50.96**	**1,333,340.31**	**49.85**
Total Deposits	**2,022,942.92**	**100.00**	**2,340,826.84**	**100.00**	**2,707,471.68**	**100.00**	**2,443,653.39**	**100.00**	**2,674,155.08**	**100.00**

Types of Deposits

Our deposits are broadly classified into current (also known as demand) deposits, savings deposits and term deposits, which are briefly discussed as under:

Savings accounts: We offer savings accounts, which are interest bearing on-demand deposit accounts designed primarily for individuals/institutions and trusts. Our Bank currently offers 2.75% interest on savings deposits.

Current Accounts: We also offer current accounts which are non-interest-bearing accounts, designed primarily for businesses. Customers have a choice of regular and premium product offerings with different minimum average quarterly account balance requirements.

Term deposits: We accept term deposits giving a fixed return, for periods ranging from 7 days to 10 years. Term Deposits are also known as fixed deposits or time deposits. Such deposits can be withdrawn before maturity in accordance with applicable rates by paying penalties. Term deposits include recurring deposits, which enable the customer to make deposits over a fixed term at regular intervals. We also offer overdraft facility against the term deposits to our customers.

The following table sets forth our Bank's outstanding deposits and the percentage composition by each category of deposits for the periods indicated therein.

(in ₹ million, except percentages)

Particulars	**As of March 31, 2022**		**As of March 31, 2023**		**As of March 31, 2024**		**Three month period ended June 30, 2023**		**Three month period ended June 30, 2024**	
	Deposits	**% of Total deposits**	**Deposits**	**% of Total deposits**	**Deposits**	**% of Total deposits**	**Deposits**	**% of Total deposits**	**Deposits**	**% of Total deposits**
Current deposits (A)	**281,785.42**	13.93	**283,007.5**	12.09	**349,680.30**	12.92	**282699.42**	11.56	**312,198.38**	11.68
-From banks	1,070.33	0.05	815.77	0.03	2,978.65	0.11	**970.73**	0.03	1,508.44	0.06
-From others	280,715.10	13.88	282,191.73	12.06	346,701.65	12.81	**281728.69**	11.53	310,689.94	11.62
Savings deposits (B)	**888,566.21**	43.92	**966,601.98**	41.29	**1,078,055.59**	39.82	**962,767.87**	39.39	**1,021,141.93**	38.18
Term deposits (C)	**852,591.28**	42.15	**1,091,217.36**	46.62	**1,279,735.79**	47.27	**1,198,186.08**	49.03	**1,340,814.77**	50.14
-From banks	4,599.15	0.23	9,337.62	0.40	16,060.05	0.59	**350.28**	0.02	481.50	0.02
-From others	847,992.13	41.92	1,081,879.74	46.22	1,263,675.74	46.67	**1197835.81**	49.01	1340333.27	50.12
Total deposits A+B+C	**2,022,942.92**	**100.00**	**2,340,826.84**	**100.00**	**2,707,471.68**	**100.00**	**2443653.39**	**100.00**	**1,340,814.77**	**100.00**

In addition to our conventional deposit products, we offer a variety of special value-added products and services thereby increasing product offerings and providing greater convenience for customers, such as higher rate deposit accounts for senior citizens. We offer deposit for NRIs, under various category such as NRO, NRE and FCNR B deposits, which gives the convenience of variable monthly recurring deposit instalments and special NR deposits with higher return by way of forward-booking of underlying foreign currency.

Deposits for Non-Resident Indians

In addition to providing remittance services to NRIs, we allow NRIs to open various types of deposit account. Our total NRI deposit portfolio was ₹ 16804 million, ₹15,919 million, ₹ 15,316.38 million and ₹ 15024.2 million, respectively, for Fiscal 2022, Fiscal 2023, Fiscal 2024 and three month period ended June 30, 2024.

We offer the following deposit products to NRIs:

Foreign Currency Non-Resident Deposits: We offer foreign currency deposits in five currencies, including the U.S. dollar, the Pound Sterling, the Euro and the Japanese yen. The principal as well as the interest on these deposits are fully repatriable outside of India and interest and principal are repaid in the currency of deposit. The terms of these deposits range from a minimum of one year to a maximum of three years.

Non-Resident External Fixed Deposits: These deposits are established in Rupees and are maintained for periods from a minimum of one year to a maximum of ten years. The principal and interest from these accounts are fully repatriable outside India. Loans can be granted against these deposits for up to 90% of the deposit amount.

Non-Resident External Savings Accounts: Non-Resident External Savings Accounts are maintained in Rupees. The balances in these accounts are fully repatriable outside India. We also offer zero interest bearing current account for NRI customers.

Non-Resident Ordinary Deposits: These products are offered primarily to NRIs who also derive income from India. These products are offered as savings bank deposits as well as fixed deposits. The interest rates and terms are structured along the same lines as domestic deposits.

Foreign Exchange and Derivatives

Our foreign exchange and derivative product offering to our customers covers a range of products, including forward exchange contracts. These transactions enable our customers to transfer, modify or reduce their foreign exchange and interest rate risks. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest in one currency against another currency and exchange of principal amounts at maturity based on predetermined rates. Rupee interest rate swaps are commitments to exchange fixed and floating rate cash flows in rupees. A forward rate agreement gives the buyer the ability to determine the underlying rate of interest for a specified period commencing on a specified future date (the settlement date) when the settlement amount is determined being the difference between the contracted rate and the market rate on the settlement date. Currency options give the buyer, the right but not an obligation, to buy or sell specified amounts of currency at agreed rates of exchange on or before a specified future date.

As of Fiscal 2022, Fiscal 2023, Fiscal 2024 and three month period ended June 30, 2024, our Bank had notional principal amounts in respect of exchange traded interest rate derivatives of ₹200.00 million ₹185.50 million, ₹0.00 million and ₹0.00 million, respectively

Branches and other distribution channels

We deliver our products and services through a variety of distribution channels, including branches, ATMs, telephone and mobile banking and internet banking.

As of June 30, 2024, our Bank’s distribution network included 2499 branches and 68 CSP across 28 States and 7 Union Territories in India. In Fiscal 2024 and three month period ended June 30, 2024, our Bank added net 11 and 1 banking outlets, respectively to our network in India. All of our branches are electronically linked so that our customers can access their accounts from any branch regardless of where they have their accounts. As of June 30, 2024, our Bank had 2285 ATMs and 46 zonal offices. Further, as of June 30, 2024, our Bank had approximately 30.49 million customers.

Banking outlets

Almost all of our branches focus exclusively on providing retail services and products, though a few also provide wholesale banking services. The range of products and services available at each branch depends in part on the size and location of the branch. We offer various banking services to our customers through our arrangements with correspondent banks and exchange houses in overseas locations.

The following table sets out details of our Bank's branches as of June 30, 2024.

State	Rural	Semi – Urban	Urban	Metro	Total	% of total network	No. of Districts
Andhra Pradesh	3	10	22	9	44	1.76	25
Arunachal Pradesh	-	3	-	-	3	0.12	2
Assam	-	16	12	-	28	1.12	21
Bihar	2	21	25	10	58	2.32	38
Chhattisgarh	14	16	15	10	55	2.20	23
Goa	9	14	-	-	23	0.92	2
Gujarat	7	24	31	41	103	4.12	32
Haryana	3	11	32	3	49	1.96	22
Himachal Pradesh	1	11	1	-	13	0.52	10
Jharkhand	2	16	7	9	34	1.36	23
Karnataka	11	18	32	25	86	3.44	31
Kerala	-	40	17	-	57	2.28	14
Madhya Pradesh	78	38	31	39	186	7.44	54
Maharashtra	447	305	103	294	1149	45.98	36
Manipur	-	1	1	-	2	0.08	2
Meghalaya	-	-	1	-	1	0.04	1
Mizoram	-	-	1	-	1	0.04	1
Nagaland	-	1	1	-	2	0.08	2
Odisha	-	30	24	-	54	2.16	30
Punjab	1	18	20	10	49	1.96	23
Rajasthan	8	13	24	14	59	2.36	40
Sikkim	-	-	1	-	1	0.04	1
Tamil Nadu	2	35	24	27	88	3.52	38
Telangana	7	20	13	27	67	2.68	33
Tripura	1	1	1	-	3	0.12	3
Uttar Pradesh	9	33	60	31	133	5.32	75
Uttarakhand	-	7	11	-	18	0.72	7
West Bengal	3	10	25	17	55	2.20	23
Andaman & Nicobar Islands	-	-	1	-	1	0.04	1
Delhi	1	3	4	47	55	2.20	11
Chandigarh	-	-	6	-	6	0.24	1
Dadra & Nagar Haveli and Daman & Diu	-	2	-	-	2	0.08	2
Puducherry	-	3	2	-	5	0.20	4
Jammu & Kashmir	1	4	2	1	8	0.32	7
Ladakh	-	1	-	-	1	0.04	1
Total	**610**	**725**	**550**	**614**	**2,499**	**100.00**	**639**

The following table sets out details of our Bank's branches by population centre type as of March 31, 2022, March 31, 2023, March 31, 2024 and June 30, 2024.

Particulars	Number of Branches (% of total)			Three month period ended June 30, 2023	Three month period ended June 30, 2024
	March 31, 2022	March 31, 2023	March 31, 2024		
Metropolitan	24.13%	23.51%	24.55%	24.08 %	24.57%
Urban	20.38%	21.65%	22.02%	26.82 %	21.97%
Semi-Urban	25.27%	27.33%	28.93%	27.49 %	29.01%
Rural	30.22%	27.51%	24.51%	21.61 %	24.45%

As of June 30, 2024, our Bank had 4 specialized branches catering to our overseas banking business, one to our treasury business and one to our pension business.

Digital Banking

In order to improve competitiveness, convenience and customer experience, we have established Digital Banking Department with special focus on strengthening digital banking footprint of our Bank. Our recent digital products and initiatives include tab banking and online saving account opening, white label payment gateway, DDE (digital document execution), a national common mobility card ("**NCMC**"), BoMy Virtual Assistant, mobile applications, Online Locker Module, Digital Loans, WhatsApp/Chatbot, Quick Pay and QR Merchant On-boarding. We have also implemented loan life cycle management system for processing loans from lead generation until completion of the loan. Given our geographic diversity, we communicate with our customers in multiple languages. Our contact centres service customers Hindi, English, Kannada, Tamil, Telugu, Marathi and Gujarati while our WhatsApp Banking various language facility allows customers to interact with us in Hindi, English, Marathi, Tamil, Malayalam, Telugu among other languages.

As of June 30, 2024, our Bank had approximately **2.57** million internet banking users and **1.32** million mobile banking users generating over **3.93** million internet banking transactions and **5.10** million mobile banking transactions. Our Bank has a robust internet banking platform, named "*Mahaconnect*", fortified with '*Mahasecure*' a two-factor authentication solution for convenient as well as safe banking experience. We also offer technology-based banking as well as transaction platforms like Maha Mobile banking, immediate payment services through Maha UPI, POS terminals, and e-lounges for customer convenience. Our mobile banking services enable customers to undertake banking activities such as inter-bank mobile payments services, funds transfer through NEFT/IMPS, balance enquiry, mini statement, cheque book request and utility payments. As per the directives of RBI, our Bank has set up digital banking unit at Pune, Aurangabad and Satara.

Automated Teller Machines (ATMs)

As of June 30, 2024, our Bank had 2285 ATMs including 596 ATMs in metros, 528 ATMs in urban region, 689 ATMs in semi urban region and 472 ATMs in rural region.

The table below sets out details of our Bank's ATMs by state both onsite and offsite, as of June 30, 2024.

State	Offsite	Onsite	Total
ANDAMAN & NICOBAR ISLANDS	-	1	1
ANDHRA PRADESH	-	37	37
ARUNACHAL PRADESH	-	2	2
ASSAM	-	18	18
BIHAR	-	45	45
CHANDIGARH	1	5	6
CHHATTISGARH	-	45	45
DADRA AND NAGAR HAVELI AND DAMAN AND DIU	-	2	2
GOA	1	19	20
GUJARAT	-	93	93
HARYANA	-	47	47
HIMACHAL PRADESH	1	10	11
JAMMU & KASHMIR	-	6	6
JHARKHAND	-	28	28
KARNATAKA	2	72	74
KERALA	-	45	45
MADHYA PRADESH	5	160	165
MAHARASHTRA	189	953	1142
MANIPUR	-	1	1
NAGALAND	-	1	1
NCT OF DELHI	2	41	43
ODISHA	1	51	52
PUDUCHERRY	-	4	4
PUNJAB	1	45	46

State	Offsite	Onsite	Total
RAJASTHAN	1	46	47
SIKKIM	-	1	1
TAMIL NADU	1	70	71
TELANGANA	-	56	56
TRIPURA	-	1	1
UTTAR PRADESH	-	119	119
UTTARAKHAND	-	17	17
WEST BENGAL	3	36	39
Total	208	2077	2285

Financial Inclusion Network

Financial inclusion is part of a national scheme to deliver financial services to India's disadvantaged and low-income population at an affordable cost. Our Bank's business correspondents act as agents on our behalf and may accept deposits or make cash payments when customers would like to deposit or withdraw money to or from their accounts at locations other than a traditional bank branch.

The following table sets forth the number of financial inclusion accounts opened and the amount of CASA deposits from financial inclusion customers as of the dates indicated:

(₹ in million)

	As of March 31,			**Three month period ended June 30, 2023**	**Three month period ended June 30, 2024**
	2022	**2023**	**2024**		
Financial inclusion accounts opened	7.16	7.05	7.81	7.16	7.88
CASA deposits from financial inclusion customers	26,174.32	28,864.54	38,183.50	29,096.84	37,938.40

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. The 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, Maha Mobile enable customers to undertake banking activities such as inter-bank 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 June 30, 2024, was 1.32 million.

Certain key operating parameters

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 credit/credit monitoring department monitors sector wise exposure. Major changes in the industrial segments are closely monitored and corrective actions are initiated.

Capital Adequacy

We are subject to regulations relating to capital adequacy of banks, which determines the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio, or capital-to-risk asset ratio ("**CRAR**"). 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 for inclusion in Tier I capital. The RBI Basel III Capital Regulations also set out elements of regulatory capital and the scope of the capital adequacy framework, including disclosure requirements of components of capital and risk coverage.

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 June 30, 2024.

The following table sets forth, for the periods indicated, our Bank's capital adequacy ratios computed as per applicable RBI guidelines:

(in ₹ million, except percentages)

Particulars	**As of March 31,**			**Three month period ended June 30, 2024**
	2022	**2023**	**2024**	
Common equity tier I (CET I)	116,666.10	142,537.86	182,750.74	182,199.58
Additional tier I capital	2,000.00	17,900.00	17,900.00	17,900.00
Tier I capital	**118,666.10**	**160,437.86**	**200,650.74**	**200,099.58**
Tier II capital	39,242.64	43,799.80	53,460.16	54,303.63
Total capital	**157,908.74**	**204,237.66**	254,110.90	254,403.21
Risk weighted assets	**958,336.26**	**1,126,176.02**	**1,461,806.67**	**1,492,681.62**
CET I ratio (%)	12.17%	12.66%	12.50%	12.21%
Tier I capital ratio	12.38%	14.25%	13.72%	13.40%
Tier II capital ratio	4.10%	3.89%	3.66%	3.64%
Total capital ratio	**16.48%**	**18.14%**	**17.38%**	**17.04%**

Notes:

Tier I and Tier II capital, risk weighted assets and capital adequacy ratios have been calculated in accordance with RBI guidelines (Basel III Capital Regulations, generally referred to as Basel III). See the section "Regulation and Policies in India" on page 235.

The following table sets forth, for the periods indicated, our Bank's RWA pertaining to credit risk, market risk and operational risk computed as per applicable the RBI guidelines in accordance with Basel III.

(in ₹ million, except percentages)

Particulars	**As of March 31,**			**Three month period ended June 30, 2024**
	2022	**2023**	**2024**	
Credit risk RWA	802,058.93	968,232.36	1,241,293.05	1,308,735.30
Market risk RWA	51,549.02	34,953.98	75,142.47	4,262.18
Operational risk RWA	104,728.30	122,989.68	145,371.12	179,684.14
Total risk weighted assets	**958,336.26**	**1,126,176.02**	1,461,806.67	1,492,681.62

Details of our Tier I and Tier II debt are set forth in "*Selected Statistical Information*" on page 116.

Asset Classification

Non-Performing Assets

The Bank has in the past suffered losses through impairment of loans as some borrowers were impacted by negative trends in the global marketplace, recessionary conditions in the domestic economy, increased competition and volatility in industrial growth and commodity prices. Our Bank has adopted several measures to refine its credit selection processes and appraisal capabilities.

a) Our Bank is focusing on:

   1. Newly slipped accounts for upgradation.

   2. To reduce small accounts, particularly agriculture NPA accounts having balance up to ₹1 million.

b) Our Bank has been making intensive follow-ups with the defaulting borrowers through visits, letters, notices, Recovery Camps, Lok Adalats, Mahabank Adalats and actions under SARFAESI / DRT Act. We have also engaged the services of recovery agents and resolution agents.

c) Our Bank's management is regularly interacting with Zones, Top 4 SAM Branches & 13 ARBs (the total NPA portfolio entrusted with Top 4 SAM Branches and 13 ARBs are more than 70%) through video conferencing. Our NPA management and NPA recovery are amongst the focus points of the review with the Zones. Concerted efforts at the field level on these recovery issues are emphasized.

The management of NPAs has been one of the focus areas of the Bank. Towards this goal, our Bank has focused on:

- **Action under SARFAESI / DRT**- Timely actions and follow up in SARFAESI/ DRT cases including e-auctions, private treaty etc. are undertaken. Banks has launched My-Kase mobile based application for daily monitoring of DRT/Civil suit filed cases.

- **Follow up of NCLT cases**- All the NCLT cases were thoroughly followed up for early resolutions. Follow up with Resolution Professionals are done on regular basis to speed up the resolution process. Section 7 application of IBC 2016 is being initiated against the eligible corporate debtors. Under Sec 95 of IBC- PIRP is being initiated against the personal guarantor.

- **Lok Adalats & Mahabank Adalats**- Special Lok Adalats & Mahabank Adalats are conducted on regular basis. In addition to the Adalats, Recovery Drives / Camps are organized to boost the recovery.

- **Special OTS schemes** – Structured OTS schemes for accounts with o/s balance up to ₹500 million are introduced with liberal terms.

- **Reducing Fresh Slippages**- Focused efforts to upgrade the newly slipped accounts by recovering the overdues, being soft targets. Follow up with borrower is done right from SMA 0, 1 & 2 level to arrest fresh slippages.

- **Loan Tracking Cell**- A special cell is put in place for effective follow up with borrowers through phone calls on day to day basis to get recovery and upgradation.

- **Outsourced Agencies**- Services of Debt Recovery Agents, Resolution Agents, Enforcement Agents, are being utilized for effective follow up to get recovery / OTS etc.

Our Bank's gross NPA ratio decreased from 3.94% as of March 31, 2022 to 2.47% as of March 31, 2023 and to 1.88% as of March 31, 2024. Our Bank's net NPA ratio decreased from 0.97% as of March 31, 2022 to 0.25% as of March 31, 2023 and to 0.20% as of March 31, 2024. Our Bank's gross NPA ratio were 2.28% and 1.85% for three months period ended on June 30, 2023 and 2024, respectively. Our Bank's net NPA ratio were 0.24% and 0.20% for three months period ended on June 30, 2023 and 2024, respectively. See "*Risk Factors — Risks Relating to the Bank's Business — An increase in our portfolio of NPAs or provisioning requirements mandated by the RBI could adversely affect our business, financial condition and results of operations*" on page 42.

The following tables set forth, for the periods indicated, information about our Bank's NPA portfolio.

(in ₹ million)

Non-Performing Assets	**As of March 31,**			**Three month period ended June 30, 2024**
	2022	**2023**	**2024**	
Gross NPAs	53,272.13	43,340.02	38,330.53	38,727.63
Specific provisions (NPA and NPV provisions)	40088.73	38,606.26	33,620.34	34,359.52
NPA net of provisions and net table credits	12,765.70*	4,351.80	4,089.90	4,147.00
Gross customer assets	1,352,398.08	1,751,195.00	20,36,639.47	20,90,311.24
Net customer assets	1,311,704.40**	1,712,206.70	20,02,398.84	20,55,730.65
Gross NPAs/gross customer assets (%)	3.94%	2.47%	1.88%	1.85%
Net NPAs/net customer assets (%)	0.97%	0.25%	0.20%	0.20%
Specific provision as a percentage of gross NPAs	75.25%	89.08%	89.88%	88.72%
Total provisions as a percentage of gross NPAs	76.43%	90.44%	89.88%	89.84%
Provision cover (including prudential write-offs)	94.79%	98.28%	98.34%	98.36%

Notes:

For more information on our Bank's NPAs and our Bank's provisions with respect to NPAs, see "*Selected Statistical Information*" on page 116.

Restructured Assets

The RBI has issued separate guidelines for restructured assets. A fully secured standard asset can be restructured by rescheduling principal repayments and/or the interest element, but it must be separately disclosed as a restructured asset. The amount of sacrifice, if any, in the element of interest, measured in present value terms, is either written-off, or provision is made to the extent of the sacrifice involved. Similar guidelines apply to substandard assets. The sub-standard assets which have been subjected to restructuring as per earlier guidelines of RBI, whether in respect of a principal instalment or an interest amount, are eligible to be upgraded to the standard category only after the specified period, which is a period of one year after the date when first payment of principal or interest, whichever is earlier, falls due, subject to satisfactory performance during the period.

The following table sets forth a summary of the Bank's restructured assets as of and for the Fiscal year ended March 31, 2024 and three months ended June 30, 2024.
(in ₹ million)

	Standard	NPAs	Total
Restructured assets as of April 01, 2023	42611.30	3058.11	45669.41
New restructured assets during Fiscal 2024	1465.77	0	1465.77
Asset upgraded to restructured assets during Fiscal 2024	215.38	0	215.38
Restructure assets downgraded during Fiscal 2024	2435.05	0	2435.05
Change in outstanding/write off/recovery/closures during Fiscal	19070.29	1528.71	20599.00
Restructured assets as of March 31, 2024	22787.11	1529.40	24316.51

	Standard	NPAs	Total
Restructured assets as of April 01, 2024	22787.11	1529.40	24316.51
New restructured assets during Fiscal 2025 (till June 30, 2024)	467.73	0	467.73
Asset upgraded to restructured assets during Fiscal 2025 (till June 30, 2024)	94.87	0	94.87
Restructure assets downgraded during Fiscal 2025 (till June 30, 2024)	975.13	0	975.13
Change in outstanding/write off/recovery/closures during Fiscal (till June 30, 2024)	1291.08	171.27	1462.35
Restructured assets as of June 30, 2024	21083.50	1358.13	22441.63

Note : Restructured assets amount is inclusive of GECL and FITL accounts.

For more information on our Bank's restructured assets, see "*Selected Statistical Information*" on page 116.

Industry Exposure

Our Bank's industry exposure in Fiscal 2023, Fiscal 2024 and for the quarter ended June 30, 2024 is set forth below.

(in ₹ million, except percentages)

Industry	**2023**	**% of Total Advances**	**2024**	**% of Total Advances**	**June' 2024**	**% of Total Advances**
Mining and Quarrying (Inclusive coal)	6,417.50	0.37%	1980.60	0.10%	2,255.30	0.11%
Iron and Steel	13,044.00	0.74%	16275.20	0.80%	23,301.80	1.11%
Other metal and metal products	20,082.20	1.15%	23555.90	1.16%	24,365.90	1.17%
All engineering	19,352.20	1.11%	25833.40	1.27%	27,913.20	1.34%
Cotton Textile	181.50	0.01%	1641.60	0.08%	1,393.70	0.07%
Jute Textile	0.00	0.00%	0.00	0.00%	-	0.00%
Man made textile	9.60	0.00%	18.70	0.00%	33.00	0.00%
Food processing	853.00	0.05%	2035.00	0.10%	2,873.50	0.14%

Industry	2023	% of Total Advances	2024	% of Total Advances	June' 2024	% of Total Advances
Sugar	0.00	0.00%	0.00	0.00%	-	0.00%
Tea	0.00	0.00%	0.00	0.00%	-	0.00%
Vegetable Oil	0.00	0.00%	227.60	0.01%	552.60	0.03%
Paper and Paper Products	4779.80	0.27%	5141.60	0.25%	5,492.70	0.26%
Rubber, plastics and their products	10,380.90	0.59%	12200.50	0.60%	12,966.40	0.62%
Chemical, dyes, Paints and Pharmaceuticals	13,760.60	0.79%	19493.40	0.96%	18,129.20	0.87%
Fertilizer	1736.80	0.10%	3281.30	0.16%	3,734.10	0.18%
Perto Chemical	3017.30	0.17%	6130.00	0.30%	6,272.80	0.30%
Drug and Pharmaceuticals	7117.20	0.41%	10082.10	0.50%	8,122.20	0.39%
Cement and Cement Products	3,437.70	0.20%	2541.30	0.12%	2,307.70	0.11%
Leather and Leather Products	1,046.40	0.06%	1417.30	0.07%	1,304.60	0.06%
Gem and Jewellery	2,297.30	0.13%	2872.60	0.14%	2,850.50	0.14%
Construction	6,509.00	0.37%	13331.10	0.65%	13,545.30	0.65%
Petroleum, Coal Products and Nuclear Fuel	19,739.10	1.13%	27839.90	1.37%	29,433.60	1.41%
Vehicles, Vehicles Parts and Transport Equipment's	7,452.90	0.43%	10068.00	0.49%	9,661.60	0.46%
Computer Software	865.80	0.05%	0.00	0.00%	-	0.00%
Infrastructure	192,021.20	10.97%	358949.15	17.62%	4,63,440.20	22.17%
Power	120,268.86	6.87%	107586.31	5.28%	1,19,413.50	5.71%
Communication	5,299.63	0.30%	5297.34	0.26%	5,191.50	0.25%
Water and Sanitation	0.00	0.00%	87108.20	4.28%	89,799.30	4.30%
Social and Commercial Structure	33,920.70	1.94%	39171.90	1.92%	51,205.60	2.45%
NBFCs	156,618.50	8.94%	171326.90	8.41%	1,75,419.70	8.39%
Trading	151,946.20	8.62%	156592.10	7.69%	1,53,925.50	7.36%
Beverage and Tobacco	99.10	0.01%	371.20	0.02%	370.90	0.02%
Wood and Wood Products	2,281.00	0.13%	2711.60	0.13%	2,570.70	0.12%
Other Industries	10,179.60	0.58%	18056.10	0.89%	18,955.30	0.91%
Total	**643,355.10**	**36.74%**	**1133137.90**	**55.64%**	**12,76,801.90**	**61.08%**
Total Advances	**1,751,195.00**		**2036639.47**		**20,90,311.20**	

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. We have also constituted sub-committees such as Credit Risk Management Committee ("**CRMC**"), Market Risk Management Committee ("**MRMC**"), Operational Risk Management Committee ("**ORMC**") and Asset Liability Management Committee ("**ALCO**") to monitor the specific risk areas. Our Bank has implemented Internal Capital Adequacy assessment process ("**ICAAP**"). The ICAAP process captures Pillar I and Pillar II risks as part of its comprehensive risk assessment process.

Our Bank has in place Board approved investment management policy market risk management policy and asset liability management ("**ALM**") policy for effective management of market risk. The above policies lay down well-defined organization structure for market risk management functions and processes whereby market risks carried by our Bank are identified, measured, monitored and controlled within policy framework consistent with Bank's risk tolerance. Policies deal with reporting framework for effective monitoring of market risk and also set various risk limits such as overnight limit, intra-day limit, aggregate gap limit, stop loss limit, VaR limit etc. Exposure limits are set for counterparty banks and exposures are monitored on daily basis.

ALM Policy deals with liquidity risk and interest rate risk management framework. Bank has put in place mechanism of short-term dynamic liquidity management and contingency plan for liquidity management. Prudential (tolerance) limits are set for different residual maturity time buckets for efficient asset liability management. Our Bank's contingency plan for liquidity management comprises various contingent measures to deal with any kind of stress on liquidity position. Our Bank has in place Board approved stress testing policy and conducts periodic stress tests on liquidity risk, interest rate risk and foreign exchange risk. Interest rate risk is monitored through use of gap analysis of rate sensitive assets and liabilities. Our Bank has also put in place duration gap analysis framework for management of interest rate risk. Our Bank estimates earnings at risk and modified duration gap periodically against adverse movement in interest rate for assessing impact on Net Interest Income (NII) and Economic Value of Equity (EVE).

Asset Liability Management Committee monitors adherence of prudential limits fixed by our Bank and determines strategy in light of market conditions. Dealing room activities are centralized and system is in place to monitor dealing room activities. Mid-Office at Treasury and International Banking Department also monitors adherence of prudential limits on a continuous basis.

Market Risk Management Policy - To ensure that our Bank's operations are in line with management expectations of return vis-à-vis market risk, it is crucial to define a set of principles and processes in place for articulating how our Bank plans to manage market risks it faces, in Trading or Banking Book. Our Bank's Market Risk Management Policy aims to set out broad outlines of processes by which market risks carried by our Bank shall be managed i.e. identified, measured, controlled and monitored in such a way that risk taken is within the approved risk tolerance limits. The scope of this policy covers market risks arising from our Bank's "Trading book" and investment portion of "Banking book".

Operational Risk Policy – Our Bank has framed Operational Risk Management Policy in line with RBI Guidelines for Advanced Approaches for Operational Risk. Other policies which deal with management of operational risk are (a) Information System Security Policy, (b) Business Continuity Planning Policy, (c) Compliance Policy, (d) Outsourcing Policy and (e) Fraud Risk Management Policy. Our Bank has been constantly reviewing legal documents to ensure that legal documents are comprehensive and enforceable. As a measure of risk transfer, Bank has obtained insurance cover for all assets owned by our Bank. It is also ensured that assets financed by our Bank are also adequately insured, as a risk mitigation measure. The operational risk management policy outlines organization structure and detail processes for management of operational risk. Basic objective of policy is to closely integrate operational risk management system into day-to-day risk management processes of our Bank by clearly assigning roles for effectively identifying, assessing, monitoring and controlling / mitigating operational risks and by timely reporting of operational risk exposures including material operational losses. Operational risks in our Bank are managed through comprehensive and well-articulated internal control framework.

Internal Control System

We have a separate audit and inspection department which subjects all the branches including international division, investment cell, service branches and every department of the administrative office to regular inspection. Audit Committee of the Board has been constituted in line with the RBI guidelines. Our Audit Committee reviews the adequacy of the audit and compliance function, including the policies, procedures, techniques and other regulatory requirements as prescribed by RBI.

In compliance with RBI guidelines, we do a risk based internal audit of all our branches to promote effective operations, reliable reporting and safeguarding of assets, ensure compliance with regulations and policies and assess and measure various risks and their direction on an ongoing basis. Concurrent audit, revenue audit and information system audit are also conducted at the Branches/Offices throughout the year. Inspection / audit function also ensures timely compliance of all comments / observations of RBS conducted by RBI. We have a compliance function which ensures observance to statutory and regulatory guidelines, internal procedures and policies. The compliance function is overseen by the ACB.

Customer Base

The Bank's customer base is comprised of large and mid-sized corporates, MSMEs and individuals. The Bank has recently sought to increase its focus on its retail operations.

The Bank's customer relationship is a significant aspect of the Bank's business model and is, therefore, one of the primary objectives of the Bank. The Bank strives to achieve this goal through regular interaction with customers and strengthening of relations, with the aim of increasing customer retention.

Although the Bank has a considerable customer base, it has a relatively high concentration of loans to certain borrowers, borrower groups and industry sectors. As of June 30, 2024, our Bank's largest fund based exposures were to Agriculture & allied activity, Housing and Infrastructure sectors at ₹387.507.9 million, ₹340,599.1 million and ₹ 438,849.9 million, respectively, and representing 15.96%, 14.02% and 18.07%, respectively, of our total fund based exposure as at such date.

As at June 30, 2024 (a) the Bank's ten largest group borrowers amounted to ₹190,707.01 million, representing 95.03% of the Bank's Tier I Capital, which is ₹200,650.74 million; (b) the Bank's exposure to the single largest group borrower as per Large Exposures Framework was ₹26,529.43 million representing 13.22% 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 ₹142,872.82 million, representing 71.20% of the Bank's Tier I Capital.

For more information, see "*Selected Statistical Information*" on page 116 and "*Risk Factors – In the course of our operations, we are exposed to various categories of borrowers, depositors and industry sectors, and a default by any large borrower, premature withdrawal of deposits or a deterioration in the performance of any of these industry sectors in which we have significant exposure would adversely affect our business, results of operations and financial condition*" on page 42.

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. Customer Service Committee of the Board, the Zonal Level Customer Service Committees, the Standing Committee on Customer Service and the Branch Level Customer Service Committees monitor customer service at different levels. These committees deliberate on issues faced by the customers and the initiatives taken by the Bank for enhancing customer service. The Bank has also established an Internal Ombudsman as recommended by the RBI.

Fair Practice Code

We have adopted the Fair Practice Code drafted by the IBA and intended to be followed by the entire banking system in dealing with individual customers. Important characteristics of the code include standards for fair banking practices. Copies of the Fair Practice Code are available at our branches.

Credit Counselling Centre / Financial Literacy Centre

RBI has directed the Banks to open credit counselling centres in the respective lead districts to ensure 100% financial inclusion. Accordingly, in pursuance with the guidelines of RBI to set up credit counselling centres, our Bank has rolled out 4 Financial Literacy Centres at Pune, Nasik, Aurangabad, Satara, Jalna, Palghar and Thane.

Lead Bank Scheme

We have been discharging Lead Bank responsibilities in 4 districts of Maharashtra viz. Aurangabad, Jalna, Nasik, Palghar, Pune, Satara and Thane. Every year district credit plans for the districts are prepared and implemented with the cooperation of other member banks as well as in coordination with District Collectors of respective Districts.

Competition

The banking industry in India is highly competitive and we face strong competition in all our principal lines of business. Our primary competitors are Government of India owned public sector banks, private sector banks, foreign banks with operations in India, co-operative banks, and for certain products, non-banking financial institutions, small finance banks, regional rural banks, payment banks and housing finance companies. Our competition primarily entails issues of variety, pricing and quality of products and services, convenience of banking facilities, reach of distribution network and brand recognition, as well as information technology capabilities. Recently, non-bank financial companies, particularly international technology companies including large e-commerce players, have been increasing their presence in the financial sector and offering payment platforms and select services.

An increase in operations of existing competitors or entry of additional banks offering a similar or a wider range of products and services could increase competition. In addition, the moderation of growth in the Indian banking sector is expected to lead to greater competition for business opportunities. The GoI is also actively encouraging banks and other financial institutions to significantly increase their lending to the agricultural sector, which will make this segment more competitive. The RBI has also released guidelines with respect to a continuous licensing policy for universal banks as compared to the earlier practice of intermittently issuing licenses, and has demonstrated an intention to allow the small finance banks to apply for universal banking license under this framework, which may result in greater competitive pressure.

The RBI has also indicated that it plans to give greater access to foreign banks in the Indian market. Because of which, we may also face increased competition from foreign banks if the Indian retail market is further liberalized or if regulations and restrictions upon branch network growth by foreign banks are simplified or reduced, foreign banks may operate in India by establishing wholly owned subsidiaries which are allowed to raise Rupee resources through issue of non-equity capital instruments. Further, under the foreign exchange regulations, an aggregate foreign investment of up to 49.00% under the automatic route, and 74.00% under the government approval route, in Indian private sector banks is allowed. For public sector banks, subject to the Banking Companies (Acquisition and Transfer of Undertakings) Act, foreign direct investment of up to 20% under the government approval route is permitted.

For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Competition*" on page 86 and "*Risk Factors – The Indian banking industry is very competitive and our growth strategy depends on its ability to compete effectively.*" on page 42.

Corporate banking

Our corporate banking products and services face competition from public sector banks, foreign banks, private sector banks and financial institutions in areas such as pricing, rupee loans, foreign currency loans, foreign exchange transactions, trade finance services and cash management services.

Retail Banking

Our retail banking products and services primarily face competition from public sector banks, small finance banks, housing finance companies, as well as existing and new private sector banks and foreign banks. Public sector banks have large deposit bases and wide distribution networks while foreign banks have significant presence among non-resident Indians and also compete for non-branch based products. In mutual fund sales and other investment related products, our principal competitors are brokers, foreign banks and other new private sector banks. We seek to compete with our competitors by offering a wide product portfolio through our branch network and by leveraging our client relationships.

Agriculture banking

Our principal competitors are large public sector banks and the regional rural banks, which have extensive physical presence in India and have traditionally focused on agriculture and priority sector lending.

Treasury Operations

We primarily face competition with respect to our treasury operations from foreign banks, private sector banks and public sector banks engaged in foreign exchange, derivatives and money market business.

Information Technology

We are focused on leveraging technology for client management and to create customer centric and multi – channel solutions such as internet banking and mobile banking. We strive to use information technology as a strategic tool for our business operations to gain a competitive advantage and to improve our overall productivity, efficiency and client satisfaction. In tune with the guidelines issued by the RBI, we have formed a Technology Committee to deal with all aspects of IT Governance including choosing the right IT strategy and monitoring implementation of all strategic IT plans.

We have a robust information security management system framework in place to protect and safeguard the critical information of all stakeholders in order to ensure secure business operations. We have also implemented major security initiatives recommended by Gopalakrishna Committee for internal and external customers. Our Bank has in place a captive Security Operations Centre (SOC) for monitoring critical IT infrastructure on 24 x 7 basis. The process for revamping the existing security operation centre to cyber security operations centre. All of our branches and offices have implemented core banking solution software (B@ncs24). Core banking solution facilitates networking of branches, enabling customers to operate their accounts and avail banking services from any of our branches on the core banking solution network. We have also implemented RTGS and NEFT in all our branches.

Our data centre is hosted in Pune with disaster recovery (“**DR**”) site at Hyderabad which transitioned into a well-equipped data farm. This transition equips us to seamlessly process more than double the volume of transactions in future. Our Bank also successfully migrated from its legacy network to adopt the cutting-edge Software Defined Wide Area Network (SDWAN) solution for all its branches and offices across the country. Our IT platform lays utmost importance on security as ‘*Mahasecure*’, a Two Factor Authentication (2FA) Solution for internet banking users responds to the ever evolving information security trends and reflects our responsibility to enhance security features in the Internet Banking facility.

We have implemented a Credit Proposal Trail Management System (“**CPTMS**”), which enables us to monitor movement and status of credit proposals at various sanctioning levels in order to reduce the turnaround time and ensure timely credit decisions. Various credit monitoring tools developed and implemented help as early warning signals for effective credit monitoring and taking timely action for restricting delinquencies.

Intellectual Property

Our trade name “MahaBank” is registered with the Trademarks Registry, Mumbai and the registration is valid till 24/10/2033.

However, we do not own our logo “ ”, brand name “Bank of Maharashtra” and other taglines that we use for our services and have not made an application to the Trademarks Registry for registration of the same. For further details, see *“Risk Factors –Our intellectual property rights may be subject to infringement or we may breach third party intellectual property rights”* on page 42.

Our Subsidiary

The Maharashtra Executor and Trustee Company Private Limited (“**METCO**”) was incorporated on April 10, 1946 as a private limited company under the Indian Companies Act, 1913 and a certificate of incorporation was issued by Registrar of Companies, Pune. The CIN of METCO is U74999MH1946PTC004874 and it is a wholly owned subsidiary of our Bank.

The main objects of METCO include, *inter alia*, to act as executors, administrators, trustees and to undertake and execute all kinds of, whether private or public including religious or charitable trusts and to carry on the trustee and executor business, act as judicial and custodian trustees of all kinds. The net profit of METCO for Fiscal 2024 was ₹ 8.14 million. As of June 30, 2024, METCO managed about 1048 public and private trusts and 1291 wills in custody for management.

Our Associate

We have sponsored one Regional Rural Bank ("**RRB**"), Maharashtra Gramin Bank in collaboration with the Central Government and the state government of Maharashtra, having its head office at Aurangabad, Maharashtra. As of June 30, 2024, Maharashtra Gramin Bank had 425 branches covering 17 districts in Maharashtra. As on June 30, 2024, Maharashtra Gramin Bank had total business from deposits and gross advances of ₹ 277579.72 million operating profit of ₹ 818.21 million and net advances of ₹110964.94 million (gross advances of ₹115730.51 million). The average gross NPAs of Maharashtra Gramin Bank as of June 30, 2024 was 7.31%.

Employees

As at June 30, 2024, we had 14502 employees. In addition to the basic compensation we provide our employees with allowances such as dearness allowances, house rent allowances, group insurance cover and basic retirement benefits, including pension funds, provident funds and gratuities for eligible employees.

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 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. Training programs were also held on thrust areas like financing SMEs, retail lending, agricultural finance, soft skills and rural development. We have in place comprehensive HRM Policies that provides the road map for acquiring appropriate and need based human resources, its development through training, job enrichment, reward and recognition for better performance, career progression, welfare and retention.

Some of our Bank's employees are members of the trade unions and we have also in the past had instances of strikes and work stoppages on account of our employees' unions participating in all India strikes. See "*Risk Factors- We may face labour disruptions and employee misconduct that could adversely affect our business, results of operations and financial condition*" on page 42.

Insurance

We maintain ongoing insurance policies in respect of our premises, ATMs, office automation, furniture and fixtures, electronic equipment, other valuables and documents. These assets are insured against burglary, theft, fire, perils and terrorism. Additionally, we maintain cyber insurance policy to cover the computer and electronic crime. We also maintain the banker's indemnity policy and insurance for employee group personal accidents. We believe that we maintain all material insurance policies commonly required by a bank in India. See "*Risk Factors — Risk Relating to the Business of the Bank — Our insurance coverage may be inadequate to cover claims. If we incur substantial uninsured loss or loss that exceeds our insurance coverage, it could have a material adverse effect on our business, cash flows, results of operations and financial condition*." on page 42.

Awards and Certifications

Details of recent awards received by the Bank:

Calendar Year	Award / Recognition
2021	Won Best IT Risk & Cyber Security Initiatives Award in the Category of Medium Banks at IBA's 16th Annual Banking Technology Awards 2019-20.
2021	Skoch Order-of-Merit 2021 award for Better Implementation of Rajbhasha and became the first bank to receive this award for implementation of official language.
2021	National Award for best performance in SHG financing under DAY NRLM scheme of Government of India.

Calendar Year	Award / Recognition
2021	Best Employer Brand Awards 2021 by World HRD congress held at Bhopal
2021	Bank of Maharashtra receives 1st position “Utkarsh Award” for achieving highest percentage of digital payment transaction
2021	Outstanding Banking Partner Award for MSMEs by Zee Business
2021	Best IT Risk & Cyber Security Initiatives award at IBA’s Annual Banking Technology Awards
2022	Received National MSME Awards 2022 at the hands of Hon'ble Prime Minister, Shri Narendra Modi.
2022	Received 'Agri Infra Fund Award' under 'Target Achievers Category' at the hands of Shri Narendra Singh Tomar, Hon'ble Union Cabinet Minister of Agriculture
2022	2nd Runner up Award from DFS & IBA under AP for Smart Lending for Aspiring India
2022	Received Best Nationalized Bank in Agriculture Finance award at the hands of Shri Bhagwat Karad, Hon'ble MoS Finance, Government of India at the BFSL Summit and Awards ceremony
2022	Winner in the Best Technology Talent’ and ‘Runner-Up’ in the ‘Best Financial Inclusion’ categories at IBA Technology Conference, Expo & Awards 2022
2023	Received Best Mid Sized Indian Bank Award 2022 by Business Today
2023	Received Best PSU Bank (other than large) Award at National level by State Forum of Bankers Club, Kerala. Shri A S Rajeev, MD & CEO of the Bank received the Award at the hands of Shri Ram Nath Kovind, Hon'ble Former President of India.
2023	Received 'Finnoviti 2023 Award' by Banking Frontier for our in-house Developed Mobile App named ARJUN, an app developed for Managing Stress Accounts with Analytical Dashboard. This is one of the digital initiatives by the Bank.
2023	Received the BFSI Technology Awards 2023 by Indian Express, for our online portal "Suvidha", the customer web portal for deceased claims. This innovative portal has been recognized for its exceptional use of technology to offer efficient services to our customers
2023	Bank of Maharashtra bagged the prestigious Technology Winner Award in the BFSI Technology Awards 2023 by Indian Express,for the Bank's own private cloud platform "Nakshatra".
2023	APY Annual Award 'Award of Excellence' presented Hon'ble Secretary, DFS, MoF, GoI.
2023	"**क्रेता-विक्रेता गौरव सम्मान समारोह** 2023" in the 'GeM Star Buyers category' by Govt. e-marketplace (GeM) at the hands of Hon'ble Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textiles.
2023	'Best Performing Bank' in the 'Public Sector Bank' category under 'SHG credit linkage to Women Self Help Groups' in the Maharashtra state for Financial Year 2022-23.
2023	Best Public Sector Bank Award during the FE India’s Best Banks Awards'23, presented by Minister of State for Electronics and Information Technology, Government of India.
2023	National Award for Outstanding Performance in SHG Bank Linkage for FY 2022-23 by DAY-NRLM, MoRD, Govt. of India.
2023	SKOCH Award 2023 for best performance in Financial Inclusion at the hands of Chairman, SKOCH Group at the event held at Delhi.
2024	“Brand Visibility Award” at Tech Leadership Conclave organised by ENQUBE in Mumbai.
2024	'IBA Technology Award' under seven different categories. Bank has been awarded for Best Fintech, Best IT Risk Management, Best Technology Bank, Best Financial Inclusion, Best Tech Talent, Best Digital Engagement & Best AI ML category.
2024	"Best Public Sector Bank 2023" award at Dhanam BFSI Summit & Award Nite 2024 by Dhanam Business Media at Ernakulam, Kerala.
2024	"IBEX Award for Best Use in Technology" under PSU category at IBEX India 2024 Technology Awards in Mumbai.

Calendar Year	Award / Recognition
2024	'India's Leading Public Bank (Mid)' for FY 2022-23 at "Dun & Bradstreet BFSI & Fintech Summit 2024" held in Mumbai.
2024	"Best Bank for promoting Government Schemes" in MSME Banking Excellence Awards 2023 hosted by Chamber of Indian Micro Small & Medium Enterprises.
2024	"Best Mid Sized Bank in India" during the 'Banking & Economy Summit' organised by Business Today at Gandhinagar, Gujarat.
2024	Credit Support to SHGs of Rural Women in Maharashtra, during FY 2023-24 at the hands of CEO, NRLM, Mumbai.
2024	NPS Excellence Award Programme under 'Star Performer' Category for its outstanding performance in PFRDA Campaign to promote registration of subscribers in National Pension System.
2024	Abhinandan" under the Commercial Building category in appreciation for the Gold project of Lokmangal premises at the hands of, Principal Secretary, Urban Development Dept. ,Govt. of Maharashtra and Commissioner, PCMC. Bank of Maharashtra, Head Office, Lokmangal, Shivajinagar, Pune has achieved 'Gold' rating certification under IGBC Green Existing Building Rating System.
2024	'Finnoviti Innovation Award' for Robotics Process Automation under BFSI category at Finnoviti Technology Award 2024 in Mumbai.
2024	"APY Annual Award of Excellence Achiever" for outstanding performance in Atal Pension Yojana for FY 2023-24 at the hands of Secretary, DFS, MoF, GoI.
2024	बैंक ऑफ महाराष्ट्र को राजभाषा के श्रेष्ठ कार्यान्वयन हेतु वर्ष 2023-24 के लिए वित्तीय सेवाएं विभाग, वित्त मंत्रालय, भारत सरकार द्वारा प्रथम पुरस्कार से पुरस्कृत किया गया।

Legal Proceedings

Our Bank is a party to various legal proceedings, including criminal cases, which are pending before various courts and other forums in the ordinary course of the Bank’s business. Certain of these proceedings could, if adversely determined, have a material adverse effect on the Bank’s financial condition or results of operations. For more information, see “*Legal Proceedings*” on page 304.

Properties

As of June 30, 2024, our Bank’s distribution network included 2499 branches, 46 zonal offices, 68 fixed point outlets served by Bank Mitras and 2285 ATMs spread over 28 states and 7 union territories, throughout India and our Subsidiary had a network of 4 branches.

Our branches and our offices operate on leased premises as well as on owned premises 66 branches including the head office located at ‘Lokmangal’, 1501. Shivajinagar, Pune – 411005, corporate office located at Maker Chamber III, Mumbai – 400 021 and zonal offices, are functioning from the Bank’s owned premises and the remaining 2433 branches and zones are functioning from leased premises.

For more information on our branch network, see “*Our Business – Branches*” on page 178.

Corporate Social Responsibility

Our CSR activities are primarily focused on initiatives relating to promoting education, promoting gender equality, employment generation and ensuring environmental sustainability.

Our Bank established a trust, Mahabank Agricultural Research and Rural Development Foundation (“**MARDEF**”), which undertakes various projects and village improvement programmes. MARDEF is imparting training to farmers on various subjects in Agriculture. MARDEF has implemented 147 training programmes for farmers at RDC Bhigwan and Hadapsar.

Our Bank has established seven Mahabank Rural Self Employment Training Institutes (“**MRSETI**”) for providing training to rural youth and women to enable them to acquire skills for self-employment through small business enterprises. The MRSETI has centres located at Pune, Nagpur, Aurangabad, Amravati, Jalna, Thane and Nasik. The MRSETI has so far imparted training to number of educated unemployed youths. Besides advocating farmers for their credit needs and organizing Farmer Training Camps, Financial Literacy Camps were also organized wherein participants were educated for banking, digital transactions, use of UPI, BHIM App and social security schemes like PMJJBY, PMSBY and APY.

Further, we have formed an NGO, Gramin Mahila Va Balak Vikas Mandal ("**GMBVM**"), in association with National Institute of Bank Management which is actively involved in formation, nurturing, training and ensuring linkage of self-help groups to bank credit. Our Bank has opened financial literacy centres in six lead districts namely Pune, Nasik, Aurangabad, Satara, Jalna and Thane for creating awareness about bank.

We have been undertaking various social activities through Rural Development Centre and our two trusts i.e. MARDEF and GMBVM in the areas of Agriculture, rural development & women empowerment.

BOARD OF DIRECTORS AND SENIOR MANAGERIAL PERSONNEL

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 Nationalised Banks Scheme and the Bank of Maharashtra Regulations.

As per sub-section 3 of section 9 of the Banking Companies Act, every board of directors of a corresponding new bank, constituted under any scheme made under sub-section 1 of section 9 of the Banking Companies Act is required to include:

- 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;

- 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;

- 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;

- 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;

- 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;

- 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;

- 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;

- directors elected by shareholders of the bank (other than the Central Government) from amongst themselves where the capital raised by public issue or rights issue or by issue of bonus shares or preferential allotment or private placement, of equity shares or preference shares is:

    1. not more than 16.00% of the total paid-up capital, one director;
    2. more than 16.00% but not more than 32.00% of the total paid-up capital, two directors; and
    3. more than 32.00% of the total paid-up capital, three directors

As on the date of this Preliminary Placement Document, we have eight (8) directors on our Board. Our Board has three (3) Whole-Time Directors, out of which, one (1) is designated as the Managing Director and Chief Executive Officer, while two (2) directors are designated as the Executive Directors. Further, we have one (1) Government of India Nominee Director, one (1) RBI Nominee Director, one (1) Shareholder Director and two (2) Part-Time Non-Official Directors on our Board. All Directors are appointed/nominated/elected pursuant to the Banking Companies Act, the Nationalized Banks Scheme and the Bank of Maharashtra Regulations.

As on the date of this Preliminary Placement Document, the Board does not have the full strength as prescribed in the Banking Companies Act as the following positions are vacant:

- one position under section 9(3)(a) of the Banking Companies Act to be nominated by the Central Government after consultation with RBI;

- one position each under sections 9(3)(e), 9(3)(f) and 9(3)(g) of the Banking Companies Act to be nominated by the Central Government;

- three positions under sections 9(3)(h) of the Banking Companies Act to be nominated by the Central Government.

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 42.

The following table sets forth details regarding our Board as on the date of this Preliminary Placement Document:

Name, Address, Occupation, Term, Nationality	Clause (as per Section 9(3) of the Banking Companies Act) under which appointed / nominated / elected	Age (years)	Designation
Nidhu Saxena **Address:** Mahabank House H No 443/6 Saptashringi Bungalow, Ganeshkind Road, Model Colony, Pune City, P.O: Model Colony, Pune District, Maharashtra- 411016 **Occupation**: Service **Term**: For a period of three years with effect from the date of assumption of office i.e March 27, 2024, or until further orders, whichever is earlier. **Nationality**: Indian	Clause (a)	56	Managing Director and Chief Executive Officer
Asheesh Pandey **Address:** Flat No. 1306, Rajmanor Building A wing, 13th Floor, Mamledarwadi Extension Road, Liberty Garden, Malad West, Dely S.O, Mumbai, Maharashtra-400064 **Occupation:** Service **Term:** Extension of term for a period of two years beyond December 30, 2024, or until further orders, whichever is earlier. **Nationality**: Indian	Clause (a)	53	Executive Director
Rohit Rishi **Address:** Flat no. 402, Gh 7, Sector 27, Panchkula, Haryana-134116 **Occupation**: Service **Term**: For a period of three years with effect from date of assumption of office on or after	Clause (a)	55	Executive Director

Name, Address, Occupation, Term, Nationality	Clause (as per Section 9(3) of the Banking Companies Act) under which appointed / nominated / elected	Age (years)	Designation
November 1, 2023 or until further orders, whichever is earlier. **Nationality**: Indian			
Abhijit Phukon **Address:** Quarter No. B-2, 2nd Floor, Blocktower -15, Kidwai Nagar East, South West Delhi- 110023 **Occupation:** Service **Term:** with effect from October 25, 2023 and until further orders **Nationality:** Indian	Clause (b)	49	Government of India Nominee Director
Sanjeev Prakash **Address:** A-17 Dhanastra, Reserve Bank Senior Officers Quarters, Nathalal Parekh Marg, Colaba, Mumbai City, Maharashtra-400005 **Occupation**: Professional **Term**: with effect from July 14, 2023 and until further orders **Nationality**: Indian	Clause (c)	51	RBI Nominee Director
Shashank Shrivastava **Address:** Veer Sawarkar Ward, Murwara behind Bajaj Hospital Sant Nagar, Katni, Madhya Pradesh- 483501 **Occupation:** Practicing Chartered Accountant **Term:** For a period of 3 years from the date of notification for appointment i.e. December 21, 2021, or until further orders, whichever is earlier **Nationality:** Indian	Clause (h)	60	Part-Time Non-Official Director
Sardar Baljit Singh **Address:** Gola road, Bhawan No, Japlinhganj, Ballia, Ballia City, Ballia district, Uttar Pradesh- 277001 **Occupation:** Practicing Chartered Accountant **Term:** For a period of 3 years from the date	Clause (h)	44	Part-Time Non-Official Director

Name, Address, Occupation, Term, Nationality	Clause (as per Section 9(3) of the Banking Companies Act) under which appointed / nominated / elected	Age (years)	Designation
of notification for appointment i.e. December 21, 2021, or until further orders, whichever is earlier **Nationality:** Indian			
Praveen Kumar **Address:** 17A, 2nd Floor, 64, Janapath, Connaught Place, New Delhi, G.P.O, New Delhi-110001 **Occupation:** Retired **Term:** For a period of 3 years from the date of appointment i.e. June 30, 2024 **Nationality:** Indian	Clause (h)	60	Shareholder Director

Brief Profiles of our Directors

Nidhu Saxena is the Managing Director and Chief Executive Officer of our Bank. He holds a master's degree in business administration from the University of Jodhpur. He is a certified associate of the Indian Institute of Banking and Finance. Prior to joining our Bank, he was an Executive Director of Union Bank. He has been on our Board since March 27, 2024.

Asheesh Pandey is the Executive Director of our Bank. He holds the degree of bachelor of engineering with honors in mechanical engineering from Pandit Ravishankar Shukla University, Raipur. He has also completed his master's in business administration in finance and marketing from Awadhesh Pratap Singh University, Rewa, India. He is a certified associate of the Indian Institute of the Bankers. Before joining Bank of Maharashtra, he served as the Chief General Manager and Chief Operations Officer at Union Bank of India. He joined as Executive Director of Bank of Maharashtra on December 31, 2021.

Rohit Rishi is an Executive Director of our Bank. He holds a bachelor's degree of technology (textile technology) from Maharishi Dayanand University and a master's degree in business administration from the Indira Gandhi National Open University. He is a certified associate of the Indian Institute of Banking and Finance. He has previously worked with Indian Bank. He joined as an Executive Director of Bank of Maharashtra on November 1, 2023.

Abhijit Phukon joined as the Government of India Nominee Director on the Board of our Bank on October 25, 2023. He holds a post graduate diploma in human resources development with specialization in marketing management from the National Institute of Human Resources Development. He also holds a degree of masters of art's (economics) from the University of Gauhati and a degree of doctor of philosophy from Guru Gobind Singh Indraprastha University. He is an officer of Indian Economic Service and is presently serving as Economic Adviser. He is also the Government Nominee Director on the Board of EXIM Bank.

Sanjeev Prakash is the RBI Nominee Director of our Bank on July 14, 2024. He holds a bachelor's degree in science engineering (civil) from Bihar Institute of Technology, Sindri. He is a finance risk manager certified Global Association of Risk Professionals along with a certified associate of the Indian Institute of Banking and Finance.

Praveen Kumar is the Shareholder Director of our Bank since June 30, 2024. He holds a bachelor's degree in commerce from the University of Delhi. Additionally, he also holds a diploma in hotel management in catering and nutrition from the Institute of Hotel Management Catering and Nutrition, Delhi. He has served as the Chief Executive Officer of LIC Cards Services Limited (subsidiary of Life Insurance Corporation of India.

Shashank Srivastava is the Part-Time Non-Official Director on the Board of our Bank. He holds a bachelor's degree of commerce from Devi Ahilya Vishwavidyalaya, Indore. He is a fellow member of the Institute of Chartered Accountants of India. He has been on our Board since December 21, 2021.

Sardar Baljit Singh is the Part-Time Non-Official Director on the Board of our Bank. He holds a bachelor's degree in commerce from Veer Bahadur Singh Purvanchal University, Jaunpur, Uttar Pradesh. He is also a fellow member of the Institute of Chartered Accountants of India. He passed post qualification course in information system audit, along with a certificate course on concurrent audit of bank and holds a diploma in insurance and risk management. He has been on our Board since December 21, 2021.

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

Remuneration details of our Executive Directors

The details of the remuneration paid by our Bank to our present Executive Directors including all allowances, provident fund contribution for the three-month period ended June 30, 2024 and Fiscals 2024, 2023, 2022 respectively are set forth below:

(₹ in millions)

Name of the Director	Remuneration (Including performance linked incentive)			
	For the three-month period ended June 30, 2024	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Nidhu Saxena	0.92	0.04	-	-
Asheesh Pandey	0.89	3.90	3.20	0.70
Rohit Rishi	0.79	1.30	-	-
A S Rajeev**	-	7.4	4.8	3.4
A B Vijaykumar**	-	5.1	3.7	3.6
Hemant Tamta**	-	-	-	2.2

*** It includes total remuneration paid for the year, including the period served as KMP*

Remuneration details of our Non-Executive Directors

As per Government of India's directive F. No. 15/1/2011-BO.I dated January 18, 2019, all the directors other than the executive directors, Government's nominee director and RBI's nominee director, are to be paid a sitting fees amounting to ₹40,000 for attending each meeting of the board, ₹20,000 for attending each meeting of the sub-committee of the board, additional ₹10,000 for chairing the meeting of the Board and ₹5,000 for chairing the meeting of sub-committee of the Board.

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 ₹ 1.5 million.

Accordingly, the details of the sitting fees paid by our Bank to our present Non-Executive Directors for the three month period ended June 30, 2024 and Fiscals 2024, 2023, 2022 respectively are set forth below:

(₹ in millions)

Name of the Director	Sitting fees paid*			
	For the three-month period ended June 30, 2024	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Praveen Kumar	-	-	-	-

Shashank Shrivastava	0.4	1.50	1.50	0.33
Sardar Baljit Singh	0.4	1.50	1.47	0.32
Rakesh Kumar**	0.4	1.4	1.5	1.0
R Thamodharan**	-	-	-	0.4

**The sitting fees mentioned above is including applicable taxes.*
*** It includes total remuneration paid for the year, including the period served as KMP*

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 18, 2015 has set out broad parameters for payment of performance linked incentives to executive directors on the boards of public sector banks. Such performance linked incentives are given in accordance with scores obtained as per the performance evaluation matrix prescribed in the notification. The performance evaluation matrix consists of qualitative and quantitative parameters. Further, in accordance with the action point 16 of banking reforms set out in the Reforms Agenda for Responsive and Responsible PSBs ("**PSB Reforms Agenda**"), the board of directors of a public sector bank shall evaluate the performance of the bank's whole-time directors in terms of its implementation of the six-point action plan stated in the PSB Reforms Agenda**.** Further, in terms of 9th Joint Note/12th Bipartite Settlement dated March 08,2024, as amended from time to time, the employees of our Bank are eligible for performance linked incentives which is payable to all eligible staff members annually over and above the normal salary payable to the employees depending on the annual performance of the Bank.

Shareholding details of our Directors in our Bank

The directors elected under section 9(3)(i) of the Banking Companies Act by the shareholders (other than the Government), are required to hold a minimum of 100 Equity Shares of our Bank in terms of Regulation 65 (i) (a) of the Bank of Maharashtra Regulations.

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	Number of Equity Shares	Percentage shareholding (%)
Praveen Kumar	200	Negligible

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.

Further, our Non-Executive Directors other than the Government's Nominee Director and RBI's Nominee Director, are entitled to receive sitting fees for attending each meeting of our Board and its sub-Committee thereof and are also entitled to reimbursement of expenses to attend such meeting as may be applicable.

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 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 311, our Directors do not have any other interest in the business of our Bank.

Other Confirmations

Our Directors have not been identified as Fraudulent Borrowers or wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on Fraudulent Borrowers or wilful defaulters issued by RBI.

None of our Directors have been declared as Fugitive Economic Offenders.

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 three (3) Whole-Time Directors, out of which one (1) is Managing Director and Chief Executive Officer, two (2) Executive Directors, one (1) Government of India Nominee Director, one (1) RBI Nominee Director, one (1) Shareholder Director and (2) Part-Time Non Official Directors on our Board. 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 52.

RBI has issued a circular RBI/2021-22/24 DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021 pertaining to instructions with regard to the chairman and meetings of the board, composition of certain committees of the board, age, tenure and remuneration of directors, and appointment of the whole-time directors ("**RBI Circular**").

Committees of our Board

Our Board has constituted the following key Committees, as may be applicable on our Bank:

1. Management Committee;
2. Audit Committee;
3. Risk Management Committee;
4. Share Transfer Committee;
5. Customer Service Committee;
6. IT Strategy Committee;
7. Steering Committee of Board on HR;
8. Issue Committee of Board;
9. Special Committee of the Board for Monitoring and Follow-up of cases of Frauds';
10. Directors Promotion Committee;
11. Stakeholders Relationship Committee;
12. Nomination and Remuneration Committee;
13. Committee for Performance Evaluation;
14. Credit Approval Committee;
15. Committee of Board for Monitoring NPA Recovery;
16. Committee of Board as Appellate and Reviewing Authority;
17. Committee to monitor and review the progress of financial inclusion schemes of the Government of India:
18. Committee for Identification of Wilful Defaulters.

Details of some of these key Committees are as follows:

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 member:

Name of Director	Designation	Nature of Directorship

Nidhu Saxena	Chairman	Managing Director and Chief Executive Officer
Asheesh Pandey	Member	Executive Director
Rohit Rishi	Member	Executive Director
Sanjeev Prakash	Member	RBI Nominee Director
Sardar Baljit Singh	Member	Part Time Non Official Director

Audit Committee

Our Audit Committee has been constituted in terms of RBI circular bearing No. DOS.NO.BC.14/Admn./919/16.13.100/95 dated September 26, 1995 and RBI circular bearing No. DOS No. BC/3/08.91.020/96 dated January 20, 1997 and such other circulars issued by RBI and further re-constituted in terms of RBI circular bearing No. RBI/2021-22/24 DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021 post approval of the Board of Directors on January 20, 2022 on appointment of non-official directors by the Government of India in December 2021. Our Audit Committee comprises the following members:

Name of Director	Designation	Nature of Directorship
Shashank Srivastava	Chairman	Part-Time Non-Official Director
Sanjeev Prakash	Member	RBI Nominee Director
Praveen Kumar	Member	Shareholder Director
Sardar Baljit Singh	Member	Part-time Non-Official Director

Stakeholders' Relationship Committee

Our Stakeholders' Relationship Committee has been constituted pursuant to Regulation 20 read with Clause B of Part D of Schedule II of the SEBI Listing Regulations as amended and Bank of Maharashtra Regulations and further re-constituted post approval of the Board of Directors on January 20, 2022 on appointment of non-official directors by the Government of India in December 2021, 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 comprises the following members:

Name of Director	Designation	Nature of Directorship
Praveen Kumar	Chairman	Shareholder Director
Asheesh Pandey	Member	Executive Director
Rohit Rishi	Member	Executive Director

Risk Management Committee

Our Risk Management Committee has been constituted in accordance with the RBI note DBOD No. BP-520/21.04.103/2002-03 dated October 12, 2002 and RBI circular bearing No. RBI/2021-22/24 DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021, as may be amended by further notifications on risk management and Regulation 21 of the SEBI Listing Regulations, as may be amended. It was further re-constituted post approval of the Board of Directors on January 20, 2022 on appointment of non-official directors by the Government of India in December 2021. It has been formed for successful implementation of proper risk management systems in our Bank and devises the policies and strategies for integrated risk management containing various risk exposures of our Bank. Our Risk Management Committee comprises the following members:

Name of Director	Designation	Nature of Directorship
Sardar Baljit Singh	Chairman	Part-Time Non-Official Director
Asheesh Pandey	Member	Executive Director
Shashank Srivastava	Member	Part-Time Non-Official Director
Rohit Rishi	Member	Executive Director
Praveen Kumar	Member	Shareholder Director

Nomination & Remuneration Committee

Our Nomination & Remuneration Committee was constituted in terms of the Master RBI (Fit and Proper Criteria for Elected Directors on the Boards of PSBs) Directions, 2019 dated August 2, 2019, as may be amended, and

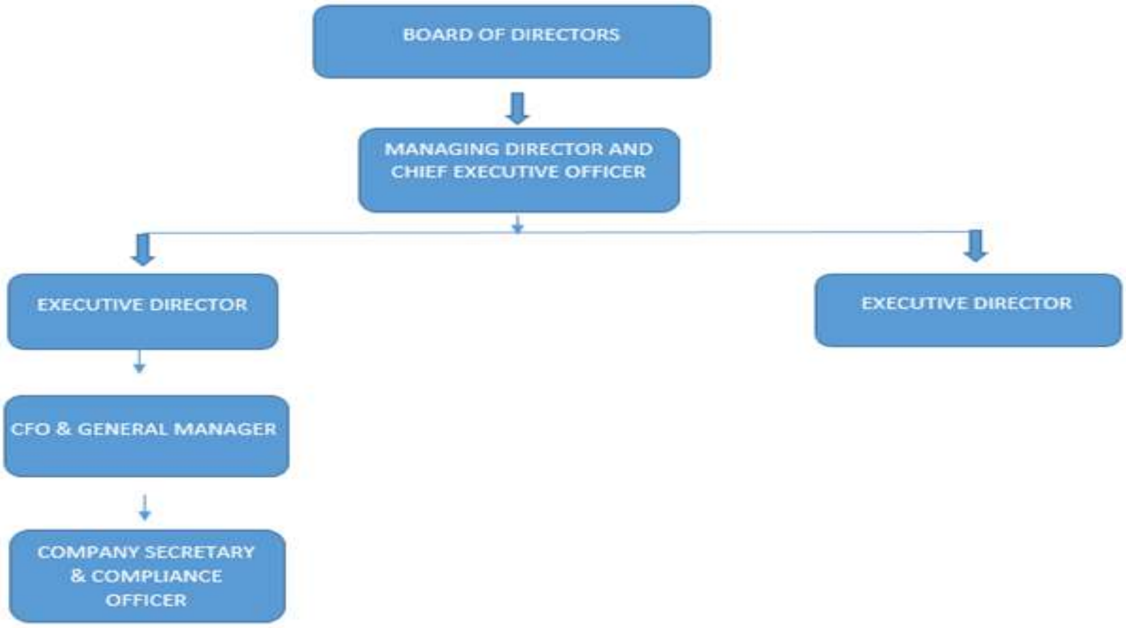
RBI circular bearing No. RBI/2021-22/24 DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021 and further re-constituted post approval of the Board of Directors on January 20, 2022 on appointment of non-official directors by the Government of India in December 2021, to undertake the process of due diligence to determine the 'fit and proper' status of the persons to be elected as directors clause (i) of sub-section (3) of Section 9 of the Banking Companies Act. Further, the Government of India vide its notification dated August 30, 2019 directed our Bank to constitute a single Nomination and Remuneration Committee for carrying out the functions of both the Nomination Committee and the Remuneration Committee. Our Nomination & Remuneration Committee comprises the following members:

Name of Director	Designation	Nature of Directorship
Praveen Kumar	Chairman	Shareholder Director
Shashank Shrivastava	Member	Part-Time Non-Official Director
Sardar Baljit Singh	Member	Part-Time Non-Official Director

Pursuant to gazette notification CG-DL-E-27012021-224708 dated January 25, 2021, the Board of our Bank is authorized to do any act or thing and in order to do so the recommendations or determination of, or resolution of grievances of security holders by, or in respect of any appointment, approval or review by any committee of the Board of the bank is required, if the Board is satisfied that quorum for meeting of such committee cannot be met on account of either existence of any vacancy in such Committee or recusal by member thereof.

Management Organization Structure

Set forth is the organization structure of our Bank:



Our Key Managerial Personnel

In addition to Nidhu Saxena, Managing Director and Chief Executive Officer whose details are provided in "- *Brief Profiles of Directors"* on page 219, the details of the Key Managerial Personnel of our Bank are as follows:

Vijay Prakash Srivastava is the General Manager of our Bank with effect from April 10, 2018 and the Chief Financial Officer of our Bank with effect from May 3, 2021. He has been associated with our Bank since May 8, 1999.

Nehal Rawat is the Company Secretary and Compliance Officer of our Bank with effect from February 23, 2023. She has been associated with our Bank since July 1, 2020.

Subhasish Roy, is the Chief Risk Officer of our Bank with effect from1st April, 2024 . He has been associated with our Bank since April 1, 2024.

Our Senior Managerial Personnel

In addition to our Chief Financial Officer, Chief Risk Officer and our Company Secretary and Compliance Officer whose details are provided in "-*Key Managerial Personnel"* on page 227the details of the Senior Managerial Personnel of our Bank are as follows:

Unnam Raghavendra Rao Venkatadri is the General Manager on deputation, appointed on April 10, 2018. He has been associated with our Bank since August 18, 1990

Datar Chitra Shirish is the General Manager of the Credit-Agriculture department appointed on January 1, 2021. He has been associated with our Bank since May 20, 1986

Kabade Arun Fanidhar is the General Manager of the Business Zone department appointed on April 10, 2018. He has been associated with our Bank since December 28, 1998

Divesh Kumar Dinkar is the General Manager of the Compliance department appointed on March 15, 2008. He has been associated with our Bank since March 15, 2008

Sankalp Dinkar Baburao is the General Manager of the Credit Monitoring department appointed on April 1, 2021. He has been associated with our Bank since February 27, 1988

Kare Manoj Dharamaraj is the General Manager/Zonal Manager of the Mumbai South Zone, appointed on April 1, 2021. He has been associated with our Bank since August 10, 1993

Sawant Suryakant Atmaram is the General Manager of the Credit Retail department appointed on May 1, 2021. He has been associated with our Bank since January 7, 1988

Singh Rajeshkumar Ambika Prasad is the General Manager of the Transaction Monitoring department appointed on August 8, 2021. He has been associated with our Bank since August 18, 1990

Joglekar Aparna Vidyadhar is the General Manager of the Recovery and SAMV department appointed on December 27, 2021 . He has been associated with our Bank since September 1, 2006

K Rajeshkumar L Kamalasekharan is the General Manager of the Human Resource Management department appointed on April 1, 2022. He has been associated with our Bank since November 15, 1996

Joshi Atul Chintaman is the General Manager of Planning department appointed on July 1, 2022. He has been associated with our Bank since September 11, 1984

Rokade Devdatta Vitthal is the General Manager of the Operations department appointed on August 1, 2022. He has been associated with our Bank since February 26, 2004

Sharma Amitkumar Rameshchand is the General Manager of the Credit Corporate department appointed on September 1, 2022. He has been associated with our Bank since April 26, 2000

Tambat Dinesh Suresh is the General Manager of the Inspection and Audit department, appointed on November 1, 2022. He has been associated with our Bank since July 07, 1993

Gharad Milind Babarao is the General Manager/Chairman of the Maharashtra GRM Bank department appointed on November 1, 2022. He has been associated with our Bank since September 1, 2006

Mohnavi Mohd Javed Qasim is the General Manager/Zonal Manager of the Pune City department appointed on April 1, 2024. He has been associated with our Bank since September 1, 2006

Upadhyay Mukeshchandra is the General Manager of the Credit/ MSME department appointed on April 1, 2024. He has been associated with our Bank since November 02, 1992

Dular Santosh Anil is the General Manager of New Business and Customer Acquisition vertical appointed on August 1, 2024. He has been associated with our Bank since February 26, 2004

Relationships between Key Managerial Personnel and Senior Managerial Personnel and with Directors

None of our 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

In terms of 9th Joint Note/12th Bipartite Settlement dated March 8, 2024, as amended from time to time, the employees of our Bank are eligible for performance linked incentives which is payable to all eligible staff members annually over and above the normal salary payable to the employees depending on the annual performance of the Bank.

Shareholding 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 (pre-Issue)	Percentage shareholding (%)
Vijay Prakash Srivastava	7,036	Negligible
Nehal Rawat	100	Negligible

Interests of our Key Managerial Personnel and Senior 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, 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). For details of Equity Shares held by our Senior Managerial Personnel in our Bank, see "*Shareholding details of our Key Managerial Personnel and Senior Managerial Personnel*" above.

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 our 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**.** For further details, please see "*Financial Statements*" on page 311.

Policy on disclosures and internal procedure for prevention of insider trading

Regulation 8(1) and 9(1) of the SEBI Insider Trading Regulations applies to our Bank and its employees and requires our 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. Our Bank has implemented a code of conduct for prevention of insider trading in accordance with the SEBI Insider Trading Regulations.

Employee Stock Option Scheme/Employee Stock Purchase Scheme

As on the date of this Preliminary Placement Document, our Bank does not have any Employee Stock Option Scheme/Employee Stock Purchase Scheme.

PRINCIPAL SHAREHOLDERS AND OTHER INFORMATION

The following table presents information regarding the ownership of Equity Shares by the Shareholders as of June 30, 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 Total Voting Right**	**No. of Locked in shares**		**No. of equity shares held in dematerialized form**
							No. (a)	**As a % of total Shares held (b)**	
(A) Promoter & Promoter Group	1	6,12,26,27,927	6,12,26,27,927	86.46	6,12,26,27,927	86.46			6,12,26,27,927
(B) Public	9,19,661	95,87,45,586	95,87,45,586	13.54	95,87,45,486	13.54		0.00	95,27,31,071
(C1) Shares underlying DRs	1	126	126	0.00		0.00		0.00	126
(C2) Shares held by Employee Trust				0.00		0.00		0.00	
(C) Non Promoter-Non Public	1	126	126	0.00		0.00		0.00	126
Grand Total	**9,19,663**	**7,08,13,73,639**	**7,08,13,73,639**	**100.00**	**7,08,13,73,413**	**100.00**			**7,07,53,59,124**

Note: *C = C1+C2*
Grand Total = A+B+C

Shareholding Pattern of the Promoter and Promoter Group of our Bank as on June 30, 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**		**Number of Locked in shares**		**No. of equity shares held in dematerialized form**
						No. (a)	**As a % of total Shares held(b)**	**Class eg: X**	**Total**	
A1) Indian					0.00		0.00		0.00	
Central Government/ State Government(s)		1	6,12,26,27,927	6,12,26,27,927	86.46	6,12,26,27,927	86.46		0.00	6,12,26,27,927
President of India	Promoter	1	6,12,26,27,927	6,12,26,27,927	86.46	6,12,26,27,927	86.46		0.00	6,12,26,27,927
Sub Total A1		1	6,12,26,27,927	6,12,26,27,927	86.46	6,12,26,27,927	86.46		0.00	6,12,26,27,927
A2) Foreign					0.00		0.00		0.00	
A=A1+A2		**1**	**6,12,26,27,927**	**6,12,26,27,927**	**86.46**	**6,12,26,27,927**	**86.46**		**0.00**	**6,12,26,27,927**

Shareholding Pattern of Public Shareholders as on June 30, 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 Locked in shares		No. of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	
B1) Institutions (Domestic)	0	0		0.00		0.00		0.00	
Mutual Funds/	21	2,83,99,266	2,83,99,266	0.40	2,83,99,266	0.40		0.00	2,83,99,266
Banks	3	4,69,996	4,69,996	0.01	4,69,996	0.01		0.00	4,69,996
Insurance Companies	9	29,54,38,524	29,54,38,524	4.17	29,54,38,524	4.17		0.00	29,54,38,524
NBFCs registered with RBI	5	29,201	29,201	0.00	29,201	0.00		0.00	29,201
Sub Total B1	38	32,43,36,987	32,43,36,987	4.58	32,43,36,987	4.58		0.00	32,43,36,987
B2) Institutions (Foreign)									
Foreign Portfolio Investors Category I	80	8,51,47,991	8,51,47,991	1.20	8,51,47,991	1.20		0.00	8,51,47,991
Sub Total B2	80	8,51,47,991	8,51,47,991	1.20	8,51,47,991	1.20		0.00	8,51,47,991
B3) Central Government/ State Government(s)/ President of India	0	0		0.00		0.00		0.00	
B4) Non-Institutions	0	0		0.00		0.00		0.00	
Key Managerial Personnel	2	7,136	7,136	0.00	7,136	0.00		0.00	7,136
Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'	14	1,52,137	1,52,137	0.00	1,52,137	0.00		0.00	1,52,137
Resident Individuals holding nominal share capital up to Rs. 2 lakhs	9,10,385	36,20,31,871	36,20,31,871	5.11	36,20,31,871	5.11		0.00	35,97,85,104
Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	2334	14,28,53,693	14,28,53,693	2.02	14,28,53,693	2.02		0.00	13,97,51,945
Non-Resident Indian (NRI)	5,332	1,42,87,367	1,42,87,367	0.20	1,42,87,367	0.20		0.00	1,37,69,567
Bodies Corporate	1,475	2,99,28,304	2,99,28,304	0.42	2,99,28,204	0.42		0.00	2,97,80,104

Category of Shareholder	**No. of Shareholders**	**No. of fully paid-up equity shares held**	**Total no. of shares held**	**Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)**	**No. of Voting Rights**	**Total as a % of Total Voting Right**	**No. of Locked in shares**		**No. of equity shares held in dematerialized form**
							No. (a)	**As a % of total Shares held (b)**	
Any Other (specify)	1	100	100	0.00	100	0.00		0.00	100
Sub Total B4	9,19,543	54,92,60,608	54,92,60,608	7.76	54,92,60,508	7.76		0.00	54,32,46,093
B=B1+B2+B3+B4	9,19,661	**95,87,45,586**	**95,87,45,586**	**13.54**	**95,87,45,486**	**13.54**		**0.00**	**95,27,31,071**

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

Shareholding Pattern of the Non Promoter – Non Public shareholder as on June 30, 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 Locked in shares (XII)		Number of equity shares held in dematerialized form (XIV) (Not Applicable)
					No.	As a % of total Shares held	
C1) Custodian/ DR Holder							
Custodian/DR Holder	1	126	126	0.00			126
Subtotal C1	1	126	126	0.00			126
C2) Employee Benefit Trust	0	0		0.00		0.00	0
C=C1+C2	1	126	126	0.00		0.00	126

Note

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

Details of disclosure made by the Trading Members holding 1% or more of the Total Number of shares of our Bank as on June 30, 2024

S. No.	Name of the Trading Member	Name of the Beneficial Owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
-	NIL	NIL	NIL	NIL	NIL

REGULATIONS AND POLICIES

The following description is a summary of some of the relevant regulations and policies as prescribed by the central, state and regulatory bodies in India that are applicable to our Bank and its Subsidiaries. The following description is not meant to be exhaustive, and is only intended to provide general information to the investors on some of the key regulations and policies applicable to us.

*The primary legislation governing banking companies in India is the Banking Regulation Act, 1949 (the "Banking Regulation Act") which applies to public sector banks such as our Bank, only to a limited extent. Sections 34A, 36AD and section 51 of the Banking Regulation Act are applicable to corresponding new banks constituted under the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 ("***Banking Companies Act***"). In turn, section 51 of the Banking Regulation Act makes some of its sections applicable to corresponding new banks. Our Bank, as a corresponding new bank, is governed primarily by the provisions of the Banking Companies Act. The Nationalised Bank Scheme and the Bank Regulations also governs our operations. Other important laws governing banking companies include the Reserve Bank of India Act, 1934, the Negotiable Instruments Act, 1881 the SARFAESI Act, 2002 the Recovery of Debts and Bankruptcy Act, 1993, Foreign Exchange Management Act, 1999. 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.*

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 the 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")

Our Bank is a 'Corresponding New Bank' as defined under the Banking Companies Act, only certain provisions of the Banking Regulation Act is applicable thereto, including in respect of inspection by the RBI, penalties and restrictions on commission and brokerage payable on sale of shares. The RBI can direct a special audit in the interest of depositors or in public interest. The Banking Regulation Act also prescribes certain requirements in relation to financial statements of Banks including our Bank.

Commercial banks in India are required to obtain a license from the RBI to carry on banking business in India 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.

The 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, the RBI has issued various reporting and record-keeping requirements for commercial banks. Further, the appointing, re-appointing, or removing of auditor or auditors of the bank requires prior approval of the RBI, as the Bank is a government company.

We have obtained a banking license since the date of nationalisation through Gazette of India and are regulated and supervised by the RBI as applicable to as a Corresponding New Bank. The RBI requires us to furnish statements, information and certain details relating to our business and it has issued guidelines for commercial banks on recognition of income, classification of assets, valuation of investments, maintenance of capital adequacy and provisioning for non-performing and restructured assets. The RBI has set up a board for financial supervision ("**BFS**"), under the chairmanship of the Governor of the RBI. The primary objective of BFS is to undertake consolidated supervision of the financial sector comprising of *inter alia*, commercial banks, financial institutions and non-banking finance companies. The RBI can direct a special audit in the interest of the bank or the depositors or in the public interest.

The Banking Regulation Act confers power on the RBI (in consultation with the central government) in the public interest or for preventing the affairs of the bank from being conducted in a manner detrimental to the interest of the depositors or any banking company or for securing the proper management of any banking company, to pass orders to supersede the board of directors of a banking company for a period of up to six months, provided that the period of supersession may be extended from time to time, so, however, that the total period shall not exceed 12 months.

During the moratorium, the RBI may prepare a scheme: (i) for the reconstruction of the bank, or (ii) for the amalgamation of the banking company with any other banking institution, if it is satisfied that it is necessary to do so in:

(i) in the public interest; or
(ii) in the interests of the depositors; or
(iii) in order to secure the proper management of the banking company; or
(iv) in the interest of the banking system of the country as a whole.

The abovementioned scheme shall be in accordance with the provisions of the Banking Regulation Act.

When a bank fails to or omits to comply with the provisions of the Banking Regulation Act, the RBI may impose fine within prescribed limits on banks and its officers or punish with imprisonment for the term provided in the law, on the basis of the nature of the violation.

The Banking Regulation (Amendment) Act, 2017 had been promulgated by the President of India with a view to give extensive powers to RBI to issue directions to banks for resolution of stressed assets. The amendment introduced two new sections to the Banking Regulation Act, Section 35AA and Section 35AB which enables RBI to direct banks to commence the insolvency resolution process against the defaulting company under the Insolvency and Bankruptcy Code, 2016 ("**IBC**"). The RBI has also been granted the discretion to set up one or more advisory/supervisory committees to advise banks on resolution of stressed assets.

The Banking Regulation (Amendment) Ordinance, 2020, ("**Ordinance**") was promulgated by the President of India on June 26, 2020. The Ordinance amends the Banking Regulation Act as applicable to Cooperative Banks. It seeks to protect the interests of depositors and strengthen cooperative banks by improving governance and oversight by extending powers already available with RBI in respect of other banks to Co-operative Banks as well for sound banking regulation, and by ensuring professionalism and enabling their access to capital.

The Ordinance also amends Section 45 of the Banking Regulation Act, to enable making of a scheme of reconstruction or amalgamation of a banking company for protecting the interest of the public, depositors and the banking system and for securing its proper management, even without making an order of moratorium, so as to avoid disruption of the financial system.

Bank of Maharashtra (Shares & Meetings) Regulations, 2004 ("Bank of Maharashtra Regulations")

Our Bank is governed by Bank of Maharashtra Regulations which regulates matters including, inter alia, the transfer of shares, issuance of share certificates, voting rights and manner of voting of the shareholders of the Bank. Every shareholder registered on the register of shareholders prior to a general meeting has one vote on show of hand and in case of a poll has one vote for every share held by him. Further, the Bank of Maharashtra Regulations also govern the manner of elections of the Directors on the Board of the Bank. Every shareholder on the register of shareholders, except the Central Government, has the right to elect the Directors from amongst themselves.

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.

Regulations relating to the opening of branches

Under Section 23 of the Banking Regulation Act, banks are required to obtain the prior approval of the RBI to open new branches, in or outside India or to change the existing place of such business, other than a change of existing place within the same city, town or village. Permission is granted based on factors such as overall financial position of the bank, the history of the bank, the general character of its management, the adequacy of its capital structure, its earning prospects and public interest.

The RBI issues instructions and guidelines to banks on branch authorization from time to time, including guidelines allowing banking companies to open new branches, banking outlets, closure, shifting of branches/ ATMs etc. In terms of the Rationalisation of Branch Authorisation Policy - Revision of Guidelines issued by the RBI dated May 18, 2017, domestic scheduled commercial banks may open branches, unless otherwise specifically restricted, in tier 1 to tier 6 centres without prior permission from RBI, subject to the conditions laid down by RBI thereunder.

The RBI has further stipulated that the banks are required to open at least 25 percent of the total number of 'Banking Outlets' opened during a financial year in 'unbanked rural centres' i.e., tier 5 and tier 6 centre that does not have a core banking solution (CBS) enabled 'Banking Outlet' of a scheduled commercial bank, a small finance bank, a payment bank or a regional rural bank nor a branch of local area bank or licensed co-operative bank for carrying out customer based banking transactions, failing which appropriate penal measures, including restrictions on opening of tier 1 branches, may be imposed.

Further, such banks may also shift, merge, or close all branches except rural branches and sole semi-urban branches without prior permission from District Consultative Committee/ District Level Review Committee, subject to certain conditions. Rural branches and sole semi-urban branches can also be closed subject to certain conditions. Further, RBI has permitted installation of onsite/offsite ATMs at centres identified by banks. Further, banks are required to periodically report details of the branches opened/closed/shifted to RBI.

Capital adequacy requirements

RBI had issued guidelines based on the Basel III reforms on capital regulation on May 2, 2012, to the extent applicable to banks operating in India. The Basel III capital regulations were implemented from April 1, 2013 in India in a phased manner and were fully implemented by October 1, 2021, as specified below. Banks have to comply with the regulatory limits and minima as prescribed under Basel III capital regulations on an ongoing basis. The table below summarizes the capital requirements under Basel III guidelines for banks in India:

Sr. No.	Regulatory Capital	As % of Risk Weighted Assets
1.	Minimum Common Equity Tier I Ratio	5.50%
2.	Capital Conservation Buffer (comprised of Common Equity)	2.50%
3.	Minimum Common Equity Tier I Ratio plus Capital Conservation Buffer (1)+(2)	8.00%
4.	Additional Tier I Capital	1.50%
5.	Minimum Tier I Capital Ratio (1)+(4)	7.00%
6.	Tier II Capital	2.00%
7.	Minimum Total Capital Ratio (MTC) (5)+(6)	9.00%
8.	Minimum Total Capital Ratio plus Capital Conservation Buffer (7)+(2)	11.50%

To ensure smooth transition to Basel III, appropriate transitional arrangements 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/2024-25/08 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

The 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, CDR, flexible structuring of existing long term project loans, SDR, change in ownership outside SDR, and S4A have been withdrawn. In addition, the guidelines /framework for joint lenders' forum has 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, the RBI had 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 in respect of accounts with aggregate exposure above a threshold (as listed below) with the lenders. Depending on the aggregate exposure (including fund based and non- fund based) of the borrower towards the lender, the Review Period is required to commence by a specified date, as set out below:

(i) INR 2,000 crore and above – June 7, 2019;

(ii) INR 1500 crore and above but less than INR 2,000 crore – January 1, 2020; and

(iii) Less than INR 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 ("**Additional Provisions**"):

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 ("IBC")

The IBC was enacted and notified in the Gazette of India on May 28, 2016. The IBC covers individuals, companies, limited liability partnerships, partnership firms, proprietorship firms and other legal entities. The IBC has established an Insolvency and Bankruptcy Board of India to function as the regulator for all matters pertaining to insolvency and bankruptcy. The IBC prescribes a time limit of 180 days (extendable by up to a maximum of 90 days) for the insolvency resolution process to be completed ("**IBC Moratorium Period**") during which period the entity shall be revived. During the Moratorium Period, (i) the management of the debtor vests in favour of the resolution professional appointed by National Company Law Tribunal ("**NCLT**"); (ii) no assets of the debtor can be transferred, encumbered; (iii) there can no enforcement of security interest; (iv) no fresh proceedings can be initiated against the debtor and the continuation of pending proceedings are prohibited.

The resolution professional shall invite and verify claims of all creditors of the debtor and constitute a committee of creditors comprising of all creditors whose claims are verified and accepted. Thereafter a resolution plan is prepared for the revival of the entity which shall be approved by majority of the committee of creditors which is then sanctioned by the NCLT. In the event no resolution plan is approved by committee of creditor or the NCLT rejects the resolution plan for non-compliance, the NCLT directs the liquidation of the debtor.

The IBC was recently amended by the Insolvency and Bankruptcy Code (Amendment) Act, 2020 ("**Amendment**"), which received Presidential Assent on March 13, 2020 and is deemed 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, 2019 ("RDB Act")

The DRT Act prescribes the rules for establishment of DRTs, procedure for making application to Debt Recovery Tribunals ("**DRTs**"), powers of DRTs and modes of recovery of debts determined by DRTs, including attachment and sale of movable and immovable properties of defendants, arrest of defendants, defendants' detention in prison and appointment of receivers for management of the movable or immovable properties of defendants.

The DRT Act also provides that a bank or public financial institution, having a claim to recover its debt may join an ongoing proceeding filed by some other bank or public financial institution against its debtor at any stage of the proceedings before the final order is passed by making an application to the DRT. Pursuant to the recovery certificate being issued, the recovery officer of the respective DRT shall effectuate the final orders of the DRT in the application. Unless such final orders of the DRT have been passed with the consent of the parties to an application, an appeal may be filed against such final orders of the DRT before the debt recovery appellate tribunal ("**DRAT**"), which is the appellate authority constituted under the RDB Act.

Further, no court or other authority, except the Supreme Court of India or a high court exercising jurisdiction under Articles 226 and 227 of the Constitution of India, shall have, or is entitled to exercise, any jurisdiction, powers or authority in relation to the aforementioned matter.

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act")

The SARFAES1 Act, read with the Security Interest Enforcement Rules, 2002, as amended, governs securitization of assets in India. Any securitization or reconstruction company may acquire assets of a bank or financial institution by either entering into an agreement with such bank or financial institution for transfer of such assets to the company or by issuing a debenture or bond or other security in the nature of debentures, for consideration, as per such terms and conditions as may be mutually agreed. If a bank or financial institution is a lender in relation to financial assets acquired by the securitization/reconstruction company, such company shall be deemed to be the lender in relation to those financial assets.

The SARFAESI Act provides for sale of financial assets by banks and financial institutions to asset reconstruction companies. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in case of default. The Prudential Norms issued by the RBI describe the process to be followed for sales of financial assets to asset reconstruction companies. The banks may not sell financial assets at a contingent price with an agreement to bear a part of the shortfall on ultimate realisation.

The SARFAESI Act provides for the enforcement of security interest without the intervention of the courts. Under the provisions of the SARFAESI Act, a secured creditor can recover dues from its borrowers by taking any of the measures as provided therein. Rights, with respect to the enforcement of security interest, under the SARFAESI Act cannot be enforced unless the account of the borrower has been classified as an NPA in the books of account of the secured creditor in accordance with the directions or guidelines issued by the RBI or any other applicable regulatory authority.

The secured creditors must serve a 60-days' notice on the borrower demanding repayment of the amount due and specifying the borrower's assets over which the bank proposes to exercise remedies. If the borrower still fails to pay, the secured creditors, on expiry of the 60-days' notice period, can: (i) take possession of the secured assets; (ii) take over the management of the secured assets along with the right to transfer by way of lease, assignment or sale of the secured assets; (iii) appoint any person to manage the secured assets; and (iv) require any person who has acquired any of the secured assets from the borrower to pay amounts necessary to satisfy the debt.

The security interests covered by the SARFAESI Act are security interests over immovable and movable property, existing or future receivables, certain intangible assets (such as know- how, patents, copyrights, trademarks, licenses, franchises) and any debt or any right to receive payment of money, or any receivable, present or future, and in which security interest has been created. Security interests over ships and aircraft, any statutory lien, a pledge of movables, any conditional sale, hire purchase or lease or any other contract in which no security interest is created, rights of unpaid sellers, any property not liable to attachment, security interest for securing repayment of less than ₹ 100,000, agricultural land and any case where the amount due is less than 20% of the principal amount and interest are not enforceable under the SARFAESI Act.

In the event that the secured creditor is unable to recover the entire sum due by exercise of the remedies under the SARFAESI Act in relation to the assets secured, such secured creditor may approach a debt recovery tribunal or the relevant court for the recovery of the balance amounts. A secured creditor may also simultaneously pursue its remedies under the SARFAESI Act as well as a debt recovery tribunal.

The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 ("ESIRDA Amendment Act")

The ESIRDA Amendment Act received Presidential Assent on August 12, 2016. It seeks to amend certain provisions of the SARFAESI, RDB Act, the Indian Stamp Act, 1899 and the Depositories Act, 1996.

The key amendments to the SARFAESI include: (a) Debenture Trustees registered with SEBI have now been included in the definition of 'secured creditor' and can take enforcement action under Section 13 of the SARFAESI, as the remedies under SARFAESI have been extended to apply to listed debt securities. The scope of SARFAESI has been widened to include hire purchase, financial leasing and conditional sale transactions; (b) the process of taking possession over collateral against which a loan has been provided by a secured creditor, with the assistance of the Chief Metropolitan Magistrate or District Magistrate, has been made time-bound, requiring an order to be passed within 30 days from the date of the application by the secured creditor; and (c) amendments in relation to registration of security interest have been introduced, including *inter alia* setting up of a central database to integrate records of security registered under various registration systems.

The key amendments to the RDB Act include (a) Debenture Trustees registered with SEBI can initiate proceedings under the RDB Act regarding defaults in listed debt securities; (b) a bank or a financial institution has now been permitted to take proceedings under the RDB Act before a tribunal in whose jurisdiction where the defaulted account is maintained / located; (c) a defendant, upon service of summons under the RDB act, is restricted from transferring the secured assets or other assets disclosed in the application made by the bank of financial institution without the approval of the tribunal, except in the ordinary course of business; and (d) electronic filing of recovery application, documents and written statements has been introduced.

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 ₹250 million 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, the RBI advised the banks to fix limits on their exposure to specific industry or sectors and has prescribed credit exposure 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**").

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, the 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 interest rates on deposits and advances

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 for all loans linked to that benchmark.

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.

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 three months from the date of such instrument.

Banks have been advised to ensure that systems and procedures are in place to control financial frauds, identify money laundering 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.57/21.01.002/2005-06 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, 2021require 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,whichwas 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 270 and 278.

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 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 July 29, 2024 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 AGM held on June 12, 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 June 12, 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 263.

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 April 26, 2024 and approved by the Shareholders in the AGM held on June 12, 2024. The minimum number of Allottees with respect to a QIP shall at least be:

two, where the issue size is less than or equal to ₹2,500 million; and

five, where the issue size is greater than ₹2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "—*Bid Process—Application Form*" on page 259.

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 September 30, 2024, 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 270. Also see, "*Transfer Restrictions*" on page 278 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 1 and “*Transfer Restrictions*” on page 278 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 **“*Bank of Maharashtra QIP 2024 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 265.

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:

(i) 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;
(ii) Eligible FPIs other than individuals, corporate bodies and family offices;
(iii) Public financial institutions;
(iv) Scheduled commercial banks;
(v) State industrial development corporations;
(vi) Insurance companies registered with IRDAI;
(vii) Provident funds with minimum corpus of ₹250 million;
(viii) Pension funds with minimum corpus of ₹250 million;
(ix) 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;
(x) Insurance funds set up and managed by army, navy or air force of the Union of India;
(xi) Insurance funds set up and managed by the Department of Posts, India; and
(xii) 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 June 30, 2024, the aggregate FPI shareholding in our Bank is 1.20% 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 230.

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 1, 3, 270 and 278, 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 it is subscribing to the Equity Shares in an offshore transaction in reliance on Regulation S and is not our affiliate or a person acting on behalf of such an affiliate.

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 1, 3, 270 and 278, 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	Subodh Gandhi	project.udaan@idbicapital.com	+91 22 2217 1700
Systematix Corporate Services Limited	The Capital, A-Wing No. 603-606, 6th Floor, Plot No. C-70, G-Block, BKC, Bandra (East), Mumbai- 400 051, Maharashtra, India	Jinal Sanghvi/ Mohit Ladkani	udaan@systematixgroup.in	+91 22 6704 8000
Batlivala & Karani Securities India Private Limited	11th Floor, Hallmark Business Plaza Sant Dnyaneshwar Marg, Bandra East, Mumbai 400 051	Devesh Patkar	project.udaan@bksec.com	+ 91 22 4007 6256
Centrum Capital Limited	Level 9, Centrum House, C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai 400098, Maharashtra, India	Sooraj Bhatia/ Pooja Sanghvi	bom.qip@centrum.co.in	+91 22 4215 9000
Emkay Global Financial Services Limited	7th Floor, The Ruby, Senapati Bapat Marg, Dadar (W), Mumbai – 400 028	Pranav Nagar / Pooja Sarvankar	bom.qip@emkayglobal.com	Tel: +91 – 22 – 6612 1212
JM Financial Limited	7th Floor, Cnergy,	Prachee Dhuri	bom.qip@jmfl.com	+ 91 22 6630 3030

Name of BRLM	Address	Contact person	Email	Phone
	Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025			
Motilal Oswal Investment Advisors Limited	Motilal Oswal Tower, Rahimtullah, Sayani Road, Opposite Parel S.T. Depot, Prabhadevi Mumbai-400025, Maharashtra, India	Sankita Ajinkya/ Rohan Aerande	bomh.qip@motilaloswal.com	+91 22 7193 4380

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 "***Bank of Maharashtra QIP 2024 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 "***Bank of Maharashtra QIP 2024 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 265.

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 AGM held on June 12, 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 AGM held on June 12, 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 Issue Committee of the Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the Book Running Lead Managers.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section titled "*Notice to Investors*" on page 1 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

Placement Agreement

The Book Running Lead Managers have entered into a placement agreement with the Bank dated September 30, 2024 (the "**Placement Agreement**"), pursuant to which the Book Running Lead Managers have agreed to manage the Issue and act as placement agents in connection with the proposed Issue and procure subscriptions for the Equity Shares on a reasonable efforts basis pursuant to Chapter VI of SEBI ICDR Regulations.

The Placement Agreement contains customary representations, warranties and indemnities from the Bank and it is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with RoC and, no Equity Shares issued pursuant to the Issue will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

In connection with the Issue, the Book Running Lead Managers (or their affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may subscribe to Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. See "*Offshore Derivative Instruments*" on page 9.

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. Accordingly, the Equity Shares 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.

The Book Running Lead Managers and their respective affiliates may engage in transactions with and perform services for the Bank and/or its Subsidiary and/or Associate in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with the Bank and/or Subsidiary and/or Associate, for which they have received compensation and may in the future receive compensation.

Lock-up

Under the Placement Agreement, the Bank will not, for a period commencing the date hereof and ending 90 days from the Closing Date, without the prior written consent of the Book Running Lead Managers, directly or indirectly:

(a) issue, offer, lend, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing;

(b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares;

(c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe to or purchase Equity Shares or which carry the right to subscribe to or purchase Equity Shares in depository receipt facilities or enter into any such transactions (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or

(d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise,

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 that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Bank or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations, The Banking Companies Act, The Banking Regulation Act, 1949, As Amended (The "Banking Regulation Act"), Bank of India (Shares And Meetings) Regulations, 2007, As Amended (The "Bank Of India Regulations") And The Nationalised Banks (Management And Miscellaneous Provisions) Scheme, 1970 and the rules made thereunder.

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 an offer is strictly on a private and confidential basis and is limited to eligible QIBs and is not an offer to the public. 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" 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 Company 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.

British Virgin Islands

The Equity Shares are not being and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on our behalf. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) (each a "BVI Company"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

This Preliminary Placement Document has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered document has been or will be prepared in respect of the Equity Shares for the purposes of the Securities and Investment Business Act, 2010 or the Public Issuers Code of the British Virgin Islands.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Act (the "SIBA"), high net worth persons (as defined in the SIBA) or otherwise in accordance with the SIBA. This Preliminary Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

People's Republic of China

This Preliminary Placement Document may not be circulated or distributed in the People's Republic of China (excluding, for the purposes of this paragraph, the Hong Kong and Macau Special Administrative Regions and Taiwan Province) and the Equity Shares may not be offered or sold directly or indirectly to any resident of the People's Republic of China, or offered or sold to any person for reoffering or re-sale directly or indirectly to any resident of the People's Republic of China.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the Company may make an offer to the public in that Relevant State of any Equity Shares at any time:

1. to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

2.to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the placement agent for any such offer; or

3. in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

Provided that no such offer of the Equity Shares shall require the Company or placement agent to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 and includes any delegated regulations.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO.

No advertisement, invitation or document relating to the Equity Shares has been or will be issued for the purposes of the issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong

Kong), other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act (Act No. 25 of 1948 as amended) of Japan (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949 as amended) of Japan (a "**Japanese Resident)** or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

In an offering of Equity Shares in Japan or to, or for the benefit of, a Japanese Resident, if an offeree does not fall under a "qualified institutional investor" (*tekikaku kikan toshika*), as defined in Article 2, Paragraph 3, Item 1 of the FIEA and Article 10, Paragraph 1 of the Cabinet Office Order on Definitions under Article 2 of the Financial Instruments and Exchange Act (Order of the Ministry of Finance No. 14 of 1993) of Japan (a "**Qualified Institutional Investor**"), Equity Shares will be offered to such offeree by a private placement to small number of investors (*shoninzu muke kan'yu*), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

In an offering of Equity Shares in Japan or to, or for the benefit of, a Japanese Resident, if an offeree falls under a Qualified Institutional Investor, Equity Shares will be offered to such offeree by a private placement to Qualified Institutional Investors (*tekikaku kikan toshika muke kan'yu*), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe for any Equity Shares, such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring any of such Equity Shares other than to another Qualified Institutional Investor.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), provided that the net value of the primary residence of the individual (with his or her spouse) contribute not more than RM1 million of the total net assets; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Preliminary Placement Document is subject to Malaysian laws. This Preliminary Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Preliminary Placement Document nor any offering material or information contained herein relating to the offer of the Equity Shares may be released or offered to the public in Mauritius or used in connection with any such offer. This Preliminary Placement Document does not constitute an offer to sell the Equity Shares to the public in Mauritius and is not a prospectus as defined under the Securities Act 2005.

The Mauritius Financial Services Commission (the "**FSC**") does not assume any responsibility for the contents of this Preliminary Placement Document and makes no representation as to the accuracy or completeness of any of the statements made or opinions expressed in this Preliminary Placement Document and expressly disclaimsany liability whatsoever for any loss arising from or in reliance upon the whole or any part thereof. The FSC does not vouch for the financial soundness of the Issuer or for the correctness of any statements made or opinions expressed with regard to it.

Sultanate of Oman

The information contained in this Preliminary Placement Document does not constitute an offer of securities in Oman as contemplated by the Commercial Companies Law (Royal Decree 18/2019) or the Securities Law (Royal Decree 46/2022) or the Executive Regulations of the Capital Market Law (Decision No. 1/2009, as amended) or an offer to sell or the solicitation of any offer to buy non-Omani securities in Oman.

This Preliminary Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Oman Capital Market Authority ("**CMA**") (or its successor, the Financial Services Authority ("**FSA**"), and any reference to the CMA shall include the reference to the FSA in accordance with Royal Decree 20/2024) and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA (or any successor entity thereof, such as the FSA). The offering and sale of Equity Shares described in the Preliminary Placement Document will not take place inside Oman. The Preliminary Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any person other than the intended recipient hereof.

Additionally, this Preliminary Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

The CMA (or any successor entity thereof, such as the FSA) takes no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document or for the performance of the Company with respect to the Equity Shares, nor shall it have any liability to any person for damage or loss resulting from reliance on any statement or information contained herein.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares 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 securities in the State of Qatar.

By receiving this 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, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor the Lead Manager are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory 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 Equity Shares 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. The persons representing the Lead Manager are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. 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

Nothing in this Preliminary Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Preliminary Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licenced by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Preliminary Placement Document is strictly private and confidential. This Preliminary Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

Singapore

This Issue is made in reliance on the exemption under sections 274 and 275(1) and (1A) of the Securities and Futures Act 2001, of Singapore as modified and amended from time to time (the "**SFA**"). It is not made in or accompanied by a prospectus that is registered by the Monetary Authority of Singapore (the "**MAS**"). This

Preliminary Placement Document has not been registered as a prospectus with the MAS. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Equity Shares, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA, or (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA.

It is a condition of the Issue that where the Equity Shares are subscribed for or acquired pursuant to an offer made in reliance on sections 274 or 275 of the SFA by a relevant person which is:

(i) 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

(ii) 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,

securities or securities-based derivatives contracts (each term as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six (6) months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person defined in section 275(2) of the SFA, or (in the case of such corporation) where the transfer arises from an offer referred to in section 276(3)(c)(ii) of the SFA or (incase of a trust) where the transfer arises from an offer referred to in section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and are not and will not be listed or admitted to trading on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading venue in Switzerland. Neither this Preliminary Placement Document, any other offering or marketing material relating to the Equity Shares offered hereby nor this Issue constitutes or fulfils the requirements of a prospectus in accordance with Articles 35 et seq. of the Swiss Financial Services Act of 15 June 2018, as amended ("**FinSA**") and Articles 43 et seq. of the underlying regulations of the Swiss Financial Services Ordinance of 6 November 2019, as amended ("**FinSO**") or in accordance with Articles 27 et seq. of the SIX Listing Rules of 23 August 2023, as amended ("**SIX Listing Rules**") or the respective listing rules of any other stock exchange or regulated trading venue in Switzerland. Neither this Preliminary Placement Document, any other offering or marketing material relating to the Equity Shares offered hereby nor this Issue may be distributed, directly or indirectly, or otherwise made available in or into Switzerland in a manner which would require the publication of a prospectus in accordance with the regulations of the FinSA and the FinSO.

Neither this Preliminary Placement Document, any other offering or marketing material relating to the Equity Shares offered hereby, this Issue nor the Issuer have been or will be filed with or reviewed by a prospectus review body licensed by the Swiss Financial Market Supervisory Authority ("**FINMA**"). In particular, this Issue is not and will not be supervised by, the FINMA, and is not and will not be authorized in accordance with the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended ("**CISA**"). Accordingly, no such protection is provided. In particular, the investor protection afforded to acquirers of interests in collective investment schemes within the meaning of the CISA does not extend to acquirers of the Equity Shares.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Preliminary Placement Document does not constitute or contain an offer of securities to the general public in the United Arab Emirates (the "**UAE**"). No offering, marketing, promotion, advertising or distribution (together, "**Promotion**") of this Preliminary Placement Document or the Equity Shares may be made to the general public in 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' Decision No. (13/R.M) of 2021 (the "**Rulebook**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted under one of the exemptions from licensing set out in the Rulebook or otherwise in accordance with the laws and regulations of the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this Preliminary Placement Document nor does any such entity accept any liability for the contents of this Preliminary Placement Document.

Dubai International Financial Centre

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module of the DFSA Rulebook. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/ or subject to restrictions on their resale. Prospective purchasers of the securities offered may be required to bear the financial risks of this investment for an indefinite period of time and should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorized financial advisor. In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

United Kingdom

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 has been approved by the FCA, except that the Equity Shares may be offered to the public in the United Kingdom at any time:

1. to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
2. 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 Lead Manager for any such offer: or
3. in any other circumstances falling within Section 86 of the FSMA.

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 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 (as amended).

United States

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 U.S. state securities laws. Accordingly, the Equity Shares 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 jurisdictions where those offers and sales are made. For further information, see "*Representations By Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 3, 270 and 278 respectively.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 270.

Purchaser Representations and Transfer 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 and will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Preliminary Placement Document) which may be applicable in its jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Equity Shares, and it acknowledges and agrees that none of our Company or the Book Running Lead Manager and its respective affiliates shall have any responsibility in this regard.

- 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 "offshore transactions" as defined in, and in compliance with, 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 and 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, (ii) such customer is located outside the United States (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- 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 and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) 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 or any state securities laws in the United States 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 in compliance with the U.S. Securities Act and other applicable securities laws 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, in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.

- 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 our Company or the Book Running Lead Manager 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) is 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, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. 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 is seeking to subscribe to the Equity Shares in this Issue for its own investment and not with a view to distribution. 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 Company and the Book Running Lead Manager 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 Company or the Book Running Lead Manager 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 Company.

If such person is a dealer (as such term is defined under the U.S. Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. It acknowledges that our Company and the Book Running Lead Manager and its respective 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 our Company and the Book Running Lead Manager. 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 our Company, 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 our Company 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 websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Bank or the Book Running Lead Managers or any of their affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SECC Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, protect the interests of investors in securities, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buybacks of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of a company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognised stock exchange.

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, at 10%, 15% and 20%. The Stock Exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the CNX NIFTY of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of up to 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available. The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, BSE is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005, BSE was incorporated as a company under the Companies Act, 1956 in 2005. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Hours

Trading on both NSE and BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE On-line Trading (or "**BOLT**") facility in 1995. This totally automated screen-based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform BOLT Plus.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading (or "**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

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

SEBI had earlier notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 to prohibit and penalise insider trading in India. The regulations, among other things, prohibited an 'insider' from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("UPSI").

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the regulations of 1992. The SEBI Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

Initial disclosures are required from promoters, key managerial personnel, directors as well as continual disclosures by every promoter, employee or director in case value of trade exceed monetary threshold of 10 lakh rupees over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI 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 SEBI.

DESCRIPTION OF THE EQUITY SHARES

Set forth below are some of the relevant regulations applicable and with respect to the Equity Shares of our Bank. Our Bank was constituted as a "corresponding new bank" in 1969 under the provisions of our Banking Companies Act. The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 was made by S.O. 3793 dated November 16, 1970 by the Central Government in consultation with the Reserve Bank of India in exercise of the powers conferred by section 9 of the Banking Companies Act. The Banking Companies Act amended section 34A, 35AA, 35AB, 36AD and section 51 of the Banking Regulation Act, 1949 and made these sections applicable to corresponding new banks constituted under the Banking Companies Act. Our Bank follows the RBI Dividend Circular in relation to declaration of dividends.

General

The authorized share capital of our Bank is ₹100,000.00 million consisting 10,000.00 million equity shares of ₹10 each.

As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up share capital of our Bank is ₹70,81,37,36,390 divided into 708,13,73,639 Equity Shares. The Equity Shares are listed on NSE and BSE.

Capital

The shares of our Bank are movable property, transferable in the manner provided under the Bank of Maharashtra Regulations. Our Bank is permitted to raise capital by public issue or preferential allotment or private placement of equity shares or preference shares in accordance with provisions of the Banking Companies Act. Our Bank is required to formulate a proposal to raise capital in accordance with the guidelines, rules or regulations of the SEBI, relating to raising of such capital. In accordance with the Bank of Maharashtra Regulations, our Bank is required to submit the proposal to the RBI and consider the views of the RBI before finalizing the proposal. Further, the final proposal is required to be submitted to the Government for its sanction and the Government may grant sanction subject to such terms and conditions as it may deem fit.

Register of Shareholders

Our Bank is required to keep, maintain and update share register of its shareholders, the particulars required to be entered in the share register shall be maintained in the form of data stored in magnetic / optical / magneto-optical media by way of diskettes, floppies, cartridges or otherwise in computers to be maintained at the Head Office and the back-up at such location as may be decided from time to time by the chairman and managing director or any other official not below the rank of a general manager designated in this behalf by the chairman and managing director. The register of the beneficial owners is maintained by a depository under Section 11 of the Depositories Act, 1996 shall be maintained in the electronic form in a manner and form prescribed therein. Our Bank is required to maintain the register in electronic format subject to safeguards stipulated for securing electronic records under in the Information Technology Act, 2000, as amended.

Share Certificate

Each share certificate in respect of shares of the Bank is required to bear share certificate number, a distinctive number, the number of shares in respect of which it is issued and the name of the shareholder to whom it is issued should be in such form as may be specified by the Board. Every share certificate should be issued under the common seal of the Bank in pursuance of a resolution of the Board and it should be signed by two directors and some other officer not below the rank of scale II or the company secretary authorised by the Bank.

The signature of the authorised persons may be printed, engraved, lithographed or impressed by such other mechanical process as the Board may direct. No share certificate is valid unless and until it is so signed. Share certificate so signed will be valid and binding notwithstanding that, before the issue thereof, any person whose signature appears thereon may have ceased to be a person authorised to sign share certificates on the behalf of the Bank. The shares are also held in demat form.

Issue of Share Certificates

Under the provisions of the Bank of Maharashtra Regulations, a shareholder who has been registered as a shareholder shall be entitled to one certificate for each hundred shares or multiples thereof registered in his name on any one occasion and one additional share certificate for the number of shares in excess thereof but less than hundred. Further, if the number of shares to be registered is less than hundred, one certificate shall be issued for all the shares. Further, in the case of shares held jointly by several persons, delivery of such certificate to one of several joint holders shall be sufficient delivery to all such holders.

Transfer of Shares

Upon receipt by the Bank of an instrument of transfer along with a share certificate with a request to register the transfer, the Board or the Committee designated by the Board shall forward the said instrument of transfer along with share certificate to the Registrar or Share Transfer Agent for the purposes of verification that the technical requirements are complied within their entirety.

The Registrar or Share Transfer Agent shall return the instrument of transfer along with the share certificate, if any, to the transferee for resubmission unless the instrument of transfer is presented to the bank, duly stamped and properly executed for registration and is accompanied by the certificate of the shares to which it relates and such other evidence as the Board may require to show the title of the transferor to make such transfer.

Transmission of shares in the event of death, insolvency, etc.

The executors or administrators of a deceased shareholder in respect of a share, or the holder of letter of probate or letters of administration with or without the will annexed or a succession certificate issued under Part X of the Indian Succession Act, 1925, or the holder of any legal representation or a person in whose favour a valid, instrument of transfer was executed by the deceased sole holder during the latter’s lifetime shall be the only person who may be recognised by our Bank as having any title to such share.

In the case of shares registered in the name of two or more Shareholders, the survivor or survivors and on the death of the last survivor, his executors or administrators or any person who is the holder of letters of probate or letters of administration with or without will annexed or a succession certificate or any other legal representation in respect of such survivor’s interest in the share or a person in whose favour a valid instrument of transfer of share was executed by such person and such last survivor during the latter’s lifetime, shall be the only person who may be recognised by our Bank as having any title to such share.

Our Bank shall not be bound to recognise such executors or administrators unless they shall have obtained probate or letters of administration or succession certificate, as the case may be, from a court of competent jurisdiction.

Any such person becoming entitled to share/s in consequence of death of a shareholder and any person becoming entitled to share/s in consequence of the insolvency, bankruptcy or liquidation of a shareholder shall upon production of such evidence, as the Board may require, have the right: (a) to be registered as a shareholder in respect of such share/s; (b) to make such transfer of share/s as the person from whom the derives title could have made.

Forfeiture of shares

The notice of forfeiture shall name a day not being less than fourteen days from the date of notice and the place or places on and at which such call or instalment or such part or other monies and such interest and expenses are to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the share in respect of which the call was made or instalment is payable will be liable to be forfeited.

Call on shares

The Board may, from time to time, make such calls as it thinks fit upon the shareholders in respect of all monies remaining unpaid on the shares held by them, which are by the conditions of allotment not made payable at fixed times, and each shareholder shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board. A call may be payable by the installments.

Meeting of Shareholders

There are two types of general meetings of shareholders: annual general meetings and extraordinary general meetings. For convening an annual general meeting, a notice signed by the chairman and the managing director or the executive director or any officer not the below scale VII or the company secretary of the Bank, should be published at least 21 (twenty-one) clear days before the meeting in not less than two daily newspapers having wide circulation in India. Every such notice is required to state the time, date and place of such meeting, and also the business that should be transacted at that meeting.

An extraordinary general meeting of shareholders can be convened by the chairman and managing director or in their absence by the Executive Director or in their absence by any one of the other Directors, if so directed by the Board, or on a requisition for such a meeting having been received either from the Government or from other shareholders holding an aggregate of shares carrying not less than 10.00% of the total voting rights of all the shareholders.

The requisition should state the purpose for which such extraordinary general meeting is required to be convened. The time, date and place of an extraordinary general meeting shall be decided by the Board, provided that an extraordinary general meeting convened on requisition by other shareholders will be convened not later than forty-five days of the receipt of the requisition.

No business can be transacted at any meeting of the shareholders unless a quorum of at least five shareholders entitled to vote at such meeting in person are present at the commencement of such business. If within half an hour from the time appointed for holding the meeting, a quorum is not present, in the case of a meeting called by a requisition of shareholders other than the Central Government, the meeting shall stand dissolved.

In any other case, if a quorum is not present within half an hour from the time of meeting was scheduled to be conducted, the meeting shall stand adjourned to the same day in the next week, at the same time and the place or to such other day and such other time and place as the chairman may determine. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the shareholders who are present in person or by proxy or by duly authorized representative at such adjourned meeting shall be quorum and may transact the business for which the meeting was called.

Voting rights of shareholders

At any general meeting, a resolution put to the vote of the meeting shall, unless a poll is demanded be decided on a show of hands. Every matter submitted to a general meeting shall be decided by a majority of votes. Unless a poll is demanded, a declaration by the Chairman of the meeting that a resolution on show of hands has or has, not been carried, either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings, shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of, or against, such resolution. The decision of the chairmen of the meeting as to the qualification of any person to vote, and also in the case of poll, as to the number of votes any person is competent to exercise shall be final.

Right to elect Directors

A director, under Regulation 63 of the Bank of Maharashtra Regulations, is to be elected by the shareholders on the register, other than the Government, from amongst themselves in a general meeting of our Bank. Where an election of a director is to be held at any general meeting, the notice thereof should be included in the notice convening the meeting. Every such notice should specify the number of directors to be elected and the particulars of vacancies in respect of which the election is to be held.

Declaration of Dividend

As per the RBI Dividend Circular, our Bank can declare dividends only if our Bank has a (i) CRAR of at least 9.00% for the preceding two completed years and the accounting year for which it proposes to declare a dividend; and (ii) net NPA less than 7.00%. In case our Bank does not meet the said CRAR norm, but has a CRAR of at least 9.00% for the accounting year for which it proposes to declare dividend, it would be eligible to declare dividend provided its net NPA ratio is less than 5.00%.

As per the letter dated April 13, 2010, the MoF has directed all public sector banks, including our Bank, to pay a minimum of 20.00% of their equity or 20.00% of their post-tax profits, whichever is higher for the fiscal year 2010.

Our Bank is required to comply with certain provisions of the Banking Regulation Act including Section 15; Section 10(7) of the Banking Companies Act and the prevailing regulations / guidelines issued by the RBI, including creating adequate provisions for impairment of assets and staff retirement benefits, transfer of profits to statutory reserves. See, "*Dividend Policy*" on page 85. The proposed dividend should be paid out of the current year’s profit. Also, the RBI should not have placed any explicit restrictions on our Bank for declaration of dividends. The rate of dividend shall be determined by our Board.

M/s. Kirtane & Pandit LLP
Chartered Accountants,
5th. Floor, Wing A,
Gopal House,
Kothrud, Pune- 411 038

M/s. Sundaram & Srinivasan
Chartered Accountants,
23, CP Ramaswamy Road,
Alwarpet, Chennai-600 018

M/s. G D Apte & Co.
Chartered Accountants,
D-509, Neelkanth Business Park, Nathani Rd, Vidhya Vihar West,
Mumbai 400086.

TAXATION

Date: Sep 26, 2024

To,

Board of Directors
Bank of Maharashtra
Lokmangal, 1501, Shivajinagar,
Pune- 411 005
Maharashtra, India

IDBI Capital Markets & Securities Limited
6th Floor, IDBI Tower,
WTC Complex
Cuffe Parade, Mumbai 400 005,
Maharashtra, India

Batlivala & Karani Securities India Private Limited
11th Floor, Hallmark Business Plaza,
Sant Dnyaneshwar Marg,
Bandra (East), Mumbai 400051
Maharashtra, India

Centrum Capital Limited
Level 9, Centrum House,
C.S.T. Road, Vidyanagari Marg,
Kalina, Santacruz (East),
Mumbai – 400 098
Maharashtra, India

Emkay Global Financial Services Limited
7th Floor, The Ruby, Senapati Bapat Marg,
Dadar (West), Mumbai – 400 028
Maharashtra, India

JM Financial Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400025,
Maharashtra, India

Motilal Oswal Investment Advisors Limited
Motilal Oswal Tower,
Rahimtullah Sayani Road,
Opposite Parel ST Depot, Prabhadevi,
Mumbai- 400 025, Maharashtra, India

Systematix Corporate Services Limited
The Capital, A-Wing, No. 603-606,
6th Floor, Plot No. C-70,
G-Block, Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051
Maharashtra, India

(together with any other book running lead managers appointed for the Issue, collectively 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 Bank of Maharashtra (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, M/s. Kirtane & Pandit LLP, Chartered Accountants, Firm Registration Number: 105215W/W100057, M/s. Sundaram & Srinivasan, Chartered Accountants, Firm Registration Number: 004207S, M/s. G D Apte & Co., Chartered Accountants, Firm Registration Number: 100515W (hereinafter collectively referred as "**Statutory Central Auditors**") hereby report the possible tax benefits available to the Bank, its material subsidiaries 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 for the financial year ended March 31, 2025 and relevant to the assessment year 2025-26, presently in force in India and under indirect taxation laws presently in force in India ("**Tax Laws**"), in the enclosed statement at **Annexure A**.

This certificate has been issued at the request of the of the Bank in connection with the issue and in accordance with our engagement letter dated XX and arrangement letter dated XX.

The management of the Bank is responsible for ensuring that the Bank complies with the requirements of the SEBI ICDR Regulations and provides all relevant information to National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") (together, the "Stock Exchanges") as may be required under the applicable law.

The Bank's management is also responsible for reviewing the tax law and applicable regulations prevailing as on the date of this certificate, compute possible tax benefits available to the Bank and its shareholders under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended applicable for the financial year 2024 -25 relevant to the assessment year 2025-26 .

The preparation of the information contained in the Annexure A in connection with the Placement is the responsibility of the management of the Bank. The completeness of the details furnished to us is the sole responsibility of the Bank's management and we have relied solely on the data furnished by the Bank for the same.

The management of the Bank is responsible for maintenance of relevant documents in terms of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations"). The Management of the Bank is also responsible for the design, implementation and maintenance of internal financial control in addition to ensuring compliance with the requirements of SEBI ICDR Regulations, the Companies Act, 2013 and the Rules thereunder, for the purpose of furnishing the information contained in the table below and for providing all relevant information to the Stock Exchanges.

It is our responsibility to certify whether a statement on possible tax benefits presents, the possible benefits available to the Bank and its shareholders under direct and indirect tax laws as certified by the Bank's management.

We do not express any opinion or provide any assurance as to whether:

i) the Bank or its material subsidiaries 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 have issued this certificate 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') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Based on our engagement procedure performed as mentioned above,

We hereby certify that our certificate is based on the understanding of the law and applicable regulations prevailing as on the date of this certificate. Any change or amendment in the law would necessitate a review of our certificate based on Bank's request. Unless specifically requested, we have no responsibility to carry out any review of our certificate for change in law occurring after the date of issue of the certificate.

We confirm that the information above is true, fair and is free from material misstatements including there are no material omissions.
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.

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.

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.

The aforesaid information contained herein and in **Annexure A** can be relied upon by the BRLMs and Legal Counsels appointed pursuant to the Issue and can be submitted to the Stock Exchanges, Securities and Exchange Board of India, and any other regulatory or statutory authority in respect of the Issue and for the records to be maintained by the BRLMs in connection with the Issue.

We undertake to inform in writing to the BRLMs and Legal Counsels in case of any changes to the above until the date when the Equity Shares issued pursuant to the Issue commence trading on the 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 with information to the auditors.

Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Placement Documents.

Restriction on Distribution and Use

This report is provided solely in connection with the purpose mentioned above, and should not be used, referred to or distributed for any other purposes or to any third party, without our prior written consent which shall not be unreasonably withheld. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. Further this certificate can be used, in full or part, in documents or materials in relation to the Issue.

Signed by the Statutory Central Auditors of the Bank

For M/s. Kirtane & Pandit LLP Chartered Accountants	For M/s. Sundaram & Srinivasan Chartered Accountants	For M/s. G D Apte & co. Chartered Accountants
FRN- 105215W/W100057	FRN- 004207S	FRN- 100515W
CA Akshay B. Purandare	CA Ramkumar S.	CA S B Rashinkar
Partner	Partner	Partner
M No: 141984	M No: 238820	M No: 103483
Date: Sep 26,2024	Date: Sep 26,2024	Date: Sep 26,2024
UDIN: 24141984BKAFDL6988	UDIN: 24238820BKERMY9471	UDIN: 4103483BKDZUW7262

CC:

Legal Counsel to BRLMs as to Indian Law

Dentons Link Legal
Aiwan-e-Ghalib Complex,
Mata Sundri Lane,
New Delhi 110 002, India

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

(“Dentons Link Legal” and “Crawford Bayley & Co.” collectively referred to as “**Legal Counsels**”)

Annexure A

THE STATEMENT OF TAX BENEFITS AVAILABLE TO THE BANK AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The information provided below sets out the possible tax benefits available to the shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the Equity Shares, under the current tax laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of any shareholder to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultants and advisors with respect to the tax implications of an investment in the Equity Shares, particularly in view of certain recently enacted legislation which may not have a direct legal precedent or may have a different interpretation on the benefits which can be availed. 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.

The law stated below is as per the Income Tax Act, 1961 (the "Act") as amended by the Finance Act, 2024 and other amendments as on date of report.

LIMITATION

Our views expressed in the statement enclosed 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 responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the Offer relying on the statement. This statement has been prepared solely in connection with the Offer under the Regulations as amended.

A. Income Tax Act, 1961 (the "Act")

A. TAX BENEFIT TO THE BANK

1. 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.

2. As per Section 94(7) of the Act, losses arising from the sale/ transfer/redemption of units or securities purchased within three months prior to the record date (for entitlement to receive income) and sold the securities within three months or sold the units within a period of nine month from the record date, will be disallowed to the extent such loss does not exceed the amount of income claimed exempt. Under Section 94(8) of the Act, losses arising from sale/ transfer of units of mutual funds, where such units are purchased within three months prior to the record date, additional units are allotted without payment based on holdings on such date and all or any units initially purchased are sold within nine months from the record date while continuing to hold all or any additional units, will be ignored for computing chargeable income. Such loss ignored will be considered as the cost of acquisition of the additional units held on the date of sale/transfer.

3. Under Section 36(1)(vii) of the Act, any bad debt or part thereof written off as irrecoverable in the accounts of the Bank is allowable as a deduction, subject to the provisions of section 36(2)of the Act. The deduction of bad debts is limited to the amount, by which such bad debts or part thereof, exceeds the credit balance in the provision for bad and doubtful debts account made under Section 36(1)(viia) of the Act.

If the amount subsequently recovered in respect of such written off debt or part thereof, which was allowed as deduction u/s 36(1)(vii) of the Act, the recovery shall be deemed to be profit and gain of business or profession and accordingly chargeable to tax in accordance with Section 41(4) of the Act in the year in which it is recovered.

4. Under Section 36(1)(viia) of the Act, a deduction is allowable in respect of any provision made for bad and doubtful debts, by an amount not exceeding 8.5% of total income (computed before making any deduction under this Clause and Chapter VIA) and an amount not exceeding 10% of the aggregate average advances made by rural branches of the Bank computed in the prescribed manner.

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 eligible business of long term finance as defined in the said section. 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

6. Under Section 36(1)(xv) of the Act, 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".

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 of the Act.

8. Under Section 47(xv) of the Act, no capital gain is chargeable on any transfer in a scheme of lending of any securities under an agreement or arrangement, which the assessee has entered into with the borrower of such securities and which is subjected to the guidelines issued by the Securities and Exchange Board of India or Reserve Bank of India, in this regard.

9. As per provisions of Section 72 of the Act, the Bank is entitled to carry forward business losses that cannot be set off against permitted sources of income in the relevant assessment year, for a period of 8 consecutive assessment years immediately succeeding the assessment year in which 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.

10. Under Section 74 of the Act, 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.

11. The Bank has exercised the option under section 115BAA so as to avail the reduced rate of tax. The applicable rate of tax payable by the bank has been reduced to 22% + applicable surcharge & Cess as

against the general rate of 30% + applicable surcharge & Cess subject to fulfilment of the conditions specified in the said section. Since the bank has exercised the option u/s 115BAA, it is not liable to compute and pay Minimum Alternate Tax u/s 115JB.

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. From the FY 2020-21, the provisions relating to taxability of dividend are as under:

   a) Dividend income from equity shares has been made taxable in the hands of shareholders at the applicable tax rates and the domestic company declaring / distributing / paying such dividends is no longer required to pay any DDT u/s 115O of the Act

   b) A deduction of expenses u/s 57 of the Act shall be allowed against such dividend income only in respect of interest expense up to a maximum of 20% of such dividend

   c) The domestic company declaring / distributing / paying dividends shall be liable to withhold taxes at 10% on dividend income paid to resident shareholders in terms of section 194 of the Act. The aggregate threshold of Rs 5,000/- in a financial year applies in case of dividend income payable to a resident individual shareholder.

3. 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 sock-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.

   As per section 112A(4) of the Act read with Notification No 60/2018 dated October 1, 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of STT:

   a) Share acquisitions under taken prior to October 1, 2004

   b) Share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

The benefit of indexation under the second provision to the Section 48 of the Act shall not be applicable for computing long term capital gains taxable u/s 112A of the Act. As per section 55(2) (ac) of the Act cost of acquisition of equity shares (referred in aforesaid Section 112A of the Act) acquired prior to February 1, 2018, shall be higher of :-

a) Cost of acquisition; and

b) Lower of :-

i. The fair market value of asset (As defined in Explanation to Section 55(2)(ac)of the Act; and

ii. The full value of consideration received or accruing as a result of transfer of the capital assets, for the purpose of this section, in case of listed equity shares, the FMV shall be the highest price quoted on a recognized stock exchange on January 31, 2018.

5. Under section 112 of the Act, long-term capital gains are subject to tax at a rate of 12.5% (plus applicable surcharge and cess).

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) of the Act 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 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.

8. The rate of surcharge on capital gains u/s 111A and u/s 112A of the Act arising on sale of equity shares for all taxpayers will not exceed 15% on the income-tax.

9. 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.

10. As per Section 70 read with Section 74 of the Act short term capital loss arising during a year is allowed to be se-off against short term capital gains as well as long term capital gains. Balance loss, if any shall be carried forward and set-off against any capital gains (short term capital gains or long term capital gains) arising during subsequent eight assessment years. As per Section 70 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be setoff only against long term capital gains. Balance loss, if any shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years. As per Section 71 of the Act short term capital loss or long term capital loss for the year cannot be set-off against income under any other head for the same year.

11. 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 Busines or Profession” 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.

12. Section 56(2)(x)(c) of the Act provides that, subject to exception provided therein, if any person receives inadequate consideration, the following shall be treated as ‘Income from Other sources’ in the hands of any person, any property, including, inter alia, shares of a company, without consideration or for 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 various properties

13. 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+

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”) and the country of tax residence of the nonresident 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. From the FY 2020- 21, the provisions relating to taxability of dividend are as under:

    a) Dividend income from equity shares has been made taxable in the hands of shareholders at the applicable tax rates and the domestic company declaring/distributing/paying such dividends is no longer required to pay any DDT u/s. 115-O of the Act.

    b) A deduction of expenses u/s. 57 of the Act shall be allowed against such dividend income only in respect of interest expense up to a maximum of 20% of such dividend.

    c) The domestic company declaring/distributing/paying dividends shall be liable to withhold taxes at the rates in force on dividend income paid to non-resident shareholders. Thus, the non-resident shareholders are liable to tax on dividend income received from domestic company u/s. 115Aof the Act at 20% of gross dividend income (plus applicable surcharge and cess) subject to the provisions of the relevant DTAA read with the MLI (wherever applicable).

3. Income arising from transfer of shares held for more than 12 months and subject to STT, shall be considered as long-term capital assets. Assets not considered as long-term capital assets shall be considered as short- term capital assets. The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. The Central Board of Direct Taxes (CBDT) in a circular has clarified that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as "Capital Gains" unless the shareholder itself treats these as its Stock -in-trade and income arising from transfer thereof as its business income.

4. Section 112A of the Act provides for concessional rate of 12.5% (plus applicable surcharge and cess) on long term capital gains (exceeding ₹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 transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

   As per section 112A(4) of the Act read with Notification No 60/2018 dated October 1, 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of payment of STT:

   a) Share acquisitions undertaken prior to October 1, 2004

   b) Share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

   The benefit of indexation under the second proviso to Section 48 of the Act shall not be applicable for computing long term capital gains taxable u/s. 112A of the Act. As per section 55(2)(ac) of the Act cost of acquisition of equity shares (referred in aforesaid Section 112A of the Act) acquired prior to February 1, 2018, shall be higher of

   a) Cost of acquisition of asset; and

   b) Lower of

   (I) The fair market value of the asset as defined in Explanation to Section 55(2)(ac)of the Act; and (II) The full value of consideration received or accruing as a result of transfer of the capital asset. For the purpose of this section, in case of listed equity shares, the FMV shall be the highest price quoted on a recognised stock exchange on January 31, 2018.

5. The long-term capital gains arising to the shareholders from the transfer of equity shares held as investments, not covered under point 4 above shall be taxable as follows:

   Where the equity shares are acquired in convertible foreign exchange, the same shall be taxable at the rate of 12.5% on the amount of capital gains computed as per point 6 below;

   Where the equity shares are acquired in INR, the same shall be taxable at the rate of 20% (plus applicable surcharge and cess) on the amount of capital gains computed after considering the indexation benefit provided under second proviso to Section 48 of the Act or at the rate of 10% on the amount of capital gains computed without indexing the cost of acquisition, whichever is lower.

6. In accordance with, and subject to Section 48 of the Act read with Rule 115A of the Rules, capital gains arising on transfer of shares which are acquired in convertible foreign exchange and not covered under point 4 above shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/ arising from every reinvestment thereafter.

7. Short-term capital gains arising on transfer of the shares will be chargeable to tax at the rate of 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.

8. The rate of surcharge on capital gains u/s. 111A and u/s. 112Aof the Act arising on sale of equity shares for all taxpayers and capital gains on securities u/s. 115AD(1)(b)of the Act for FIIs will not exceed 15% on the income tax.

9. As per Section 70 read with Section 74 of the Act short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains (short term capital gains or long term capital gains) arising during subsequent eight assessment years. As per Section 70 read with Section 74 of the Act of the Act long term capital loss arising during a year is allowed to be set- off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years. As per Section 71 of the Act short term capital loss or long term capital loss for the year cannot be set-off against income under any other heads for the same year.

10. Where the gains arising on the transfer of shares are included in the business income of an assessee assessable under the head “Profits and Gains from Business or Profession” and on which STT has been charged, such STT shall be a deductible expense from business income as per the provisions of Section 36(1)(xv) of the Act.

11. Section 56(2)(x)(c) of the Act provides that, subject to exception provided therein, if any person receives from any person, any property, including, inter alia, shares of a company, without consideration or for inadequate consideration, the following shall be treated as 'Income from other sources' in the hands of the recipient:
    (i) Where the shares are received without consideration, aggregate Fair Market Value ("FMV") exceedsRs.50, 000/-, the whole FMV;
    (ii) Where the shares are received for a consideration less than FMV but exceeding ₹ 50,000/, the aggregate FMV in excess of the consideration paid.

    Rule 11UA of the Rules provides for the method for determination of the FMV of various properties.

12. 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.

13. In respect of foreign companies which are not exempt from MAT provisions as per point 12 above, capital gains (whether long term or short term) arising on transactions in securities will need to be adjusted / reduced (if such income is credited to Profit and Loss account and tax payable on such capital gains income under normal provisions is less than the MAT rate of 15%) from the book profits while computing MAT u/s. 115JB of the Act. Consequently, corresponding expenses shall also be excluded while computing MAT.

14. 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:

1. 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.

2. As per the amended provisions of Section 115AD of the Act:
   (i) Income by way of short term capital gains arising to a FPI / FII on transfer of shares shall be chargeable at a rate of 30% (plus applicable surcharge and cess) where such transactions are not subjected to STT and at the rate of 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;

   (ii) 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 ₹1,25,000;

   (iii) Income by way of long term capital gains arising to a FPI / FII from the transfer of shares held in the Company (other than that taxable u/s.112A of the Act shall be taxable at the rate of 12.5% (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.

3. As per Section 196D(2) of the Act no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares, payable to FIIs. Further, TDS on dividend shall be withheld at the rate of 20% u/s. 196D of the Act. The Finance Act 2021 has included a provision to deduct tax at the rate of 20% or at the rate prescribed in DTAA, whichever is lower.

E. SPECIFIC PROVISIONS APPLICABLE TONON RESIDENT SHAREHOLDER BEING NON RESIDENT INDIANS (NRIs):

1. 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:

a. 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.

b. 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.

c. 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.

d. 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.

e. 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:

1. Income of an Investment Fund, being a Trust, Company, Limited Liability Partnership or a body corporate which has been granted a certificate of registration and is regulated under SEBI (Alternative Investment Funds) Regulations, 2012 as Category I or Category II Alternate Investment Fund, other than the income chargeable under the head 'profits and gains of business and profession' shall be exempt from tax u/s. 10(23FBA) of the Act.

2. Section 115UB of the Act provides that the income chargeable under the head 'profits and gains of business and profession' shall be taxed in the hands of investment fund depending on the legal status (i.e. a company, a limited liability partnership, body corporate or a Trust) of the Fund and at the rate or rates as specified in the Finance Act of the relevant year. However, income (other than income chargeable under the head profits and gains of business or profession) of the unit holder out of the investment made in such investment fund is chargeable to income-tax in the same manner as if it were income accruing or arising to, or received by, such unit holder had the investments, made by the Investment Fund, been made directly by him. Further, the income accruing or arising to or received by the Investment Fund if not paid or credited to a person (who has made investments in an Investment Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

3. As regards income of an Investment Fund, being a Trust, Company, Limited Liability Partnership or a body corporate which has been granted a certificate of registration as Category III Alternate Investment Fund, and is regulated under SEBI (Alternative Investment Funds) Regulations, 2012 will be taxed in India depending on the legal status of the Fund. In case the Fund is set up as "Trust", the principles of trust taxation should apply.

I. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS UNDER THE ACT

No Special Tax benefits are available to the shareholders.

J. REQUIREMENT TO FURNISH PAN UNDER THE ACT:

1. 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.

2. 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:

   (i) at the rate specified in the relevant provision of the I. T. Act; or
   (ii) at the rate or rates in force; or
   (iii) 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.

3. 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.

K. DEDUCTION OF TAX AT SOURCE FOR NON FILERS OF INCOME TAX RETURNS:

1. Section 206AB of the Act requires deduction of tax at higher of the following rates in respect of "specified person" as defined in the section:
   - i. at twice the rate specified in the relevant provision of the Act; or
   - ii. at twice the rate or rates in force; or
   - iii. at the rate of 5%

1. Notes:

1. The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. The above statement of possible tax benefits is as per the current direct tax laws. Several of these benefits are dependent on the company or its shareholder fulfilling the conditions prescribed under the relevant tax laws

4. This Statement is prepared on the basis of information available with the management of the Bank and there is no assurance that:
   - (i) The Bank or its shareholders or material subsidiaries will continue to obtain these benefits in future;
   - (ii) The conditions prescribed for availing the benefits have been/ would be met with; and
   - (iii) The revenue authorities/courts will concur with the view expressed herein. Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. 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 the Act and its interpretation, which are subject to change from time to time. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do no assume responsibility towards the investors who may or may not invest in the proposed issue relying on this statement. This statement has been prepared solely in connection with the Issue under the Regulations as amended.

STATUTORY AUDITORS

Our Bank's financial statements are prepared in accordance with Indian GAAP under the guidelines issued by the ICAI, guidelines issued by the RBI from time to time and practices generally prevailing in the banking industry in India. The Bank's financial statements included in this Preliminary Placement Document were audited, as the case may be, by a rotation of auditors appointed by RBI.

As on the date of this Preliminary Placement Document, Kirtane & Pandit LLP, Chartered Accountants, M/s. Sundaram & Srinivasan, Chartered Accountants and M/s. G D Apte & Co., Chartered Accountants are the statutory central auditors of our Bank (the "**Statutory Auditors**").

Our audited consolidated financial statements and standalone financial statements as at and for Fiscals 2022, included in this Preliminary Placement Document were jointly audited by M/s. Batliboi & Purohit, Chartered Accountants, M/s. Abarna & Ananthan, Chartered Accountants, M/s. Rodi Dabir & Co., Chartered Accountants, and M/s. S Bhandari & Co., Chartered Accountants

Our audited consolidated financial statements and standalone financial statements as at and for Fiscal 2023, included in this Preliminary Placement Document were jointly audited by M/s. Rodi Dabir & Co, Chartered Accountants, M/s. S Bhandari & Co LLP, Chartered Accountants, M/s. Kirtane & Pandit LLP, Chartered Accountants and M/s. Sundaram & Srinivasan, Chartered Accountants**.**

Our audited consolidated financial statements and standalone financial statements as at and for Fiscals 2024, included in this Preliminary Placement Document were jointly audited by M/s. S Bhandari & Co LLP., Chartered Accountants, M/s. Sundaram & Srinivasan, Chartered Accountants, M/s. Kirtane & Pandit LLP, Chartered Accountants and M/s. G D Apte & co., Chartered Accountants**.**

Our unaudited reviewed standalone and consolidated financial results, which comprises of the standalone and consolidated balance sheet as of June 30, 2023 and the related standalone and consolidated profit & loss account for the three-month period ended June 30, 2023 and selected explanatory notes thereon, subjected to a limited review were jointly audited by M/s. S Bhandari & Co LLP., Chartered Accountants, M/s. Sundaram & Srinivasan, Chartered Accountants, M/s. Kirtane & Pandit LLP, Chartered Accountants and M/s. G D Apte & co., Chartered Accountants**.**

Our unaudited reviewed standalone and consolidated financial results of our Bank, which comprises of the standalone and consolidated balance sheet as of June 30, 2024 and the related standalone and consolidated profit & loss account for the three months period ended June 30, 2024 and selected explanatory notes thereon, subjected to a limited review were jointly audited by M/s. S Bhandari & Co LLP., Chartered Accountants, M/s. Sundaram & Srinivasan, Chartered Accountants, M/s. Kirtane & Pandit LLP, Chartered Accountants and M/s. G D Apte & co., Chartered Accountants**.**

LEGAL PROCEEDINGS

Our Bank and its Subsidiary are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. Our Bank believes that the number of proceedings and disputes in which the Bank or its Subsidiary are involved is not unusual for a bank of our size doing business in India and in international markets. These legal proceedings are primarily in the nature of tax proceedings, recovery proceedings, consumer disputes, regulatory and statutory proceedings, criminal complaints and other civil proceedings, pending before various adjudicating forums. Further, certain regulatory and statutory authorities such as the Reserve Bank of India, the banking ombudsman, various tax authorities and other authorities have, in the past, taken action and/or imposed penalties against our Bank and its Subsidiary, including those during routine inspections undertaken in the ordinary course of business.

*Except as disclosed in this section, there are no outstanding legal proceedings which have been considered material in accordance with our Bank's periodically published disclosure policies framed in accordance with Regulation 30 of the SEBI Listing Regulations ("**Policy of Materiality**").*

*Additionally, solely for the purpose of the Issue, our Bank has also disclosed in this section, to the extent applicable, (i) all outstanding criminal proceedings involving our Bank, its Directors and its Subsidiary; (ii) all outstanding actions by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) against our Bank, its Directors and its Subsidiary; (iii) any other outstanding civil litigation involving our Bank, its Directors and its Subsidiary, where the amount involved in such proceeding is exceeding ₹ 4,698.69 million (being 2% of the consolidated total income of the Bank aggregating to ₹ 234,934.42 million for the financial year ended March 31, 2024) ("**Materiality Threshold**"); and (iv) any other outstanding litigation involving our Bank, its Directors and its Subsidiary wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of the Bank, as on the date of this Preliminary Placement Document. Additionally, the outstanding direct and indirect taxes proceeding involving our Bank, its Subsidiary and its Directors above the Materiality Threshold is disclosed. The penalties imposed by the banking ombudsman on our Bank, during the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022.*

It is clarified that for the purposes of the above, pre-litigation notices received by our Bank, its Directors and its Subsidiary 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.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

1. Litigation against our Bank

A. Criminal case against the Bank

a. A criminal miscellaneous application having number 420/2021 ("**Compliant**") was filed by Anjali Jitendra Talbhandare ("**Complainant**") before the Judicial Magistrate First Class, Solapur ("**Court**") against the Bank and others ("**Defendants**"). The Complainant has filed the Complaint against the Defendants under sections 406, 409, 420, 467 and 468 of the IPC alleging criminal breach of trust and misappropriation for the wrongfully withdrawing an amount of ₹0.01 million from the account of the Petitioner. The matter is pending before the Court.

b. A criminal writ petition having number 102475/2023 was filed by Madhukar S/o Vilas Saphale ("**Petitioner**") before the Karnataka High Court ("**Court**") against our Bank and others ("**Respondents**") under section The Petitioner has filed this petition to quash the first information report lodged against him by the Respondents under sections 420, 417, and 464 of the IPC alleging that fraud and forgery in CC 139/2023 before the Judicial Magistrate First Class, Belgavi. The matter is pending before the Court.

c. A criminal writ petition having number 102212/2023 was filed by Venkangouda Rangangouda Govindgoudar ("**Petitioner**") before the Karnataka High Court ("**Court**") against our Bank ("**Respondent**"). The Petitioner has filed this petition to quash the first information report lodged against him in CC 2106/2022 before the Additional Civil Judge and Judicial Magistrate First Class I alleging that the Petitioner has defrauded the Respondent by creating bogus loan and misappropriated the funds of the Respondent. The matter is pending before the Court.

d. One co-borrower & mortgagor, Mr. Ratnakar Maharana **("Complainant")** in the account of Mr. Binayak Maharana, lodged a Complaint in CPR PS Case No. 233/2023 ("**FIR**") against the branch manager of Berhampur branch and others **("Respondents")** under sections 294, 323, 34, 341, 447 and 506 of the IPC alleging that the Respondents entered into the Complainant's premises forcefully and abused him. It is pending for investigation.

e. A criminal writ petition having number WP/ST/7837/2021 has been filed by Jagruti Vaidya through her brother Swapnil Vaidya ("**Petitioner**") before the Bombay High Court (Criminal Appellate Jurisdiction) ("**Court**") against Bank and others ("**Respondents**") under article 14 of the CoI alleging that the Respondents have discriminated against the Petitioner and that the Bank denied the Petitioner to operate the deceased person's locker in the capacity of a legal representative. The matter is pending before the Court.

f. A criminal writ petition having number 3541/2020 was filed by Limbaji Yashwant Kolhal and others ("**Petitioners**") before the Bombay High Court ("**Court"**), against the Bank and Others ("**Respondents**") under article 226 and 227 of the CoI. The Petitioners has alleged that the Respondents colluded amongst each other to forge certain documents and signatures of the Petitioners to wrongfully avail a loan of amount ₹0.30 million in the name of the Petitioners. The matter is pending before the Court.

g. A criminal writ petition having number 4714/2019 has been filed by Rajesh Narendra Mewawalla ("**Petitioner**") before the Bombay High Court ("**Court"**) against our Bank ("**Respondent**") alleging that the Respondent has frozen the account of the Petitioner without any proper authority. The matter is pending before the Court.

A. Outstanding action against the Bank by statutory or regulatory authorities

As on the date of this Preliminary Placement Document, there are no outstanding action against the Bank by Statutory or Regulatory Authorities.

B. 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.

C. Cases filed against the Bank under SARFAESI action taken by our Bank

As on March 31, 2024, borrowers in 397 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.

D. Banking Ombudsman Complaints

The Banking Ombudsman has imposed one fine and penalty 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 June 30, 2024 are 51, 86, 36 and 57 respectively.

E. Taxation cases above the materiality threshold involving the Bank

Direct Tax Cases

a. Our Bank has filed an appeal before CIT (A), Pune-1/10305/2019-20 dated December 12, 2019 ("**Appeal**") under section 246A(1)(a) of the IT Act, against the assessment order of the Deputy Commissioner of Income Tax, Circle-1(1), dated November 14, 2019 under section 143(3) of the IT Act. Our Bank has filed the Appeal on the ground that the Deputy Commissioner of Income Tax had erred in disallowing various deductions claimed by our Bank for the assessment year 2017 - 18. The impugned order inter-alia (i) disallowed deduction under section 36(1) (viia) of the IT Act; (ii) disallowed ₹ 4,830.62 million claimed as trading loss on securities and added ₹5,806.93 million as a net profit on sale of investment in the total income of the Bank; (iii) disallowed exemption of the amount of ₹ 24.67 million as per Rule 8D of Income Tax Rules, 1962 in respect of expenditure incurred by our Bank in relation to income which did not form part of the total income during the previous year under the IT Act; (iv) disallowed the claim of our Bank of writing back of restructured advance of ₹ 271.35 million on account of incomplete verification by our Bank; (v) disallowed the writing back of derivatives for an amount of ₹3.76 million due to incomplete verification; (vi) disallowed ₹6.74 million as prior period expenses. The Appeal is currently pending for before the Commissioner of Income Tax (Appeals).

b. Our Bank has filed an appeal NFAC/2017-18/10051142 dated May 31, 2021 ("**Appeal**") before the Commissioner of Income Tax (Appeals), Pune, under section 246A(1)(a) of the IT Act, against the assessment order of the Deputy Commissioner of Income Tax, Circle-1(1), dated April 27, 2021 under section 143(3) of the IT Act for the assessment year 2018 – 19. Our Bank has filed the Appeal on the ground that the Deputy Commissioner of Income Tax had erred in disallowing various deductions claimed by our Bank. The impugned order inter-alia (i) disallowed exemption of the amount of ₹40.87 million as per Rule 8D of Income Tax Rules, 1962 in respect of expenditure incurred by our Bank in relation to income which did not form part of the total income during the previous year under the IT Act;(ii) disallowed ₹16.73 million on account of prior period expenses; (iii) disallowed amount of provisions of gratuity under section 40A (7) of the IT Act which was already disallowed by our Bank. The Bank then filed an appeal on May 31, 2021 against the assessment order before Commissioner of Income Tax (Appeals), Pune, which is currently pending.

c. Our Bank has filed an appeal on April 23, 2024 ("**Appeal**") before the Commissioner of Income Tax (Appeals), Pune, under section 246A(1)(a) of the IT Act, against the assessment order of the Deputy Commissioner of Income Tax, Circle-1(1), dated March 27, 2024 under section 143(3) of the IT Act for the assessment year 2022 – 23. Our Bank has filed the Appeal on the ground that the Deputy Commissioner of Income Tax had erred in disallowing various deductions claimed by our Bank. The impugned order inter-alia (i) disallowed the amount of ₹21.58 million towards penalty paid to RBI (ii) disallowed the amount of ₹2,059.14 million towards provision for bad and doubtful debts (iii) disallowed the amount of ₹34,544.53 million towards bad debts written off u/s 36(1)(vii) of the act (iv) disallowed the amount of ₹85.58 million towards depreciation on ATM (v) disallowed the amount of ₹1,033.48 million towards provision for NPI. The Bank then filed an appeal on April 23, 2024 against the assessment order before Commissioner of Income Tax (Appeals), which is currently pending.

Indirect Tax Cases

As on the date of this Preliminary Placement Document, there are no indirect tax cases that have been filed involving the Bank which exceed the Materiality Threshold.

2. Litigation by our Bank

A. **Criminal cases filed by our Bank**

a. Cases filed under Section 138 of Negotiable Instruments Act, 1881

A total of 86 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 ₹ 895.00 million.

b. Fraud Complaints

Our Bank has a Fraud Risk Management Cell ("**FRMC**") created under Inspection & Audit departments ("**IAD**") in each circle / zonal office of the Bank. The FRMC head at the circle / zonal offices submits the Fraud Monitoring Returns ("**FMR**") to the Fraud Risk Management Division, Head Office bank to when requisitioned. The FRMC head ensures compliance with regulatory guidelines on fraud classification and reporting. Thereafter, in terms of the guidelines issued by the RBI, our Bank files the complaint in fraud cases, with the respective authority assigned as per the following criteria set up:

Amount Involved in the fraud	**Agency To Whom Complaint Should Be Lodged**
Above ₹10,000/- and below ₹ 0.10 million	Local Police Station
₹ 0.10 million and above but below ₹ 30.00 million	State Criminal Investigation Department / Economic Offences Wing of the State concerned
₹ 30.00 million and above	Head of Zone BS&F (Banking Security and Fraud Cell) , New Delhi

Details of aggregate complaints made by our Bank on account of fraud in the Financial Years ended March 31, 2022, March 31, 2023, March 31, 2024 and the three month period ended June 30, 2024:

Period	**Number of complaints**	**Amount involved** ***(₹ in million)***	**Number of complaints above materiality threshold**	**Amount involved in complaints above the Materiality Threshold** ***(₹ in million)***
Financial year ended March 31, 2022	128	4,102.74	Nil	Nil
Financial year ended March 31, 2023	101	3,207.10	Nil	Nil
Financial year ended March 31, 2024	371	733.8	Nil	Nil
Three-month period ended June 2024	54	101.7	Nil	Nil
TOTAL	654	8145	Nil	Nil

there is a total of 654 cases filed by our Bank in relation to fraud matters before various police stations and the CBI (Central Bureau of Investigation), 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 the three month period from April 1, 2024 to June 30, 2024. These cases are pending at various stages of adjudication.

c. Other Criminal Cases

i. Our Bank ("**Complainant**") lodged a Complaint Case No. 139/2023 ("**Complaint**") against Madhukar S/o Vilas Saphale. Our Khanapur branch received a letter shown to as from Enforcement Directorate asking the bank to debit freeze the account of Mr.Kulkarni Krishnamurthy Vishwas Rao and the branch has complied the same. After complying the direction, a letter was send to Enforcement Directorate mentioning about the debit freeze done with respect to the account mentioned in letter send to the bank . Then the branch received communication from Enforcement Directorate informing that no such letter was issued from their part to the bank. Then Bank has filed a complain to the CEN police station and upon the complaint FIR was registered and case is brought before the JMFC III Court, Belgavi. It is posted for Orders.

ii. Our Bank ("**Complainant**") lodged a Criminal Complaint No.338/2023 before Pimpari Police Station ("**FIR**") against Borrower Pragati Packaging and Others ("**Accused**") under section 448 of the IPC for trespassing the property which was in possession of Bank. The amount is about ₹ 75.5 million. The matter is pending.

iii. Our Bank ("**Complainant**") lodged a complaint case No.1594/2020 ("**Complaint**") in Saket Court ("**Court**") against Borrower Ishma Arora and Others ("**Accused**") under section 420, 467, 468, 471, 120B and 34 of IPC for defrauding Complainant by taking multiple finance from other bank and financial institutions by mortgaging the same property for an amount of ₹ 20 million. The matter is pending for before the Court

iv. A criminal application No. 22/2021 was filed by our Bank ("**Petitioner**") before the District and Session Court, Malegaon ("**Court**") against Pradeep Rajendra Shirsath and Others ("**Respondents**") under section 397 of the CrPC. The Petitioner has filed the petition challenging the discharge order of Pradeep Rajendra Shirsath in connection of the matter of Criminal Case No.428/2019. The matter is pending for hearing.

v. Our Bank ("**Complainant**") filed a case bearing no. 90/2019 before the 1st Additional Sessions Judge, Karad against Kiran Shivaji Gaikwad & others ("**Accused**"). The Complainant had lodged a First Information Report ("**FIR**") 100/2019 on March 11, 2019, against the Accused under section 379, 420, 467, 468 and 471 of IPC and under section 3 and 25 of Arms Act, 1959 for robbing an amount of ₹1.49 million in cash and gold of ₹0.09 million from Shenoli Branch, Satara Zone. The Karad police have recovered an amount of ₹1.49 million in case and gold amounting to 0.09 million from the Accused and he was kept in their custody. While the case bearing no. 90/2019 is pending before the 1st Additional Sessions Judge, Karad for disposal. The Complainant has filed a Criminal Miscellaneous Application bearing no. 10/2021 before the Session Judge, Karad against the Karad police praying for release of the recovered cash and gold to our Bank. The Session Judge vide its order dated March 20, 2021, directed the Karad Police to release the recovered cash amounting to ₹1.49 million to our Bank and rejected the claim of release of gold amounting to ₹0.90 million. The case is pending before Sessions Court, Karad for disposal.

vi. Our Bank lodged a First Information Report no. 49/2019 ("**FIR**") dated September 9, 2019, against Sandip Yashwant Pawaskar & Others for mis-utilization of funds of about ₹5.20 million in Mudra Loan Accounts. Sandip Pawaskar and Sagar Pawaskar are released on Bail. Matter is listed on 30.09.2024 for hearing.

vii. Our Bank ("**Complainant**") lodged a first information report no. 61/2015 ("**FIR**") against Rahul Shivaji Thumase ("**Accused**") under section 420, 425 and 479 of the IPC for fraudulent withdrawal of funds from a current account of Gramin Pani Purwatha Dangrale. The funds were valued at about ₹0.40 million. The case is pending.

viii. Our Bank ("**Complainant**") lodged a first information report no. 42/2017 ("**FIR**") against Pralhad Ramchandra Harane ("**Accused**") under section 403, 404, 406, 408, 409, 415, 417, 418 and 420 for fraudulent withdrawal of ₹3.80 million from the savings bank account of a customer. The case is still pending.

ix. Our Bank lodged a first information report No. 145/2015 ("**FIR**") dated December 3, 2015 against Y. R. Udhayabaskar, the Branch Manager of Kalapur Branch under section 420 and other relevant sections of IPC. Y. R.Udhayabaskar colluded with T. Shanti and defrauded the bank by disbursing unauthorised loans of about ₹ 2.9 million to her without following the rules and regulations of the Bank. The case is under investigation.

x. Our Bank ("**Complainant**") lodged a Complaint ("**Complaint**") with SHO Pilkhua against Kapil Kumar and others ("**Accused**") under section 420 and other relevant sections of the IPC for defrauding the Complainant by selling the mortgaged property without informing Bank amounting to ₹ 1.6 million. The matter is pending.

B. Debt Recovery Proceedings

As on date of this Preliminary Placement Document, our Bank is involved in 6115 debt recovery proceedings with the aggregate amount involved being ₹ 1,86,298.00 million of which 7 cases meet the Materiality Threshold with the aggregate amount involved being to ₹ 55,913.30 million 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 131 insolvency proceedings with the aggregate amount involved being ₹ 86,538.00 million, of which there are 4 cases which meet the Materiality

Threshold with the aggregate amount involved being ₹ 18,953.00 million which are currently pending before various benches of the National Company Law Tribunal / National Company Appellate Law Tribunal.

A. Litigation involving the Subsidiary

B. Criminal case involving the Subsidiary

As on the date of this Preliminary Placement Document, there are no criminal cases involving the Subsidiary.

C. Civil cases above the materiality threshold involving the Subsidiary

As on the date of this Preliminary Placement Document, there are no civil cases exceeding the Materiality Threshold involving the Subsidiary.

D. Taxation cases above the materiality threshold involving the Subsidiary

As on the date of this Preliminary Placement Document, there are no tax matters exceeding the Materiality Threshold involving the Subsidiary.

E. Outstanding actions by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) against the Subsidiary

As on the date of this Preliminary Placement Document, there are no regulatory actions involving the Subsidiary.

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 outstanding actions by statutory or regulatory authorities, against any of our Directors.

GENERAL INFORMATION

1. Our Bank was incorporated on September 16, 1935 as *"The Bank of Maharashtra Limited"*. Subsequently, our Bank was nationalized under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended on July 19, 1969 and was renamed as "*Bank of Maharashtra*".

2. Our Head Office is located at "Lokmangal", 1501, Shivajinagar, Pune – 411005, Maharashtra, India.

3. The website of the Bank is www.bankofmaharashtra.in

4. The Equity Shares are listed on the BSE and NSE.

5. The Issue has been authorised and approved by the Board, through its resolution dated 26th April, 2024 and our Shareholders through a special resolution passed at the AGM held on June 12, 2024.

6. Our Bank has received in-principle approvals under Regulation 28(1)(a) of the SEBI Listing Regulations from BSE and NSE each on September 30, 2024. We will apply for final listing and trading approvals of the Equity Shares on the Stock Exchanges.

7. Our Bank has also obtained the necessary consents, approvals and authorisations required in connection with the Issue, including the recommendation from RBI dated April 2, 2024 and approval from the Department of Financial Services, Ministry of Finance, GoI dated July 29, 2024 .

8. As on the date of this Preliminary Placement Document, M/s. S. Bhandari & Co. LLP, Chartered Accountants, Kirtane & Pandit LLP, Chartered Accountants, M/s. Sundaram & Srinivasan, Chartered Accountants and M/s. G D Apte & 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 Equity Shares under the Issue is ₹60.37 per Equity Share which has been calculated in accordance with 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(1) of the SEBI ICDR Regulations.

11. Our Bank and the Book Running Lead Managers 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 it at his or her own risk.

FINANCIAL STATEMENTS

M/s. S Bhandari & Co LLP
Chartered Accountants,
P-7, Tilak Marg, C-Scheme,
Jaipur - 302 005

M/s. Kirtane & Pandit LLP
Chartered Accountants,
5th. Floor, Wing A, Gopal House,
Kothrud, Pune- 411 038

M/s. Sundaram & Srinivasan
Chartered Accountants,
23, CP Ramaswamy Road,
Alwarpet, Chennai-600 018

M/s. G D Apte & Co.
Chartered Accountants,
D-509, Neelkanth Business Park,
Nathani Rd, Vidhya Vihar West,
Mumbai 400086.

Independent Auditors' Limited Review Report on Unaudited Standalone Financial Results of Bank of Maharashtra for the Quarter ended June 30, 2024 pursuant to the Regulation 33 & Regulation 52 Read with Regulation 63(2) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

To,
The Board of Directors,
Bank of Maharashtra,
Pune.

1. We have reviewed the accompanying statement of unaudited Standalone Financial Results of **Bank of Maharashtra** ("the Bank") for the Quarter ended June 30, 2024 ('the statement'), being prepared and submitted by the Bank pursuant to the requirements of Regulation 33 & Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended ("the SEBI Regulations") except for the disclosures relating to "Pillar 3 under Basel III Capital Regulations, Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio" which have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement, have not been reviewed by us. This statement is the responsibility of the Bank's Management and has been reviewed by the Audit Committee of the Board and approved by the Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.

2. This Statement, which is the responsibility of the Bank's Management and has been approved by the Bank's Board of Directors, has been prepared by bank's management in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), issued 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 (ICAI). 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 the Bank's 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. In the conduct of our review, we have also relied upon the review reports received from the concurrent auditors of 30 branches specifically appointed for this purpose. Apart

from these review reports, we have also relied upon various information and returns received from the branches of the bank.

5. Based on our review conducted as above, subject to limitations as mentioned in Para 3 & 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Standalone Financial Results together with the notes thereon prepared in accordance with the applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of the SEBI Regulations including the manner in which it is to be disclosed, except for the disclosures relating to Pillar 3 as at June 30, 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 Statement and have not been reviewed by us, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant applicable guidelines/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:**

   a) We draw attention to Note No. 8 of the accompanying statement of unaudited financial results where bank continues to hold COVID-19 related provision of Rs.1200 Crores as contingency provision as on June 30, 2024.

   Our conclusion is not modified in respect of above matter.

For M/s. S Bhandari & Co. LLP **Chartered Accountants**	**For M/s. Kirtane & Pandit LLP** **Chartered Accountants**	**For M/s. Sundaram & Srinivasan** **Chartered Accountants**	**For M/s. G D Apte & Co.** **Chartered Accountants**
FRN – 000560C/ C400334	FRN – 105215W/ W100057	FRN – 004207S	FRN – 100515W
CA Mohit Chaturvedi	CA Mittal Shah	CA S Ramkumar	CA S B Rashinkar
Partner	Partner	Partner	Partner
M No 436043	M No 147370	M No 238820	M No 103483
UDIN: 24436043BKFIVS1343	UDIN: 24147370BKANTD5833	UDIN: 24238820BKERMC4396	UDIN: 24103483BKDZUD8521

Place: Pune
Date: July 15, 2024

M/s. S Bhandari & Co LLP Chartered Accountants, P-7, Tilak Marg, C-Scheme, Jaipur - 302 005	**M/s. Kirtane & Pandit LLP** Chartered Accountants, 5th. Floor, Wing A, Gopal House, Kothrud, Pune- 411 038
M/s. Sundaram & Srinivasan Chartered Accountants, 23, CP Ramaswamy Road, Alwarpet, Chennai-600 018	**M/s. G D Apte & Co.** Chartered Accountants, D-509, Neelkanth Business Park, Nathani Rd, Vidhya Vihar West, Mumbai 400086.

Independent Auditors' Limited Review Report on Unaudited Consolidated Financial Results of Bank of Maharashtra for the Quarter ended June 30, 2024 pursuant to the Regulation 33 and Regulation 52 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

To,
The Board of Directors,
Bank of Maharashtra
Pune.

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial results of **Bank of Maharashtra** ("the Parent" or" the Bank"), its subsidiary (the Parent and its subsidiary together referred to as "the Group") and its share of the net profit after tax of its associate for the Quarter ended June 30, 2024 ('the statement'), being submitted by the Bank pursuant to the requirements of Regulation 33 and Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended, except for the disclosures relating to Pillar 3 disclosure as at June 30, 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 Statement and have not been reviewed by us. This statement is the responsibility of the Bank's Management and has been reviewed by the Audit Committee of the Board and approved by the Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.

2. The Statement, which is the responsibility of the Bank's Management and has been approved by the Bank's Board of Directors, has been prepared by bank's management in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), issued 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 ICAI. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

JAIPUR PUNE CHENNAI MUMBAI

We also performed procedures in accordance with the circular issued by SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The statement includes results of the following entities:
   i. Bank of Maharashtra (Parent)
   ii. The Maharashtra Executor and Trustee Company Private Limited (Subsidiary Company)
   iii. Maharashtra Gramin Bank (Associate Company)

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the concurrent auditors and other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including the manner in which it is to be disclosed, except for the disclosures relating to Pillar-3 as at June 30, 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 Statement and have not been reviewed by us, or that it contains any material misstatement.

6. **Emphasis of Matter:**

We draw attention to Note No. 8 of the accompanying statement of unaudited financial results where bank continues to hold COVID-19 related provision of Rs.1200 Crores as contingency provision as on June 30, 2024.

Our conclusion is not modified in respect of above matter.

7. Other Matters:

a. In the conduct of our review, we have also relied upon the review reports received from the concurrent auditors of 30 branches specifically appointed for this purpose, included in the standalone unaudited interim financial results of the Parent included in the Group. Apart from these review reports, we have also relied upon various information and returns received from the branches of the bank.

b. We did not review the interim financial information of subsidiary included in the unaudited consolidated financial results, whose interim financial information reflects total assets of Rs. 22.97 Crores as at June 30, 2024 and total revenues of Rs. 0.71 Crores and total net profit after tax of Rs. 0.19 Crores for the Quarter ended June 30, 2024 as considered in the unaudited consolidated financial information. The unaudited consolidated financial results also includes Group's share of net profit after tax of Rs. 1.41 Crores for the Quarter ended June 30, 2024, as considered in the unaudited consolidated financial results, in respect of associate, whose interim financial information has not been reviewed by us. These interim financial information have been reviewed by other auditors whose reports have been furnished to

S. Bhandari & Co. LLP, Chartered Accountants, Pune
Kirtane & Pandit LLP, Chartered Accountants, Pune
Sundaram & Srinivasan, Chartered Accountants, Chennai
G. D. Apte & Co., Chartered Accountants, Mumbai

us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and associate, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above. According to the information and explanations given to us by the Management these interim financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matters.

For M/s. S Bhandari & Co. LLP **Chartered Accountants**	**For M/s. Kirtane & Pandit LLP** **Chartered Accountants**	**For M/s. Sundaram & Srinivasan** **Chartered Accountants**	**For M/s. G D Apte & Co.** **Chartered Accountants**
FRN – 000560C/ C400334	FRN – 105215W/ W100057	FRN – 004207S	FRN – 100515W
CA Mohit Chaturvedi	CA Mittal Shah	CA S Ramkumar	CA S B Rashinkar
Partner	Partner	Partner	Partner
M No 436043	M No 147370	M No 238820	M No 103483
UDIN: 24436043BKFIVT6173	UDIN: 24147370BKANTE6367	UDIN: 24238820BKERMB9142	UDIN: 24103483BKDZUE1121

Place: Pune
Date: July 15, 2024

बैंक ऑफ महाराष्ट्र
Bank of Maharashtra
भारत सरकार का उद्यम
एक परिवार एक बैंक

Head office: Lokmangal, 1501, Shivajinagar, Pune – 411 005

STANDALONE UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2024

(₹ in lakh)

		Particulars	QUARTER ENDED			YEAR ENDED
			30.06.2024	31.03.2024	30.06.2023	31.03.2024
			REVIEWED	AUDITED	REVIEWED	AUDITED
1		Interest earned (a) + (b) + (c) + (d)	**587464**	**546670**	**478861**	**2049469**
	(a)	Interest / discount on advances / bills	445767	426383	367251	1582624
	(b)	Income on Investment	130057	109891	108240	446076
	(c)	Interest on balances with Reserve Bank of India and other inter bank funds	9648	8564	1659	13577
	(d)	Others	1992	1832	1711	7192
2		Other Income	89393	102155	62884	299787
A.		**TOTAL INCOME (1+2)**	**676857**	**648825**	**541745**	**2349256**
3		Interest Expended	307554	288233	244889	1067284
4		Operating Expenses (e) + (f)	**139873**	**139630**	**110534**	**481438**
	(e)	Employees cost	89994	85030	66553	283813
	(f)	Other operating expenses	49879	54600	43981	197625
B.		**TOTAL EXPENDITURE (3)+(4) (excluding Provisions and Contingencies)**	**447427**	**427863**	**355423**	**1548722**
C.		**OPERATING PROFIT (A-B) (Profit before Provisions and Contingencies)**	**229430**	**220962**	**186322**	**800534**
D.		Provisions (other than tax) and Contingencies (Net)	95047	94230	77611	364587
		Of which: Provisions for Non-performing Assets	58639	45717	53907	217427
E.		Exceptional Items	0	0	0	0
F.		**Net Profit / (Loss) before Tax (C-D-E)**	**134383**	**126732**	**108711**	**435947**
G.		Provision for taxes (Tax Expenses)	5034	4965	20503	30444
H.		**Net Profit / (Loss) after Tax (F-G)**	**129349**	**121767**	**88208**	**405503**
I.		Extraordinary items (net of tax expense)	0	0	0	0
J.		**Net Profit / Loss for the period (H-I)**	**129349**	**121767**	**88208**	**405503**
5		Paid-up equity share capital (F.V. of ₹ 10/- share)	708137	708137	708137	708137
6		Reserves excluding revaluation reserves (as per Balance Sheet of previous accounting year)	1114918	1114918	740694	1114918
7		Analytical ratios				
	(i)	Percentage of shares held by Govt. of India	86.46	86.46	86.46	86.46
	(ii)	Capital Adequacy Ratio (Basel III) (in %)	17.04	17.38	18.07	17.38
		(a) CET 1 Ratio	12.20	12.50	12.85	12.50
		(b) Additional Tier 1 Ratio	1.20	1.22	1.51	1.22
	(iii)	Earning per share (Not Annualized)	1.83	1.72	1.29	5.78
	(iv)	NPA Ratios				
		(a) Amount of gross non performing assets	387276	383305	400673	383305
		(b) Amount of net non performing assets	41470	40899	41387	40899
		(c) % of gross NPAs	1.85	1.88	2.28	1.88
		(d) % of net NPAs	0.20	0.20	0.24	0.20
	(v)	Return on Assets (annualized) (%)	1.72	1.73	1.33	1.50
	(vi)	Paid up Debt Capital/ Outstanding Debt* (%)	59.35	72.65	73.04	72.65
	(vii)	Debt** Equity Ratio	0.38	0.42	0.37	0.42
	(viii)	Total debts* to Total Assets (%)	3.10	2.51	2.41	2.51
	(ix)	Operating Margin (%)	33.90	34.06	34.39	34.08
	(x)	Net Profit Margin (%)	19.11	18.77	16.28	17.26
	(xi)	Net Worth	1873078	1717758	1487050	1717758
	(xii)	Capital/Debenture Redemption Reserve	-	-	-	-
	(xiii)	Outstanding Redeemable Preference Shares	-	-	-	-

*Total Debts & Outstanding Debt represents total borrowings of the Bank.

**Debt represents borrowings with residual maturity of more than one year.

Note: Disclosure of Interest Service Coverage Ratio & Debt Service Coverage Ratio is not applicable to Bank.

S. Bhandari & Co. LLP, Nagpur, Chartered Accountants

Kirtane & Pandit LLP, Pune, Chartered Accountants

Sundaram & Srinivasan, Chennai, Chartered Accountants

G. D. Apte & Co., Mumbai, Chartered Accountants

बैंक ऑफ महाराष्ट्र
वि.प्र.और ले.
F.M. & A.
H.O., PUNE-5

BANK OF MAHARASHTRA

STANDALONE SEGMENT REPORTING

Rs. In lacs

S.N.	PARTICULARS	QUARTER ENDED			YEAR ENDED
		30.06.2024	31.03.2024	30.06.2023	31.03.2024
		(Reviewed)	(Audited)	(Reviewed)	(Audited)
1	**Segment Revenue**				
	a) Treasury Operations	144303	136515	116922	500281
	b) Corporate / Wholesale Banking Operations	259098	238651	191100	843156
	c) Retail Banking Operations	267628	265700	229098	982459
	*1) Digital Banking	5	2	1	6
	2) Other Retail Banking	267624	265698	229097	982453
	d) Other Banking Operations	5828	7959	4625	23360
	e) Unallocated	0	0	0	0
	Total	**676857**	**648825**	**541745**	**2349256**
	Less: Inter Segment Revenue	0	0	0	0
	Income from Operations	**676857**	**648825**	**541745**	**2349256**
2	**Segment Results [Profit / (Loss) before Tax]**				
	a) Treasury Operations	39837	30730	35234	104230
	b) Corporate / Wholesale Banking Operations	71172	59822	54267	243792
	c) Retail Banking Operations	22046	34135	17603	79508
	*1) Digital Banking	(31)	(87)	(29)	(176)
	2) Other Retail Banking	22078	34222	17632	79684
	d) Other Banking Operations	1328	2045	1607	8417
	e) Unallocated	0	0	0	0
	Total	**134383**	**126732**	**108711**	**435947**
	Less: Other un-allocable expenditure net off	0	0	0	0
	Total Profit before Tax	**134383**	**126732**	**108711**	**435947**
	Taxes including Deferred Taxes	5034	4965	20503	30444
	Extraordinary Profit / Loss	0	0	0	0
	Net Profit after Tax	**129349**	**121767**	**88208**	**405503**
3	**Segment Assets (SA)**				
	a) Treasury Operations	7795952	8732616	8289764	8732616
	b) Corporate / Wholesale Banking	11631002	11264257	10457507	11264257
	c) Retail Banking	9287911	9082109	7124024	9082109
	*1) Digital Banking	302	173	147	173
	2) Other Retail Banking	9287608	9081936	7123877	9081936
	d) Other banking operations	1535038	1408394	1318337	1408394
	e) Unallocated	273301	226410	285731	226410
	Total assets	**30523203**	**30713786**	**27475363**	**30713786**
4	**Segment Liabilities (SL)**				
	a) Treasury Operations	7651163	8617175	8192579	8617175
	b) Corporate / Wholesale Banking	10799144	10420645	9700011	10420645
	c) Retail Banking	8599354	8285573	6588841	8285573
	*1) Digital Banking	560	400	226	400
	2) Other Retail Banking	8598794	8285173	6588615	8285173
	d) Other banking operations	1356301	1323864	1236809	1323864
	e) Unallocated	814	99139	7889	99139
	f) Capital & Reserves & Surplus	2116427	1967390	1749234	1967390
	Total liabilities	**30523203**	**30713786**	**27475363**	**30713786**
5	**Capital Employed (SA-SL)**				
	a) Treasury Operations	144789	115441	97184	115441
	b) Corporate / Wholesale Banking Operations	831858	843612	757496	843612
	c) Retail Banking Operations	688557	796536	535183	796536
	*1) Digital Banking	(258)	(227)	(80)	(227)
	2) Other Retail Banking	688814	796763	535263	796763
	d) Other Banking Operations	178737	84530	81529	84530
	e) Unallocated	272487	127271	277842	127271
	Total	**2116427**	**1967390**	**1749234**	**1967390**

Note *1. The Bank has only one geographical segment i.e Domestic Segment*

2. Previous period figures have been regrouped / reclassified wherever necessary to make them comparable (Maximum aggregated exposure to one counter part below Rs. 7.5 Cr. has been considered as Retail Exposure.)

**** 3. Information about Digital Banking Segment reported as a sub-segment of Retail Banking Segment is related to Digital Banking Units of the Bank.***

S. BHANDARI & CO. LLP NAGPUR Chartered Accountants

KIRTANE & PANDIT LLP PUNE Chartered Accountants

SUNDARAM & SRINIVASAN CHENNAI Chartered Accountants

G. D. APTE & CO. MUMBAI Chartered Accountants

वि.प्र.और ले. F.M.& A. H.O., PUNE-5

NOTES FORMING PART OF STANDALONE AND CONSOLIDATED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2024

1 The above Financial Results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors in their meeting held on July 15, 2024. These results have been subjected to "Limited Review" by the Statutory Central Auditors of the Bank and are in compliance with Listing Agreement of the Stock Exchanges.

2 The Financial Results for the quarter ended June 30, 2024 have been arrived at after considering provision for non-performing assets, standard assets (including COVID -19 related provision), restructured accounts, loss on sale of assets to ARCs, provision towards non-performing investments, and fair valuation of investments, provision for exposure to entities with unhedged foreign currencies, depreciation on fixed assets, taxes and other usual and necessary provisions on the basis of prudential norms, estimates and specific guidelines issued by RBI and on the basis of the accounting policies as those followed in the preceding financial year ended March 31, 2024.

3 Based on the available financial statements and the declarations from borrowers, the Bank has estimated the liability towards unhedged foreign currency exposure to their constituents in terms of RBI Circular DOR.MRG.REC.76/00-00-007/2022-23 dated 11.10.2022 and holds a provision of ₹ 7.78 crores as on June 30, 2024.

4 As per extant RBI guidelines, banks are required to make Pillar III disclosures including leverage ratio, liquidity coverage ratio and Net Stable Funding Ratio (NSFR) under the Basel III framework. Accordingly, such applicable disclosures have been placed on the website of the Bank which can be accessed at the following link: https://www.bankofmaharashtra.in/basel-iii-disclosure.These disclosures have not been subjected to audit or review by the Statutory Central Auditors of the Bank.

5 The Provision Coverage Ratio (PCR) as on June 30, 2024 is 98.36%

6 During the quarter ended June 30, 2024, the Bank has reported 61 fraud cases. Out of which 56 cases were related to digital payment fraud where Bank has not suffered any loss. Further in respect of remaining 5 borrowal fraud cases amounting to ₹ 9.60 crores, bank is holding 100% provisions to the extent of loss i.e. ₹ 7.85 crores.

7 During the quarter, the Reserve Bank of India has levied penalties of ₹ 0.02 crores on the bank. The same has been provided for as on June 30, 2024.

8 The Bank continues to hold COVID-19 related provision as contingency provision amounting to ₹1200 crores as on June 30, 2024.

9 Bank has raised Basel III Compliant Tier II Bonds of ₹1000 crores at 7.89% on July 04, 2024.

S. BHANDARI & CO. LLP

KIRTANE & PANDIT LLP

SUNDARAM & SRINIVASAN

G. D. APTE & CO.

10 Impact of RBI Circular No RBI/2018-19/2013 DBR No BP.BC.45/21.04.048/2018-19 dated 07.06.2019 on resolution of stressed assets - Revised framework is as follows:

₹ in crore

Amount of Loans impacted by RBI Circular (A)	Amount of loans to be classified as NPA (B)	Amount of Loans as on 30.06.2024, out of (B) classified as NPA (C)	Addl. Provision required for loans covered under RBI circular (D)	Provision out of (D) already made by 30.06.2024
38.50	-	-	-	-

11 Details of loan transferred/ acquired during the quarter ended June 30, 2024 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

i. The Bank has not transferred any stressed loan (Non-performing asset and Special Mention Account) and loan not in default.

ii. Details of loans not in default acquired through assignment are given below:

Particulars	₹ in crore
Aggregate amount of loans acquired	2131.55
Weighted average residual maturity (in months)	29.50
Weighted average holding period by originator (in months)	6.50
Retention of beneficial economic interest by the originator	10.00%
Tangible security coverage	19.30%

The loans acquired are not rated as these are to non-corporate borrowers.

iii. The Bank has not acquired any stressed loan.

iv. Recovery Ratings assigned to Outstanding SRs by the credit rating agencies:

Recovery Rating Band*	Amount in crore
RR1	-
RR2	-
RR3	-
RR4	-
RR5	-
Rating Withdrawn	-
Unrated	-
Total	**-**

*Recovery rating is as assigned by various external agencies.

12 The Consolidated Financial Results are prepared in accordance with Accounting Standard 21 on "Accounting for Consolidated Financial Statements" and Accounting Standard 23 on "Accounting for investment in Associates" in CFS.

13 The Consolidated Financial Results of the group comprised as under: -

i. Bank of Maharashtra (Parent).
ii. The Maharashtra Executor and Trustee Company Private Limited (Subsidiary Company).
iii. Maharashtra Gramin Bank (Associate Company).

14 Status of Investor Complaints received during the quarter ended June 30, 2024:

Complaints un-resolved at the beginning of the quarter	Received	Resolved	Unresolved at the end of the quarter
Nil	1	1	Nil

15 Figures of the previous period have been regrouped / reclassified / rearranged, wherever necessary to confirm to the current period's classification.

SUMMARISED BALANCE SHEET						
						(₹ in Lakhs)
LIABILITIES	**STANDALONE**			**CONSOLIDATED**		
	AS AT			**AS AT**		
	30.06.2024	**30.06.2023**	**31.03.2024**	**30.06.2024**	**30.06.2023**	**31.03.2024**
	Reviewed	**Reviewed**	**Audited**	**Reviewed**	**Reviewed**	**Audited**
Capital	708137	708137	708137	708137	708137	708137
Reserves & Surplus	1408290	1041097	1259253	1428122	1059253	1278925
Minority Interest	-	-	-	-	-	-
Deposits	26741551	24436534	27074717	26739522	24434667	27072642
Borrowings	944775	661777	771886	944775	661777	771886
Other Liabilities & Provisions	720450	627818	899793	721910	629190	901312
TOTAL	**30523203**	**27475363**	**30713786**	**30542466**	**27493024**	**30732902**
ASSETS						
Cash and Balances with Reserve Bank of India	1435041	2117239	2116134	1435042	2117239	2116134
Balances with Banks and Money at Call & Short Notice	14236	56614	915032	14240	56618	915036
Investments	7637366	7203488	6827412	7656560	7221066	6846465
Advances	20557307	17208294	20023988	20557307	17208294	20023988
Fixed Assets	224544	214327	220960	224545	214330	220961
Other Assets	654709	675401	610260	654772	675477	610318
TOTAL	**30523203**	**27475363**	**30713786**	**30542466**	**27493024**	**30732902**

Mudit Agarwal
Asst. General Manager, FM&A

V P Srivastava
Chief Financial Officer

Rohit Rishi
Executive Director

Asheesh Pandey
Executive Director

Nidhu Saxena
Managing Director & CEO

Date: July 15, 2024
Place: Pune

S. Bhandari & Co. LLP, Jaipur, Chartered Accountants
Kirtane & Pandit LLP, Pune, Chartered Accountants
Sundaram & Srinivasan, Chennai, Chartered Accountants
G. D. Apte & Co., Mumbai, Chartered Accountants

बैंक ऑफ महाराष्ट्र
Bank of Maharashtra
भारत सरकार का उद्यम
एक परिवार एक बैंक

Head office: Lokmangal, 1501, Shivajinagar, Pune – 411 005

CONSOLIDATED UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER ENDED 30th June 2024

(₹ in lakhs)

		Particulars	QUARTER ENDED			YEAR ENDED
			30.06.2024	31.03.2024	30.06.2023	31.03.2024
			REVIEWED	AUDITED	REVIEWED	AUDITED
1		Interest earned (a) + (b) + (c) + (d)	**587468**	**546673**	**478866**	**2049485**
	(a)	Interest / discount on advances / bills	445767	426383	367251	1582624
	(b)	Income on Investment	130061	109894	108245	446092
	(c)	Interest on balances with Reserve Bank of India and other inter bank funds	9648	8564	1659	13577
	(d)	Others	1992	1832	1711	7192
2		Other Income	89408	102175	62921	299859
A		**TOTAL INCOME (1+2)**	**676876**	**648848**	**541787**	**2349344**
3		Interest Expended	307524	288209	244865	1067183
4		Operating Expenses (e) + (f)	**139892**	**139649**	**110554**	**481520**
	(e)	Employees cost	90006	85022	66540	283780
	(f)	Other operating expenses	49886	54627	44014	197740
B		**TOTAL EXPENDITURE (3)+(4) (excluding Provisions and Contingencies)**	**447416**	**427858**	**355419**	**1548703**
C		**OPERATING PROFIT (A-B) (Profit before Provisions and Contingencies)**	**229460**	**220990**	**186368**	**800641**
D		Provisions (other than tax) and Contingencies (Net)	95050	94228	77611	364584
		Of which: Provisions for Non-performing Assets	58639	45717	53907	217427
E		Exceptional Items	0.00	0.00	0.00	0.00
F		**Net Profit / (Loss) before Tax (C-D-E)**	**134410**	**126762**	**108757**	**436057**
G		Tax Expenses	5042	4971	20508	30473
H		**Net Profit / (Loss) after Tax (F-G)**	**129368**	**121791**	**88249**	**405584**
I		Extraordinary items (net of tax expense)	0	0	0	0
J		**Net Profit / (Loss) for the period (H-I)**	**129368**	**121791**	**88249**	**405584**
K		Share in profit of Associates	141	1196	118	1594
L		Share of Minority Interest	0	0	0	0
M		**Net Profit / (Loss) after minority interest (J+K-L)**	**129509**	**122987**	**88367**	**407178**
5		Paid-up equity share capital (FV of ₹ 10 per share)	708137	708137	708137	708137
6		Reserves excluding revaluation reserves (as per Balance Sheet of previous accounting year)	1134591	1134591	758691	1134591
7		Analytical ratios				
	(i)	Percentage of shares held by Govt. of India	86.46	86.46	86.46	86.46
	(ii)	Capital Adequacy Ratio (Basel III) (%)	NA			
		(a) CET 1 Ratio				
		(b) Additional Tier 1 Ratio				
	(iii)	Earning per share (in ₹) (Not annualized)	1.83	1.74	1.29	5.80
	(iv)	a) Amount of gross non performing assets	387276	383305	400673	383305
		b) Amount of net non performing assets	41470	40899	41387	40899
		c) % of gross NPAs	1.85	1.88	2.28	1.88
		d) % of net NPAs	0.20	0.20	0.24	0.20
	(v)	Return on Assets (Annualized) (%)	1.72	1.75	1.34	1.51
	(vi)	Operating Margin (%)	33.91	34.18	34.41	34.12
	(vii)	Net Profit Margin (%)	19.13	18.92	16.31	17.32
	(viii)	Consolidated Net Worth	1892905	1737423	1505197	1737423

Bhandari & Co. LLP, Jaipur, Chartered Accountants

Kirtane & Pandit LLP, Pune, Chartered Accountants

Sundaram & Srinivasan, Chennai, Chartered Accountants

G. D. Apte & Co., Mumbai, Chartered Accountants

बैंक ऑफ महाराष्ट्र
Bank of Maharashtra
एक परिवार एक बैंक

BANK OF MAHARASHTRA

CONSOLIDATED SEGMENT REPORTING

Rs. In lacs

S.N.	PARTICULARS	QUARTER ENDED			YEAR ENDED
		30.06.2024 (Reviewed)	31.03.2024 (Audited)	30.06.2023 (Reviewed)	31.03.2024 (Audited)
1	**Segment Revenue**				
	a) Treasury Operations	144303	136515	116922	500281
	b) Corporate / Wholesale Banking Operations	259098	238651	191100	843156
	c) Retail Banking Operations	267628	265701	229098	982459
	*1) Digital Banking	5	2	1	6
	2) Other Retail Banking	267624	265699	229097	982453
	d) Other Banking Operations	5847	7981	4667	23448
	e) Unallocated	0	0	0	0
	Total	**676876**	**648848**	**541787**	**2349344**
	Less: Inter Segment Revenue	0	0	0	0
	Income from Operations	**676876**	**648848**	**541787**	**2349344**
2	**Segment Results [Profit / (Loss) before Tax]**				
	a) Treasury Operations	39837	30730	35234	104230
	b) Corporate / Wholesale Banking Operations	71187	59833	54278	243839
	c) Retail Banking Operations	22062	34149	17616	79563
	*1) Digital Banking	(31)	(87)	(29)	(176)
	2) Other Retail Banking	22093	34236	17645	79739
	d) Other Banking Operations	1466	3246	1747	10019
	e) Unallocated	0	0	0	0
	Total	**134551**	**127958**	**108875**	**437651**
	Less: Other un-allocable expenditure net off	0	0	0	0
	Total Profit before Tax	**134551**	**127958**	**108875**	**437651**
	Taxes including Deferred Taxes	5042	4971	20508	30473
	Extraordinary Profit / Loss	0	0	0	0
	Net Profit after Tax	**129509**	**122987**	**88367**	**407178**
3	**Segment Assets**				
	a) Treasury Operations	7795952	8732616	8289764	8732616
	b) Corporate / Wholesale Banking	11631002	11264257	10457507	11264257
	c) Retail Banking	9287911	9082109	7124024	9082109
	*1) Digital Banking	302	173	147	173
	2) Other Retail Banking	9287608	9081936	7123877	9081936
	d) Other banking operations	1554301	1427510	1335998	1427510
	e) Unallocated	273301	226410	285731	226410
	Total assets	**30542466**	**30732902**	**27493024**	**30732902**
4	**Segment liabilities**				
	a) Treasury Operations	7651163	8617175	8192580	8617175
	b) Corporate / Wholesale Banking	10799144	10420645	9700011	10420645
	c) Retail Banking	8599354	8285573	6588841	8285573
	*1) Digital Banking	560	400	226	400
	2) Other Retail Banking	8598794	8285173	6588615	8285173
	d) Other banking operations	1355732	1323308	1236313	1323308
	e) Unallocated	814	99139	7889	99139
	f) Capital & Reserves & Surplus	2136260	1987062	1767390	1987062
	Total liabilities	**30542466**	**30732902**	**27493024**	**30732902**
5	**Capital Employed**				
	a) Treasury Operations	144789	115441	97184	115441
	b) Corporate / Wholesale Banking Operations	831858	843612	757496	843612
	c) Retail Banking Operations	688557	796536	535183	796536
	*1) Digital Banking	(258)	(227)	(80)	(227)
	2) Other Retail Banking	688814	796763	535263	796763
	d) Other Banking Operations	198569	104202	99685	104202
	e) Unallocated	272487	127271	277842	127271
	Total	**2136260**	**1987062**	**1767390**	**1987062**

Note 1. The Group has only one geographical segment i.e Domestic Segment

2. Previous period figures have been regrouped / reclassified wherever necessary to make them comparable (Maximum aggregated exposure to one counter part below Rs. 7.5 Cr. has been considered as Retail Exposure.)

** 3. Information about Digital Banking Segment reported as a sub-segment of Retail Banking Segment is related to Digital Banking Units of the Bank.*

Bhandari & Co. LLP, Jaipur
Kirtane & Pandit LLP, Pune
Sundaram & Srinivasan, Chennai
G. D. Apte & Co., Mumbai

F.M. & A., H.O., Pune-5

Sundaram & Srinivasan
CHARTERED ACCOUNTANTS
Offices : Chennai - Mumbai - Bangalore - Madurai

New No.4, Old No. 23,
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2498 8463
4210 6952
E-Mail : sundaramandsrinivasan1948@gmail.com
yessendes@sundaramandsrinivasan.com
Website : www.sundaramandsrinivasan.com

Date ....

To
The Board of Directors
Bank of Maharashtra
Pune

CERTIFICATE WITH REFERENCE TO SECURITY COVER IN RESPECT OF LISTED UNSECURED DEBT SECURITIES FOR THE QUARTER ENDED 30.06.2024

We have been requested by Bank of Maharashtra ("The Bank") vide its appointment letter AX1/FM&A/SCA/AC App/Q1/2024-25 dated July 04, 2024 to verify and certify, compliance with respect to Security Cover in respect of listed unsecured debt securities as per regulation 54(2) read with regulation 56 (1) (d) of SEBI (LODR) Regulation, 2015 & as per circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/230 dated 12th November, 2020 & SEBI/HO/MIRSD/MIRSD CRADT/CIR/P/2022/67 dated 19th May, 2022.

This certificate is required for the onward submission to stock exchanges and debenture trustee only.

Management's Responsibilities

The responsibility for compliance with regard to instructions contained in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 published on 2nd September, 2015 & as per circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/230 dated 12th November, 2020 & SEBI/HO/MIRSD/MIRSD/CRADT/CIR/P/2022/67 dated 19th May, 2022 is that of the management of the Bank. The Bank's responsibility is to put in place controls and suitable triggers to ensure that above regulations are adhered to.

Auditor's Responsibility

Our responsibility is to provide the reasonable assurance on Bank's compliance with respect to Security Cover in respect of listed debt securities as per regulation 54(2) read with regulation 56(1)(d) of SEBI (LODR) Regulation, 2015, as to the accuracy in the computation of Security Coverage Ratio in respect of listed debt securities.

We conducted our independent review in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. 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.

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 Services Engagements.

REVIEW PROCEDURES PERFORMED:

a) Traced the value of assets and liabilities forming part of Annexure 1 viz., security cover certificate from the Unaudited Financial Statements, underlying books of account and other relevant records and documents maintained by the Bank for the period ended June 30th, 2024
b) Verification of terms/covenants of the issue of the listed debt securities.
c) Verification of compliance with SEBI Circular regarding Security Coverage Ratio.
d) Obtained necessary representations from the management.

OPINION

Based on examination of unaudited books of accounts and other relevant records/documents, hereby certify that:

a) The Bank of Maharashtra has vide its Board Resolution and information memorandum/ offer document and under various Debenture Trust Deeds, has issued the following listed debt securities:

(Rs. In Crore)

ISIN	Private Placement/ Public Issue	Secured/ Unsecured	Sanctioned Amount	Cover/ Security Required
INE457A08159	Private Placement	Unsecured	259.00	NA
INE457A08142	Private Placement	Unsecured	515.00	NA
INE457A08134	Private Placement	Unsecured	880.00	NA
INE457A08126	Private Placement	Unsecured	348.00	NA
INE457A08118	Private Placement	Unsecured	710.00	NA
INE457A08100	Private Placement	Unsecured	290.00	NA
INE457A08092	Private Placement	Unsecured	1000.00	NA
INE457A08084	Private Placement	Unsecured	100.00	NA
INE457A08076	Private Placement	Unsecured	205.00	NA
INE457A08068	Private Placement	Unsecured	200.70	NA
INE457A08050	Private Placement	Unsecured	600.00	NA
INE457A08035	Private Placement	Unsecured	500.00	NA
TOTAL			**5607.70**	

b) Securities Cover for listed debt securities:

Based on our examination and procedures performed by us, as referred above and according to the information & explanations given to us, we report that the data related to Security Cover as laid down in Annexure as at June 30, 2024 has been extracted accurately from the Books of account for the quarter ended June 30, 2024 pursuant to the requirements of Regulation 54 read under Reg 56(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Regulations") and Circular No. SEBI/HO/MIRSD/ MIRSD CRADT/CIR/P/2022/67 dated May 19, 2022.

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.1/21.06.201/2015-16 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 issue.

c) Compliance of all the covenants/terms of the issue in respect of listed debt securities information under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in terms of the provision of regulation 56(1)(d) as amended from time to time- Covenant Compliance Certificate as on 30.06.2024:

We have examined the compliances made by the Bank in respect of the covenants / terms of the issue of the listed debt securities and certify that the covenants/terms of the issue have been complied by the Bank.

Based on the examination of the unaudited books of accounts and other relevant records/documents, we hereby certify that:

We certify that the Bank has complied with all the covenant/terms of the issue mentioned in the offer document/Information Memorandum and/or Debenture Trust Deed for the above mentioned Non-convertible debt securities.

Further, please find below the list of the covenant which the Bank has failed to comply for the quarter.

Covenant	Document reference	Date of breach	Cure period (if any)
NIL			

Restriction on use

This certificate has been issued at the request of the Bank for onward submission to stock exchanges and debenture trustee only. It should not be used by any other person, without our consent. 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

M/s. Sundaram & Srinivasan
Chartered Accountants
FRN: - 004207S

CA S Ramkumar
Partner
M No. 238820
UDIN: - 24238820BKERMD2395
Date: 15 July 2024
Place: Pune

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	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							NIL							
Goodwill														
Intangible Assets														

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS
New No: 4, Old No: 23, CPR ROAD, CHENNAI 600 018.

Intangible Assets under Development														
Investments														
Loans														
Inventories														
Trade Receivable s														
Cash and Cash Equivalents														
Bank Balances other than Cash and Cash Equivalents														
Others														
Total														
LIABILITIES														
Debt securities to which this certificate pertains					**NIL**									
Other debt sharing pari-passu charge with above debt		*not to be filled*												
Other Debt														
Subordinated debt														
Borrowings														
Bank														
Debt Securities														
Others														

Trade payables														
Lease Liabilities														
Provisions														
Others														
Total									NIL					
Cover on Book Value														
Cover on Market Value[ix]														
		Exclusive Security Cover Ratio			**Pari-Passu Security Cover Ratio**									

[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.*

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS

बैंक ऑफ महाराष्ट्र
Bank of Maharashtra
भारत सरकार का उद्यम
एक परिवार एक बैंक

AX1/ISD/STEX//2024-25 **Date: 15.07.2024**

The General Manager Department of Corporate Services, BSE Ltd., P.J Towers, Dalal Street, Fort, Mumbai-400 001	**The Vice President Listing Department, National Stock Exchange of India Ltd., Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400 051**
BSE Scrip Code: 532525	**NSE Scrip Code: MAHABANK**

Dear Sir/ Madam,

Sub: Declaration regarding the Limited Review Report with Unmodified Opinion for the Unaudited Financial Results (Standalone and Consolidated) of the Bank for the first quarter ended 30.06.2024

Pursuant to Regulation 33, 52 and 63 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that the Statutory Central Auditors of Bank have issued their Limited Review Report with an unmodified opinion for the unaudited Financial Results (Standalone and Consolidated) of the Bank for the first quarter ended 30th June, 2024.

We request you to kindly take the above information on your records.

Thanking you,

Yours faithfully,
For **Bank of Maharashtra**

(V.P. Srivastava)
Chief Financial Officer

Statement of utilization of issue proceeds of listed non-convertible debt securities for the quarter ended 30th June, 2024

(As per Regulation 52(7) of SEBI (LODR) Regulations, 2015)

<table>
<tr><th>Name of the Issuer</th><th>ISIN</th><th>Mode of Fund Raising (Public issues/ Private placement)</th><th>Type of instrument</th><th>Date of raising funds</th><th>Amount Raised</th><th>Funds utilized</th><th>Any deviation (Yes/ No)</th><th>If Yes, then specify the purpose of for which the funds were utilized</th><th>Remarks, if any</th></tr>
<tr><td colspan="10">Not Applicable</td></tr>
</table>

The issue proceeds of the non-convertible debt securities have fully been utilized and that there are no deviations in the use of the said proceeds from the objects stated in the Information Memorandum(s) / Disclosure Document(s).

Name of Signatory: V.P. Srivastava
Designation: Chief Financial Officer

Date: 15.07.2024
Place: Pune

बैंक ऑफ महाराष्ट्र
Bank of Maharashtra
भारत सरकार का उद्यम
एक परिवार एक बैंक

बेटी बचाओ
बेटी पढ़ाओ

Statement of Deviation or Variation in the use of the proceeds of equity shares raised through public issue, rights issue, preferential issue etc.

(As per Regulation 32(1) of SEBI (LODR) Regulations, 2015)

Name of listed entity	**Bank of Maharashtra**
Mode of Equity Fund Raising	Not raised during the quarter
Type of instrument	Not applicable
Date of Raising Funds	Not applicable
Amount Raised	Nil
Report filed for quarter ended	30th June, 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?	No
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:	

Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilised	Amount of Deviation/Variation for the quarter according to applicable object (INR Crores and in %)	Remarks, if any
Not applicable						

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.

Name of Signatory: V.P. Srivastava
Designation: Chief Financial Officer

Date: 15.07.2024
Place: Pune

बैंक ऑफ महाराष्ट्र
Bank of Maharashtra
भारत सरकार का उद्यम
एक परिवार एक बैंक

Statement of Deviation or Variation in the use of the proceeds of issue of listed non-convertible debt securities

(As per Regulation 52(7) of SEBI (LODR) Regulations, 2015)

Name of listed entity	**Bank of Maharashtra**
Mode of Fund Raising	Not raised during the quarter
Type of instrument	Not Applicable
Date of Raising Funds	Not Applicable
Amount Raised	Nil
Report filed for quarter ended	30th June, 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?	No
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 Utilised	Amount of Deviation/Variation for the quarter according to applicable object (INR Crores and in %)	Remarks, if any
Not applicable						

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.

Name of Signatory: V.P. Srivastava
Designation: Chief Financial Officer

Date: 15.07.2024
Place: Pune

M/s. S Bhandari & Co LLP
Chartered Accountants,
P-7, Tilak Marg, C-Scheme,
Jaipur - 302 005

M/s. Kirtane & Pandit LLP
Chartered Accountants,
5th. Floor, Wing A, Gopal House,
Kothrud, Pune- 411 038

M/s. Sundaram & Srinivasan
Chartered Accountants,
23, CP Ramaswamy Road,
Alwarpet, Chennai-600 018

M/s. G D Apte & Co.
Chartered Accountants,
D-509, Neelkanth Business Park, Nathani Rd,
Vidhya Vihar West, Mumbai 400086.

Independent Auditors' Report

To,

The President of India and Members of "BANK OF MAHARASHTRA"

Report on Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Bank of Maharashtra, which comprise the Balance Sheet as at 31st March 2024, the Profit and Loss Account and the Statement of Cash Flows for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date of the Head Office, 46 Zonal Offices and 20 branches and one Treasury and International Banking Division audited by us, and 524 branches audited by Statutory Branch Auditors of the Bank.

   The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows are the returns from 1967 branches which have not been subjected to audit. These unaudited branches account for 28.27% of advances, 52.68% of deposits, 20.85% of interest income and 48.58% interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 in the manner so required for bank and are in conformity with accounting principles generally accepted in India and:

a. the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31st March, 2024;
b. the Profit and Loss Account, read with the notes thereon shows a true balance of profit for the year ended 31st March, 2024 and
c. the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the ICAI. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the ICAI, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars, directions and guidelines issued by the Reserve Bank of India ('RBI") from time to time 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

3. We draw attention to Note No. 4(h) in Schedule 18 of the Financial Statements where Bank continues to hold COVID-19 related provision of Rs. 1200 Crore as contingency provision as on 31st March 2024.

   Our Opinion is not modified in respect of this matter.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the year ended March 31 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report.

S. N.	Key Audit Matters	How our Audit procedures addressed the Key Audit Matters
1.	**Classification of Advances, Provisioning and other relevant compliance of RBI Guidelines:** (Refer Note No. 4 of Schedule 17 of Significant Accounting Policy to the Standalone Financial Statements) The Bank's portfolio comprises of Net Advances of Rs. 200239.88 Crores as at March 31, 2024 comprising of wholesale and retail banking. As required by IRAC Norms, guidelines issued by RBI and other circulars, notification and directives issued by RBI, the Bank has classified Advances	The audit was focused on income recognition, asset classification and provisioning pertaining to advances. The matter has been addressed as follows: • Tested the design and operating effectiveness of the Key controls of the system of application, process of approval, recording, monitoring, and recovery of loans, overdue and stressed accounts, identification of NPA, provision for NPA including verification of valuation reports of experts for primary and collateral securities based on the understanding of the prudential guidelines and overall organizational IT framework of the Bank and its

	and has made appropriate provisions in accordance with such guidelines. Income from Advances constitutes 67.37% of Total Income. The provision in respect of Non-Performing Asset is Rs. 2174.27 Crores which constitutes 11.19% of the total expenditure. The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate the IRAC Norms, are not properly followed. The Bank has significant Credit Risk Exposure to a large number of borrowers across a wide range of borrowers, products, industries and there is a high degree of complexity, uncertainty, judgement involved in recoverability of Advances, estimation of provisions thereon and identification of accounts to be written off. If such prudential guidelines are not followed by the Bank the profit for the year and the net advances position will be materially mis-stated. Hence, we consider this as a Key Audit Matter.	communication through various circulars and reports. • Evaluated the Internal Controls over sanctioning, disbursement, monitoring process, considered system overrides or bypasses to controls of advances, evaluated through supervisory framework such as Internal Audit, Credit Audit, Concurrent Audit, Systems Audit, as well as Internal Check and operational existence and effectiveness of such framework as per the policies and procedures of the bank and in compliance with prudential guidelines. Also reviewed approval of sanctions as per Bank's credit Policy and performance of Credit Assessments and controls. • Tested samples of Performing Assets and assessed the application of IRAC Norms, as prescribed by RBI, to ensure compliance of the same. • Examined early warning signal reports, other exceptional reports generated by the Bank for the purpose of identifying potential NPA and steps taken for monitoring of such accounts including red flagged accounts to overcome assessed risks and ensure effective implementation of risk management and related controls. • Adopted a framework of carrying out detailed verification of corporate wholesale (including Consortium, Pool Buyout and other large borrowers) on sample basis by way of review of collateral documents including valuation reports, due diligence report, servicing Agreement, deed of assignment, JLA and External Credit rating reports to assess and focus on larger exposures of the Bank and mitigating the areas of emerging risk. • Discussed with the Senior Management and performed our own assessment including internal and external macroeconomic factors and testing the timelines and the accuracy of risk assessment and risk grading as per the

		Bank's lending policies, IRAC Norms and in accordance with Government Policies. • Examined the Retail advances portfolio of the Bank on sample basis to ensure effective monitoring and implementation of IRAC norms including income recognition, provisioning for such loans. The Bank has adopted Loan Life Cycle Management System for retail loans which monitors, controls the retail portfolio of the Bank and is tested for its effective implementation and performance. • Tested the completeness and accuracy of the data from the underlying source systems, tested the automated calculation and evaluated the bank's oversight of the portfolio. • Reviewed the Bank's process for granting moratorium and/or restructuring to borrowers as per the Relevant regulatory Package announced by RBI during the financial year. We tested the completeness and accuracy of data used for computing general provisions in line with regulatory package announced by RBI. • Examined the adequacy and appropriateness of disclosures as per the relevant RBI requirements relating to NPA and applicable Accounting Standards required to be made in accordance with Banking Regulation Act and RBI Circulars. • Reviewed the reliability, effectiveness and accuracy of manual interventions, wherever it has come to our notice, on test check basis. • Relied on the reports/returns and work done by other Statutory Branch Auditors (SBA) in cases of branches not visited by us to get an overall comfort with respect to overall compliance in accordance with SA 600 - Using the Work of Another Auditor. • Reviewed the work done by other experts like independent valuers,

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		Lawyers, Legal Experts and other such professionals who have rendered services to the Bank, in accordance with SA 620 Using the Work of an Auditor's Expert.
2.	**Classification and Valuation of Investments:** (Refer Note No. 3 of Schedule 17 of Significant Accounting policies to the Standalone Financial Statements) Investments are classified into Held for Trading (HFT), Available for Sale (AFS) and Held to Maturity (HTM) categories at the time of purchase. Investments intended to be held till maturity are classified as HTM Investments. Classification of Investments, valuation and provisioning thereof are based on RBI guidelines. Compliance of Investment Portfolio as per guidelines issued by RBI is mandatory and involves management judgement in determining the value of bonds, debentures and other securities based on the policy and the model adopted by the Bank. Impact of Impairment assessment is having overall significance to the financial results of the Bank. Interest Income from Investment of the Bank comprises 18.99% of the total income. In view of these significant points including assessment of non performing Investments and provisions we have identified this aspect as a Key Audit Matter.	Our audit approach towards investment portfolio with reference to the RBI Circulars / directives included a combination of test of the design, implementation, and operating effectiveness of internal controls, related process and substantive procedures in relation to classification, valuation, independent price verification, identification of non-performing investments (NPIs), provisioning/depreciation related to Investments. Examined the investment agreements / term sheets entered into during the current year, on a sample basis, to understand the relevant investment terms and identify any conditions that were relevant to the valuation of financial instruments. For the selected sample of investments, tested the accuracy, completeness and compliance with the RBI guidelines and directives by re-performing valuation for each category of the security. Samples were selected in such a way that all the categories of investments (based on nature of security) were covered. Carried out on test check basis independent valuation exercise of unquoted investments on the basis of prescribed procedures in terms of the RBI guidelines. Assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision. Carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided in accordance with the RBI guidelines and directives of the RBI, selected samples from the investments in each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs. Verified Investment portfolio on sample basis and performed various substantive analytical procedures in determination of Income, gain / loss on sale and tested the controls implemented by the Bank in recognizing the profit / loss to profit and loss account.

		Reviewed the reports of the internal audits, concurrent audits etc. conducted by the bank. Ensured that adequate disclosures have been made by way of Notes to the financial statements as mandated by the RBI guidelines.
3.	**Information Technology Systems and Control Framework:** The Bank's key business objective is determined evaluated, controlled, monitored, implemented through complex IT architecture to support high volume of business operation by automation and application which are significant towards Banking business and plays a major role as a backbone in achieving the Business Objective. The Bank's financial accounting process in respect of recognition of Income, classification of Assets through IRAC Norms and evaluating the performance of the Bank and producing the desired output through various application and other IT general controls to ensure the required business Output and helps us to arrive at the Audit conclusion to ensure quality performance Financial & Accounting Processes. We have identified various application and control framework in implementing various products and schemes which covers majority of Bank's business and hence we consider Information Technology Systems and Control as a Key Audit Matter.	Information Technology forms an integral part of operating requirements of the Bank by way of various applications, general, software controls and requires understanding of various systems and procedures in evaluating the Risk based and business centric requirements of the Bank. We have reviewed the various IT policies and procedures including user management, change management, system security, incident management, physical and environment security, standard operating procedures, Segregation of duty, BCP, DRP, service level agreements, security policies to ensure that these are in line with business requirements of the Bank and to comply with government and RBI regulations. We have adopted various techniques such as enquiry, review of documentation, record, reports, observation, and re performance of various application controls by taking adequate samples of instances for our test. We have also tested validation checks using negative testing technique. We have tested various compensating controls and performed alternate procedures which were necessary and gathered a comprehensive understanding of IT applications landscape implemented by the Bank. It was followed by process understanding mapping of application to the same and understanding financial risk posed by people, process and technology. We have also assessed areas including password policies, security configuration, system interface controls over changes to applications and databases and that business users and controls to ensure that developers and production support did not have access to change applications, the operating systems or databases in the production environment to ensure proper segregation of duties is in place as per the SOP.

		We have tested certain critical aspects of cyber security on network security management mechanism, operational security of key information infrastructure, data and client information management, monitoring and emergency management. through certain data drill conducted by the Management and scrutinised by us and comparing the required results. We have verified the testing report carried out by the Management on risk of implementation of security control in a more holistic, comprehensive way, ensuring that all business decisions are based on proper Risk assessment and management considering the overall effect of uncertainties on the Bank's Objective.
4.	**Provisions and Contingent Liability:** Assessment of Provisions and Contingent Liability in respect of certain litigations on various claims filed by other parties not acknowledged as debt (Note No. 10 of Schedule 17 and Note No. 16 of Schedule 18) There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgement, past experience, and advice from legal and independent experts wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in Balance Sheet. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to outcome of these matters which requires application of judgement in interpretation of Law.	We have obtained an understanding of Internal Controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances. Understanding the current status of the litigations / tax assessments. Examining recent orders and communications received from various tax authorities / judicial forums and follow up actions thereon; Evaluated the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of experts. Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues. Verified the disclosures related to significant litigations and taxation matters. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgements / interpretation of law involved.

Information other than the Standalone Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors is responsible for other information. The other information comprises the information other than Standalone Financial Statements and our Auditors' Report thereon and the Pillar III disclosure under the Basel III disclosure.

Our opinion on the Standalone Financial Statements does not cover the other information and Pillar 3 disclosure under the Basel III Disclosure and we do not express any form of assurance conclusion thereon

In connection with our Audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

When we read the other information and based on the work we perform, if we conclude that there is a material misstatement therein, we are required to report that fact to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The Bank's Board of Directors is responsible with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the standalone financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Bank's Financial Reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of Internal Control relevant to the Audit in order to design Audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of Standalone Financial Statements 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 effect of identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

8. We did not audit the financial statements / information of 524 branches included in the Standalone Financial Statements of the Bank whose Financial Statements / Financial Information reflect total advances of Rs. 56896.06 crores as at March 31, 2024 and total revenue of Rs. 5781.46 crores for the year ended on that date, as considered in the Standalone Financial Statements. These branches cover 27.94% of advances, 43.14% of deposits and 39.74% of non-performing assets as at March 31, 2024 and 24.61% revenue for the year ended March 31, 2024. The Financial 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 branches, is based solely on the report of such Branch Auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;
   Subject to the limitations of the audit indicated in paragraphs 6 to 8 above and as required by sub section 3 of section 30 of the Banking Regulation Act, 1949, and subject also to the limitations of disclosure required therein, we report that:

   a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory.
   b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
   c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

10. As required by letter no. DOS.ARG. No.6270/08.91.001/2019- 20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communications dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

    a) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

    b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.

c) As the bank is not registered under the Companies Act, 2013 the disqualifications from being a director of the bank under the sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank.

d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.

e) Our audit report on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting is given in **Annexure A** to this report. Our report expresses an unmodified opinion on the Bank's internal financial controls over financial reporting with reference to the Standalone Financial Statements as at March 31, 2024.

11. We further report that:

a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

b) the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows dealt with by this report are in agreement with the books of accounts and with the returns received from the branches not visited by us;

c) the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and

d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

For M/s. S Bhandari & Co. LLP **Chartered Accountants**	For M/s. Kirtane & Pandit LLP **Chartered Accountants**	For M/s. Sundaram & Srinivasan **Chartered Accountants**	For M/s. G D Apte & Co. **Chartered Accountants**
FRN – 000560C/ C400334	FRN – 105215W/ W100057	FRN – 004207S	FRN – 100515W
CA P P Pareek	CA Mittal Shah	CA S Ramkumar	CA S B Rashinkar
Partner	Partner	Partner	Partner
M No 071213	M No 147370	M No 238820	M No 103483
UDIN:24071213BKJMDV3052	UDIN:24147370BKANQV5797	UDIN:24238820BKERKE7946	UDIN:24103483BKDZTN7048

Date: 26.04.2024
Place: Mumbai

M/s. S Bhandari & Co LLP
Chartered Accountants,
P-7, Tilak Marg, C-Scheme,
Jaipur - 302 005

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M/s. G D Apte & Co.
Chartered Accountants,
D-509, Neelkanth Business Park, Nathani
Rd, Vidhya Vihar West, Mumbai 400086.

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 10 e under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the "RBI") Letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the "RBI communication")

We have audited the internal financial controls over financial reporting of Bank of Maharashtra ("the Bank") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting of the Bank's branches.

Management's Responsibility for Internal Financial Controls:

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the auditto obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over FinancialReporting

A Bank's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A Bank's internal financial controls over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of theBank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls OverFinancial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, materialmisstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the Other Matters paragraph below, the Bank has, in all material respects, adequate internal financial

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controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report insofar as it relates to the operating effectiveness of internal financial controls over financial reporting of 160 branches is based on the corresponding reports of the respective branch auditors of those branches.

Our opinion is not modified in respect of this matter.

For M/s. S Bhandari & Co. LLP **Chartered Accountants**	For M/s. Kirtane & Pandit LLP **Chartered Accountants**	For M/s. Sundaram & Srinivasan **Chartered Accountants**	For M/s. G D Apte & Co. **Chartered Accountants**
FRN – 000560C/ C400334	FRN – 105215W/ W100057	FRN – 004207S	FRN – 100515W
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UDIN:24071213BKJMDV3052	UDIN:24147370BKANQV5797	UDIN:24238820BKERKE7946	UDIN:24103483BKDZTN7048

Date: 26.04.2024
Place: Mumbai

HEAD OFFICE: "LOKMANGAL", 1501 SHIVAJINAGAR, PUNE 411005

BALANCE SHEET AS ON 31st-Mar-2024

(₹ in thousands)

	Schedule	As on 31st-Mar-2024 (Current Year)	As on 31st-Mar-2023 (Previous Year)
CAPITAL AND LIABILITIES			
Capital	1	7081 ,37 ,36	6730 ,49 ,64
Reserves & Surplus	2	12592 ,52 ,57	8879 ,76 ,80
Deposits	3	270747 ,16 ,82	234082 ,68 ,37
Borrowings	4	7718 ,85 ,50	10765 ,65 ,77
Other Liabilities & Provisions	5	8997 ,93 ,70	7192 ,78 ,43
TOTAL		**307137 ,85 ,95**	**267651 ,39 ,01**
ASSETS			
Cash and Balances with Reserve Bank of India	6	21161 ,33 ,96	18507 ,72 ,06
Balances with Banks, Money at call & short notice	7	9150 ,32 ,20	21 ,19 ,01
Investments	8	68274 ,11 ,97	68866 ,95 ,10
Advances	9	200239 ,88 ,43	171220 ,67 ,12
Fixed Assets	10	2209 ,59 ,99	2156 ,70 ,97
Other Assets	11	6102 ,59 ,40	6878 ,14 ,75
TOTAL		**307137 ,85 ,95**	**267651 ,39 ,01**
Contingent Liabilities	12	39390 ,88 ,64	24589 ,06 ,77
Bills for Collection		5740 ,31 ,19	6345 ,88 ,83
Significant accounting policies	17		
Notes on Accounts	18		

The Schedules 1 to 18 form an integral part of the Accounts.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st-Mar-2024

(₹ in thousands)

	Schedule	Year ended 31st-Mar-2024 (Current Year)	Year ended 31st-Mar-2023 (Previous Year)
I. INCOME			
Interest earned	13	20494 ,68 ,83	15898 ,45 ,86
Other Income	14	2997 ,86 ,57	2280 ,27 ,07
TOTAL		**23492 ,55 ,40**	**18178 ,72 ,93**
II. EXPENDITURE			
Interest expended	15	10672 ,84 ,37	8157 ,68 ,09
Operating Expenses	16	4814 ,37 ,29	3921 ,83 ,56
Provisions & contingencies		3950 ,31 ,02	3497 ,17 ,54
TOTAL		**19437 ,52 ,68**	**15576 ,69 ,19**
PROFIT/LOSS			
Net Profit for the year		4055 ,02 ,72	2602 ,03 ,74
Add: Profit brought forward		1536 ,76 ,19	472 ,49 ,33
TOTAL		**5591 ,78 ,91**	**3074 ,53 ,07**
APPROPRIATIONS			
Transfer to Statutory Reserve		1013 ,75 ,68	650 ,50 ,94
Transfer to Capital Reserve		22 ,13 ,62	12 ,29 ,48
Transfer to Revenue Reserve		-	-
Transfer to Special Reserve		-	-
Transfer to Investment Fluctuation Reserve		-	-
Transfer to Investment Reserve		62 ,39 ,41	-
Proposed dividend (Equity)		991 ,39 ,23	874 ,96 ,46
Balance carried over to Balance Sheet		3502 ,10 ,97	1536 ,76 ,19
TOTAL		**5591 ,78 ,91**	**3074 ,53 ,07**
Earning per share (Basic & Diluted) (Rupees)		5.78	3.87

SARDAR BALJIT SINGH
DIRECTOR

SHASHANK SHRIVASTAVA
DIRECTOR

RAKESH KUMAR
DIRECTOR

SANJEEV PRAKASH
DIRECTOR

Dr. ABHIJIT PHUKON
DIRECTOR

ROHIT RISHI
EXECUTIVE DIRECTOR

ASHEESH PANDEY
EXECUTIVE DIRECTOR

NIDHU SAXENA
MANAGING DIRECTOR & CEO

KEYUR TALATI
ASST. GENERAL MANAGER, FM&A

MUDIT AGARWAL
ASST. GENERAL MANAGER, FM&A

V P SRIVASTAVA
GENERAL MANAGER & CFO

AS PER OUR REPORT OF EVEN DATE ATTACHED

For M/s. S Bhandari & Co LLP
FRN – 000560C/C400334
Chartered Accountants

CA P P Pareek
Partner
Membership No: 071213
UDIN - 24071213BKJMDV3052

For M/s. Kirtane & Pandit LLP
FRN- 105215W/W100057
Chartered Accountants

CA Mittal Shah
Partner
Membership No: 147370
UDIN - 24147370BKANQV5797

F037

For M/s. Sundaram & Srinivasan
FRN- 004207S
Chartered Accountants

CA Ramkumar S
Partner
Membership No: 238820
UDIN - 24238820BKERKE7946

For M/s. G D Apte & co.
FRN- 100515W
Chartered Accountants

CA S B Rashinkar
Partner
Membership No: 103483
UDIN - 24103483BKDZTN7048

Place: Mumbai
Date: 26.04.2024

SCHEDULE-1 CAPITAL

(₹ in thousands)

	As on 31st-Mar-2024 (Current Year)		As on 31st-Mar-2023 (Previous Year)	
Authorised Capital 10,00,00,00,000 Equity Shares (Previous Year 10,00,00,00,000) of Rs. 10/- each		**10000 ,00 ,00**		**10000 ,00 ,00**
Issued & Subscribed 708,13,73,639 Equity Shares (Previous Year 673,04,96,447) of Rs.10/- each				
Opening Balance	6730 ,49 ,64		6730 ,49 ,64	
Additions during the Year	350 ,87 ,72	7081 ,37 ,36	-	6730 ,49 ,64
Paid Up Capital				
a. Held by Central Government 612,26,27,927 (Previous Year 612,26,27,927) Equity shares of Rs.10/- each	6122 ,62 ,79		6122 ,62 ,79	
b. Held by the Public & Others 95,87,45,712 (Previous Year 60,78,68,520) Equity Shares of Rs.10/- each	958 ,74 ,57		607 ,86 ,85	
Less: Allotment money due	-	7081 ,37 ,36	-	6730 ,49 ,64
		7081 ,37 ,36		**6730 ,49 ,64**
TOTAL		**7081 ,37 ,36**		**6730 ,49 ,64**

SCHEDULE-2 RESERVES AND SURPLUS

(₹ in thousands)

	As on 31st-Mar-2024 (Current Year)		As on 31st-Mar-2023 (Previous Year)	
I. STATUTORY RESERVE				
i) Opening Balance	2425 ,59 ,44		1775 ,08 ,50	
ii) Addition during the Year	1013 ,75 ,68	3439 ,35 ,12	650 ,50 ,94	2425 ,59 ,44
II. CAPITAL RESERVE				
i) Opening Balance	697 ,55 ,93		685 ,26 ,45	
ii) Addition during the Year	22 ,13 ,62		12 ,29 ,48	
iii) Deduction during the Year	-	719 ,69 ,55	-	697 ,55 ,93
III. SHARE PREMIUM				
i) Opening Balance	328 ,31 ,28		328 ,31 ,28	
ii) Addition during the Year	649 ,12 ,28		-	
iii) Deduction during the Year	-	977 ,43 ,56	-	328 ,31 ,28
IV. REVENUE AND OTHER RESERVES				
a) REVENUE RESERVE				
i) Opening Balance	1941 ,35 ,10		1838 ,89 ,05	
ii) Addition during the Year	29 ,48 ,70		102 ,46 ,05	
iii) Deduction during the Year	-	1970 ,83 ,80	-	1941 ,35 ,10
b) SPECIAL RESERVE				
i) Opening Balance	51 ,26 ,04		51 ,26 ,04	
ii) Addition during the Year	-		-	
iii) Deduction during the Year	-	51 ,26 ,04	-	51 ,26 ,04
c) REVALUATION RESERVE				
i) Opening Balance	1472 ,82 ,82		1576 ,96 ,57	
ii) Addition during the Year	-		-	
iii) Deduction during the Year	29 ,48 ,70	1443 ,34 ,12	104 ,13 ,75	1472 ,82 ,82
d) INVESTMENT FLUCTUATION RESERVE ACCOUNT				
i) Opening Balance	426 ,10 ,00		426 ,10 ,00	
ii) Addition during the Year	-		-	
iii) Deduction during the Year	-	426 ,10 ,00	-	426 ,10 ,00
e) INVESTMENT RESERVE ACCOUNT				
i) Opening Balance	-		-	
ii) Addition during the Year	62 ,39 ,41		-	
iii) Deduction during the Year	-	62 ,39 ,41	-	-
V. BALANCE IN PROFIT AND LOSS ACCOUNT				
i) Opening balance	1536 ,76 ,19		472 ,49 ,33	
ii) Addition during the Year	1965 ,34 ,78		1064 ,26 ,86	
iii)Deductions during the Year	-	3502 ,10 ,97	-	1536 ,76 ,19
TOTAL		**12592 ,52 ,57**		**8879 ,76 ,80**

SCHEDULE-3 DEPOSITS

(₹ in thousands)

	As on 31st-Mar-2024 (Current Year)		As on 31st-Mar-2023 (Previous Year)	
A. I. DEMAND DEPOSITS				
i) From Banks	297 ,86 ,52		81 ,57 ,71	
ii) From others	34670 ,16 ,49	34968 ,03 ,01	28219 ,17 ,32	28300 ,75 ,03
II. SAVINGS BANK DEPOSITS		107805 ,55 ,94		96660 ,19 ,76
III. TERM DEPOSITS				
i) From Banks	1606 ,00 ,50		933 ,76 ,23	
ii) From others	126367 ,57 ,37	127973 ,57 ,87	108187 ,97 ,35	109121 ,73 ,58
TOTAL (I, II & III)		**270747 ,16 ,82**		**234082 ,68 ,37**
B. (i) Deposits of Branches in India		270747 ,16 ,82		234082 ,68 ,37
(ii) Deposits of Branches outside India		-		-
TOTAL		**270747 ,16 ,82**		**234082 ,68 ,37**

SCHEDULE-4 BORROWINGS

(₹ in thousands)

	As on 31st-Mar-2024 (Current Year)		As on 31st-Mar-2023 (Previous Year)	
I. BORROWINGS IN INDIA				
i) Reserve Bank Of India	-		500 ,00 ,00	
ii) Other Banks	-		-	
iii) Other Institutions and Agencies	2111 ,15 ,50		5395 ,94 ,07	
iv) Other Borrowings				
a) Perpetual Debt Instruments (PDI)- Tier -I Bond	1880 ,00 ,00		1880 ,00 ,00	
b) Hybrid Debt Capital Instruments issued as Bonds	-		-	
c) Subordinated Debt Bonds- Tier II Bond	3727 ,70 ,00		2953 ,70 ,00	
d) Infra Bonds	-	7718 ,85 ,50	-	10729 ,64 ,07
II. BORROWINGS OUTSIDE INDIA		-		36 ,01 ,70
TOTAL (I & II)		**7718 ,85 ,50**		**10765 ,65 ,77**
III. SECURED BORROWINGS INCLUDED IN I & II ABOVE		-		4497 ,76 ,07

SCHEDULE-5 OTHER LIABILITIES AND PROVISIONS

(₹ In thousands)

	As on 31st-Mar-2024 (Current Year)		As on 31st-Mar-2023 (Previous Year)	
I. Bills Payable		1179 ,48 ,01		696 ,22 ,51
II. Inter-office adjustments (net)		-		156 ,36 ,85
III. Interest Accrued		382 ,80 ,00		407 ,45 ,79
IV. Others (including provisions):				
i) Provision against standard assets	2457 ,83 ,05		1541 ,27 ,88	
ii) Other liabilities (including provisions)	4977 ,82 ,64	7435 ,65 ,69	4391 ,45 ,40	5932 ,73 ,28
TOTAL		**8997 ,93 ,70**		**7192 ,78 ,43**

S. BHANDARI & CO. LLP JAIPUR Chartered Accountants
KIRTANE & PANDIT LLP PUNE Chartered Accountants
SUNDARAM & SRINIVASAN CHENNAI Chartered Accountants
G. D. APTE & CO. MUMBAI Chartered Accountants
F.M.& A. H.O., PUNE BANK OF MAHARASHTRA

SCHEDULE - 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in thousands)

	As on 31st-Mar-2024 (Current Year)		As on 31st-Mar-2023 (Previous Year)	
I. Cash in hand (including foreign currency notes)		1015 ,69 ,86		1094 ,91 ,54
II. Balances with Reserve Bank of India				
i) In Current Accounts	11397 ,64 ,10		10080 ,80 ,52	
ii) In other Accounts	8748 ,00 ,00	20145 ,64 ,10	7332 ,00 ,00	17412 ,80 ,52
TOTAL (I & II)		**21161 ,33 ,96**		**18507 ,72 ,06**

SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(₹ in thousands)

	As on 31st-Mar-2024 (Current Year)		As on 31st-Mar-2023 (Previous Year)	
I. In India i) Balances with Banks in				
(a) Current Accounts	,69 ,73		6 ,00 ,45	
(b) Other Deposit Accounts	15 ,68 ,56	16 ,38 ,29	15 ,18 ,56	21 ,19 ,01
ii) Money at call and short notice				
(a) With Banks	-		-	
(b) With Other Institutions	9128 ,31 ,72	9128 ,31 ,72	-	-
TOTAL (i & ii)		**9144 ,70 ,01**		**21 ,19 ,01**
II. Outside India Balances with Banks in				
(i) Current Accounts	5 ,62 ,19		-	
(ii) Other Deposit Accounts	-		-	
(iii) Money at Call & Short Notice	-	5 ,62 ,19	-	
TOTAL		**5 ,62 ,19**		-
GRAND TOTAL (I & II)		**9150 ,32 ,20**		**21 ,19 ,01**

SCHEDULE-8 INVESTMENTS

(₹ in thousands)

	As on 31st-Mar-2024 (Current Year)		As on 31st-Mar-2023 (Previous Year)	
A. I. Investments in India in				
a) Government Securities (inclusive of treasury bills & zero coupon bonds)		64282 ,48 ,51		64252 ,98 ,01
b) Other approved securities				
c) Shares		323 ,53 ,96		335 ,20 ,40
d) Debentures and Bonds		3493 ,65 ,83		3878 ,80 ,28
e) Subsidiaries and/or Joint Ventures		141 ,32 ,51		109 ,56 ,92
f) Others				
i) Units of U T I/ Mutual funds/ VCF's etc.	33 ,11 ,16		65 ,73 ,11	
ii) Certificate of Deposits	-		224 ,66 ,38	
iii) Commercial Papers	-		-	
iv) PTCs	-		-	
v) Others	-	33 ,11 ,16	-	290 ,39 ,49
TOTAL		**68274 ,11 ,97**		**68866 ,95 ,10**
II. Investments outside India		-		-
TOTAL		-		-
GRAND TOTAL (I & II)		68274 ,11 ,97		68866 ,95 ,10
B. a) Gross Investments in India	68592 ,86 ,45		69215 ,26 ,30	
Less: Depreciation on Investment	15 ,04 ,52		260 ,06 ,73	
Less: Provisions on Investment	303 ,69 ,96	68274 ,11 ,97	88 ,24 ,47	68866 ,95 ,10
Net Investment		68274 ,11 ,97		68866 ,95 ,10
b) Gross Investments outside India	-	-	-	-
TOTAL (a & b)		**68274 ,11 ,97**		**68866 ,95 ,10**

SCHEDULE-9 ADVANCES

(₹ in thousands)

	As on 31st-Mar-2024 (Current Year)		As on 31st-Mar-2023 (Previous Year)	
A. i) Bills purchased and discounted	3531 ,09 ,78		903 ,20 ,06	
ii) Cash Credits, Overdrafts & Loans repayable on demand	51489 ,78 ,04		49434 ,02 ,06	
iii) Term Loans	145219 ,00 ,61	200239 ,88 ,43	120883 ,45 ,00	171220 ,67 ,12
TOTAL		**200239 ,88 ,43**		**171220 ,67 ,12**
B. i) Secured by tangible assets (includes advances against Book Debts)	162329 ,35 ,19		139173 ,61 ,26	
ii) Covered by Bank/Government Guarantees	1641 ,25 ,42		853 ,39 ,61	
iii) Unsecured	36269 ,27 ,82	200239 ,88 ,43	31193 ,66 ,25	171220 ,67 ,12
TOTAL		**200239 ,88 ,43**		**171220 ,67 ,12**
C. I. Advances in India i) Priority Sector	81079 ,58 ,53		64251 ,20 ,74	
ii) Public Sector	35750 ,96 ,35		30556 ,87 ,64	
iii) Banks	741 ,94 ,95		729 ,76 ,39	
iv) Others	82667 ,38 ,60	**200239 ,88 ,43**	75682 ,82 ,35	**171220 ,67 ,12**
II. Advances outside India	-		-	
TOTAL (C.I & C.II)		**200239 ,88 ,43**		**171220 ,67 ,12**

SCHEDULE-10 FIXED ASSETS

(₹ in thousands)

	As on 31st-Mar-2024 (Current Year)		As on 31st-Mar-2023 (Previous Year)	
I. Premises *				
1. At cost as on 31st March of the preceding Year (includes increase in the value on account of revaluation of certain premises in earlier Years)	1937 ,74 ,81		1928 ,67 ,42	
2. Addition during the Year	13 ,47 ,64		10 ,75 ,09	
3. Addition on account of revaluation during the Year	-		-	
	1951 ,22 ,45		1939 ,42 ,51	
4. Deduction during the Year	-		1 ,67 ,70	
	1951 ,22 ,45		1937 ,74 ,81	
5. Depreciation to date	347 ,11 ,69	1604 ,10 ,76	314 ,49 ,11	1623 ,25 ,70
II.Capital Work -in-progress		9 ,69 ,53		7 ,50 ,56
II. Other Fixed Assets (including furniture and fixtures)				
1. At cost as on 31st March of the preceding Year	1608 ,07 ,67		1636 ,77 ,79	
2. Addition during the Year	263 ,24 ,02		368 ,11 ,09	
	1871 ,31 ,69		2004 ,88 ,88	
3. Deduction during the Year	35 ,41 ,96		396 ,81 ,21	
	1835 ,89 ,73		1608 ,07 ,67	
4. Depreciation to date	1240 ,10 ,03	595 ,79 ,70	1082 ,12 ,98	525 ,94 ,69
TOTAL (I & II)		**2209 ,59 ,99**		**2156 ,70 ,97**

SCHEDULE-11 OTHER ASSETS

(₹ in thousands)

	As on 31st-Mar-2024 (Current Year)		As on 31st-Mar-2023 (Previous Year)	
I. Inter-office adjustments (net)		65 ,97 ,75		-
II. Interest accrued		1307 ,32 ,88		1283 ,95 ,55
III. Tax paid in advance/tax deducted at source		1810 ,09 ,81		1838 ,21 ,16
IV. Stationery and Stamps		2 ,59 ,78		3 ,29 ,91
V. Non-banking assets acquired in satisfaction of claims		-		-
VI. Others *		2916 ,59 ,18		3752 ,68 ,13
TOTAL (I, II, III, IV, V & VI)		**6102 ,59 ,40**		**6878 ,14 ,75**

* Note : Others assets include Net Deferred Tax asset of Rs. in thousands 956,76,52 (Previous Year Net DTA Rs. 1261,20,11 in thousands)

S. Bhandari & Co. LLP Jaipur Chartered Accountants
Kirtane & Pandit LLP Pune Chartered Accountants
Sundaram & Srinivasan Chennai Chartered Accountants
G. D. Apte & Co. Mumbai Chartered Accountants

SCHEDULE-12 CONTINGENT LIABILITIES

(₹ in thousands)

	As on 31st-Mar-2024 (Current Year)		As on 31st-Mar-2023 (Previous Year)	
I. Claims against the Bank not acknowledged as debts		1349 ,90 ,85		1375 ,62 ,29
II. Liability for partly paid investments		-		-
III. Liability on account of outstanding forward exchange contracts*		26190 ,97 ,20		12076 ,49 ,65
IV. Guarantees given on behalf of constituents				
(a) In India	9317 ,18 ,38		8676 ,57 ,07	
(b) Outside India	210 ,30 ,87	9527 ,49 ,25	141 ,46 ,18	8818 ,03 ,25
V. Acceptances,endorsements and obligations		1375 ,56 ,09		1474 ,35 ,53
VI. Other items for which Bank is contigently liable		946 ,95 ,25		844 ,56 ,05
TOTAL (I, II, III, IV, V & VI)		**39390 ,88 ,64**		**24589 ,06 ,77**

* Contingent liabilities in respect of forward exchange contracts include both sale and purchase contracts

SCHEDULE-13 INTEREST EARNED

(₹ in thousands)

	For the Year ended 31st-Mar-2024 (Current Year)		For the Year ended 31st-Mar-2023 (Previous Year)	
I. Interest/Discount on Advances/Bills		15826 ,24 ,03		11485 ,81 ,53
II. Interest on Investments	4613 ,78 ,15		4481 ,76 ,49	
Less - Amortisation of Investments	153 ,02 ,03	4460 ,76 ,12	214 ,84 ,70	4266 ,91 ,79
III. Interest on balances with Reserve Bank of India & other inter bank funds		135 ,76 ,95		52 ,43 ,07
IV. Others		71 ,91 ,73		93 ,29 ,47
TOTAL (I, II, III & IV)		**20494 ,68 ,83**		**15898 ,45 ,86**

SCHEDULE-14 OTHER INCOME

(₹ in thousands)

	For the Year ended 31st-Mar-2024 (Current Year)		For the Year ended 31st-Mar-2023 (Previous Year)	
I. Commission, exchange, and brokerage		1582 ,23 ,10		1309 ,11 ,52
II. Profit on sale of investments	214 ,29 ,80		130 ,15 ,81	
Less : Loss on sale of Investments	6 ,41 ,94	207 ,87 ,86	24 ,02 ,75	106 ,13 ,06
III. Profit on revaluation of Investments	-		-	
Less: Loss on revaluation of Investments	-113 ,15 ,12	113 ,15 ,12	208 ,71 ,10	-208 ,71 ,10
IV. Profit on sale of land, buildings and other assets	2 ,12 ,58		3 ,69 ,04	
Less : Loss on sale of land,buildings and other assets	1 ,25 ,50	,87 ,08	1 ,72 ,52	1 ,96 ,52
V. Profit on Exchange Transactions	41 ,61 ,23		78 ,04 ,02	
Less: Loss on Exchange Transactions	-	41 ,61 ,23	-	78 ,04 ,02
VI. Income earned by way of dividends etc. from subsidiaries/ companies and/or Joint Ventures abroad/in India		1 ,35 ,93		2 ,62 ,27
VII. Miscellaneous Income*		1050 ,76 ,25		991 ,10 ,78
TOTAL (I, II, III, IV, V, VI & VII)		**2997 ,86 ,57**		**2280 ,27 ,07**

*Misc. Income includes Recovery in W/Off Rs. 985,52,22 In thousands (Previous Year Rs. 943,13,32 In Thousands)

SCHEDULE-15 INTEREST EXPENDED

(₹ in thousands)

	For the Year ended 31st-Mar-2024 (Current Year)		For the Year ended 31st-Mar-2023 (Previous Year)	
I. Interest on deposits		10040 ,63 ,05		7186 ,44 ,38
II. Interest on Reserve Bank of India / inter-bank borrowings		33 ,27 ,41		59 ,77 ,27
III. Others		598 ,93 ,91		911 ,46 ,44
TOTAL (I, II & III)		**10672 ,84 ,37**		**8157 ,68 ,09**

SCHEDULE-16 OPERATING EXPENSES

(₹ in thousands)

	For the Year ended 31st-Mar-2024 (Current Year)		For the Year ended 31st-Mar-2023 (Previous Year)	
I. Payments to and provisions for employees		2838 ,12 ,75		2058 ,27 ,89
II. Rent,taxes and lighting		280 ,41 ,93		248 ,22 ,82
III. Printing and stationery		31 ,58 ,55		26 ,06 ,38
IV. Advertisement and publicity		33 ,56 ,75		33 ,39 ,66
V. Depreciation on Bank's property		223 ,47 ,20		262 ,47 ,67
VI. Directors' fees, allowances and expenses		1 ,22 ,76		1 ,36 ,18
VII. Auditors' fees and expenses		15 ,69 ,27		15 ,75 ,35
VIII. Law Charges		68 ,36 ,84		59 ,11 ,82
IX. Postage, Telegrams, Telephones, etc.		45 ,41 ,85		53 ,88 ,03
X. Repairs and maintenance		258 ,67 ,30		215 ,98 ,58
XI. Insurance		279 ,12 ,26		235 ,51 ,24
XII. Other expenditure		738 ,69 ,83		711 ,77 ,94
TOTAL (I, II, III, IV, V, VI, VII, VIII, IX, X, XI & XII)		**4814 ,37 ,29**		**3921 ,83 ,56**

KIRTANE & PANDIT LLP PUNE

SUNDARAM & SRINIVASAN CHENNAI

G. D. APTE & CO. MUMBAI

F.M.&A. H.O. PUNE-5

BANK OF MAHARASHTRA
(FY 2023-24)

SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES

(ANNEXED TO AND FORMING PART OF THE **STANDALONE** ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2024)

1. Basis of Preparation of Financial Statements:

1.1 The financial statements are prepared under the historical cost conventions except as otherwise stated and conform to the Generally Accepted Accounting Principles (GAAP) which include statutory provisions, practices prevailing within the Banking Industry in India, the regulatory/ Reserve Bank of India ("RBI") guidelines, applicable Accounting Standards/ Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI).

1.2 **Use of Estimates**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of Assets and Liabilities (including contingent liabilities) as of the date of financial statements and reported income and expenses for the year under report. Management is of the view that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates. Any revisions to the accounting estimates shall be recognized prospectively unless otherwise stated.

1.3 Revenue and costs are accounted for on accrual basis except as stated in para 6.1 below.

1.4 The accounting policies with regard to Revenue Recognition, Investments and Advances are in conformity with the prudential accounting norms and guidelines issued by Reserve Bank of India from time to time.

2. Foreign Exchange Transactions:

2.1 The foreign currency transactions are translated at the weekly average closing rates for the preceding week as published by Foreign Exchange Dealers' Association of India (FEDAI). Revaluation of foreign currency assets and liabilities as on Balance Sheet date is done at the closing exchange rate published by FEDAI and the resultant profit/loss is accounted for in the Profit & Loss Account.

2.2 Outstanding Forward Foreign Exchange Contracts are stated at contracted rates and revalued/ marked to market as on quarterly basis and on Balance Sheet date at the exchange rates published by FBIL for specified maturities by discounting the same at the Modified MIFOR rate published by Financial Benchmarks India Pvt. Ltd. [FBIL] i.e. on PV01 basis. The resulting profit/loss, on revaluation, is recognized in the Profit & Loss Account in accordance with RBI / FEDAI guidelines and the effect is taken to "Other Assets" in case of gain or to "Other Liabilities" in case of loss.

2.3 Contingent Liabilities on account of Guarantees and Letters of Credit issued in foreign currency are stated in the Balance Sheet at the closing exchange rates published by FEDAI.

2.4 Credit exposure of the un-hedged foreign currency exposure, if any, of the constituents shall attract provisioning and capital requirements as per RBI guidelines.

3. Investments:

As per Reserve Bank of India guidelines, the investments are classified and valued as under:

3.1 Investments are classified in the following categories:

a.	Held to Maturity	(HTM)
b.	Available for sale	(AFS)
c.	Held for trading	(HFT)

3.2 All the investments are further classified in the following six baskets in conformity with the requirement of Form-A of Third Schedule to the Banking Regulation Act, 1949:

a. Government Securities
b. Other approved Securities
c. Shares
d. Debentures and Bonds
e. Subsidiaries and Joint Ventures
f. Others (Commercial Papers, Mutual Fund Units etc.)

3.3 Bank decides the category of each investment at the time of acquisition and classifies the same accordingly. Shifting of securities from one category to another, other than shifting / transfer from HFT to AFS category, is done once in a year with the approval of Board of Directors, at the least of acquisition cost / book value / market value on the date of shifting. The depreciation, if any, on such shifting is provided for and the book value of the security is adjusted accordingly. The transfer of securities from one category to another is made as per permission from or guidelines of RBI. Transfer / shifting of investments from HFT to AFS category will be executed under exceptional circumstances, like not being able to sell the securities within 90 days due to tight liquidity conditions, or extreme volatility, or market becoming unidirectional.

3.4 **REPO / Reverse REPO** / Standing Deposit Facility
The Bank has adopted the Uniform Accounting Procedure prescribed by the RBI for accounting of market Repo and Reverse Repo transactions. Repo and Reverse Repo transactions are treated as Collateralized Borrowing / Lending Operations with an agreement to repurchase on the agreed terms. Securities sold under Repo are continued to be shown under investment and Securities purchased under Reverse Repo are not included in investment. Outstanding Repo / Term Repo is disclosed as borrowing and outstanding Reverse Repo is disclosed as lending. Costs and revenues are accounted for as interest expenditure / income, as the case may be.

3.5 Cost of investments is determined on the basis of Weighted Average Price method.

Interest paid for broken period / interest received for broken period at the time of purchase / sale of fixed income securities is treated as revenue expenditure / income.

Brokerage / incentive received / paid at the time of purchase/sale of investment is deducted / added from the amount of investment.

S. BHANDARI & CO. LLP Chartered Accountants JAIPUR
KIRTANE & PANDIT LLP Chartered Accountants PUNE
SUNDARAM & SRINIVASAN Chartered Accountants CHENNAI
G. D. APTE & CO. Chartered Accountants MUMBAI
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3.6 Valuation of investments:

a. Held to Maturity:

i. Securities under the category 'Held to Maturity' are valued at weighted average acquisition cost. Wherever the cost of security is higher than the face value, the premium is amortized over the remaining period of maturity on straight line basis. In case of investments, where the cost price is less than the face value, the difference is ignored.

ii. In case of investments in subsidiaries and joint ventures permanent diminution in value is recognized and provided for; investment in RRB is valued at carrying cost.

iii. On sale of investments in this category (a) the net profit is initially taken to profit and loss account and thereafter such profit net of applicable taxes and proportionate transfer to statutory reserve is appropriated to the 'Capital Reserve account'; and (b) the net loss is charged to the Profit & Loss Account.

b. Available for Sale:

The individual securities under this category are marked to market on a quarterly basis and on each balance sheet date. Central/ State Government securities are valued at market rates declared by FBIL. Other approved securities, debentures and bonds are valued as per the yield curve, average credit spread rating and methodology suggested by FIMMDA. Quoted shares are valued at market rates. Unquoted shares are valued at break-up value ascertained from the latest available Balance Sheet i.e. Balance Sheet of immediate preceding year and in case the latest Balance Sheet is not available, the same is valued at Re.1/- per company / scrip.

Investments in discounted instruments, viz. Treasury Bills, Certificate of Deposits, Commercial Papers, Zero Coupon Bonds are valued at carrying cost. Mutual Fund Instruments are valued at market rate or repurchase price or net asset value in that order depending on their availability. Investments in Security Receipts (SRs) /Pass Through Certificates (PTCs) issued by Asset Reconstruction Companies (ARCs) in respect of financial assets sold to ARCs are carried at lower of redemption value and net book value (i.e. book value less provision held) of the financial assets.

Based on the above valuation under each of six-sub classifications under `Available for Sale':

i. If it results in appreciation, the same is ignored.

ii. If it results in net depreciation, the same is charged to Profit & Loss account and credited to Provision for Depreciation on Investments (AFS) in the liability side.

Provided that, depreciation, if any, on equity shares allotted consequent to implementation of Strategic Debt Restructuring (SDR) shall be provided for over a maximum of 4 calendar quarters on straight line basis from the date of conversion of debt into equity.

iii. The book value of securities is not changed in respect of marked to market (MTM) except as required by the RBI guidelines.

iv. Profit or Loss on sale of investment in this category is accounted for in the Profit and loss account.

c. Held for Trading:

i. The individual securities under this category are held at original cost and are marked to market every month and each balance sheet date. Central/ State Government securities are valued at market rates declared by FIBL. Other approved securities, debentures and bonds are valued as per the yield curve; average credit spread rating and methodology suggested by FIMMDA. Quoted Shares are valued at market rates.

ii. Investments in discounted instruments, viz. Treasury Bills, Certificate of Deposits, Commercial Papers, Zero Coupon Bonds are valued at carrying cost. Mutual Fund Instruments are valued at market rate or repurchase price or net asset value in that order depending on their availability. Investments in SRs / PTCs issued by ARCs in respect of financial assets sold to ARCs are carried at lower of redemption value and net book value (i.e. book value less provision held), of the financial assets.

iii. Net basket-wise depreciation if any, is charged to Profit & Loss Account and credited to Provision on Depreciation on Investment (HFT) under liability. Net appreciation, if any is ignored. The book value of the securities is not changed after revaluation except as required by the RBI guidelines.

iv. Profit or loss on sale of investment in this category is accounted for in the Profit & Loss Account.

d. Classification of and provisions on investments, including on restructured investments, are made in accordance with the prudential norms prescribed by and guidelines of RBI from time to time.

e. Costs such as brokerage, fees, commission, taxes etc. incurred at the time of acquisition of securities are capitalized

3.7 Derivatives:

Interest Rate Swaps:

i. Valuation:

a. **Hedging Swaps**: Interest Rate Swaps for hedging assets and liabilities are not marked to market.

b. **Trading Swaps**: Interest Rate Swaps for trading purpose are marked to market.

ii. Accounting of income on derivative deals:

a. **Hedging Swaps:** Income is accounted for on realization basis. Expenditure, if any, is accounted for on accrual basis, if ascertainable.

b. **Trading Swaps:** Income or expenditure is accounted for on realization basis on settlement date.

iii. Accounting of gain or loss on termination of swaps:

a. **Hedging Swaps:** Any gain or loss on the terminated swap is recognized over the shorter of (a) the remaining contractual life of the swap or (b) the remaining life of the asset/ liability.

b. **Trading Swaps:** Any gain or loss on terminated swap is recognized as income or expenditure in the year of termination.

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Bank of Maharashtra F.M.& A. Pune

3.8 Investment Fluctuation Reserve & Investment Reserve Account:

As per RBI circular number RBI/DOR/2021-22/81 DOR.MRG.42/21.04.141/2021-22 DATED AUG 25,2021 as updated till March 31,2024 Investment Fluctuation Reserve (IFR) is created to build up of adequate reserves to protect the bank against increase in yields.

Transfer to IFR is lower of the following –

a. Net profit on sale of Investments during the year or
b. Net profit for the year less mandatory appropriations, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis

Investment Reserve Account (IRA):

In the event, provisions created on account of depreciation in the 'AFS' or 'HFT' categories are found to be in excess of the required amount in any year, the excess shall be credited to the Profit & Loss Account and an equivalent amount (net of taxes, if any and net of transfer to Statutory Reserves as applicable to such excess provision) shall be appropriated to an IRA Account in Schedule 2 – "Reserves & Surplus" under the head "Revenue and Other Reserves".

4. Advances:

4.1 Advances are disclosed net of write offs, provisions made for non-performing assets, claims settled with the credit guarantee institutions, provision for diminution in fair value for restructured advances and bills rediscounted.

4.2 Classification of advances and provisions thereon are made in accordance with the prudential norms prescribed by and guidelines of RBI from time to time, except in respect of following category of advances, provision on NPAs are made higher than the rate prescribed by RBI -

Sub-Standard - 20%
Doubtful Assets One to three years - 50% on secured portion

4.3 Provision for performing assets, is shown under the head "Other liabilities and provisions".

4.4 In respect of advances under SDR, provision is made in accordance with RBI guidelines, within a maximum period of four quarters.

4.5 In case of financial assets sold to Asset Reconstruction Company (ARC)/ Securitization Company (SC), if the sale is at a price higher than the NBV, the surplus is retained and utilised to meet the shortfall/loss on account of sale of other financial assets to SC/ARC. If the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is to be debited to the Profit and Loss account. However, if surplus is available, such shortfall will be absorbed in the surplus. Any shortfall arising due to sale of NPA will be amortised over a period of two years if not absorbed in the surplus.
Excess provision arising out of sale of NPAs are reversed only when the cash received (by way of initial consideration only/or redemption of SRs/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision will be limited to the extent to which cash received exceeds the NBV of the asset.

5. Fixed Assets and Depreciation:

5.1 Premises and Other Fixed Assets are carried at cost less accumulated depreciation/ amortization, except for certain premises, which were revalued and stated at revalued amount.

Cost includes cost of purchase, taxes as per GST law and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability

5.2 Depreciation on fixed assets is provided for at the rates specified below, so as to write down value of assets to Rupee One over the residual life of the assets.

S. N.	Category of Asset	Useful Life of Assets (In Years)	Rate of Depreciation (%)	Method of depreciation
1	Building & Premises	60	1.667	SLM
2	General Items including Safe	10	10	SLM
3	Electrical – Television, Mobile Phones, Home Theater, Printer, Camera	3	33.33	SLM
4	Electrical Equipment's- Others	7	14.29	SLM
5	Office Machinery	5	20	SLM
6	Motor Vehicles	8	12.5	SLM
7	Safe Deposit Vaults	10	10	SLM
8	Computers & Laptops	3	33.33	SLM
9	ATM	7	14.29	SLM
10	UPS	5	20	SLM
11	BNA	7	14.29	SLM
12	Cash Re-cycler	7	14.29	SLM

SLM means Straight Line Method

5.3 In respect of assets acquired during the year, depreciation is provided on proportionate basis for the number of days the assets have been put to use during the year.

Similarly, in respect of assets sold / discarded during the year, depreciation is provided on proportionate basis till the number of days the assets had been put to use during the year.

5.4 Eligible fixed assets are revalued once in every three years. Revalued portion of fixed assets net of salvage value (over and above the cost of fixed assets) is depreciated on straight line method over the residual life of the assets as certified by approved valuers at the time of valuation.

Revaluation reserve pertaining to lease hold lands, is amortised on straight line method over the residual life of the lease period.

Depreciation on revalued portion of fixed assets, over and above the cost is debited to Profit & Loss account. Amount of Revaluation Reserve to the extent of depreciation related to revalued portion of fixed assets over and above the cost debited to profit & loss account is transferred to Revenue Reserve from Revaluation Reserve.

5.5 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease on SLM basis in accordance with AS 19.

6. Revenue Recognition

6.1 All revenues and costs are accounted for on accrual basis except the following items, which are accounted for on cash basis:

a. Interest on Advances and Investments identified as Non-Performing Assets according to the prudential norms and guidelines issued by RBI, from time to time.
b. Income from commission like on Government business, Mutual Fund business, credit & debit cards issued, Annual maintenance charges for cards and Locker Rent.

F043

c. Interest for overdue period on bills purchased and bills discounted.
d. Insurance claims.
e. Remuneration on Debenture Trustee Business.
f. Loan Processing Fees.
g. Income from Merchant Banking Operations and Underwriting Commission.
h. Transaction processing fees received on utility bill pay services through internet banking.

6.2 Pursuant to RBI guidelines, the interest payable on overdue term deposit is provided on accrual basis at rate of interest as applicable to saving account or contracted rate of interest on the matured TD, whichever is lower from 02.07.2021

7. Employees' Benefits:

Defined Contribution Plan: The contribution paid/ payable under defined contribution benefit schemes are charged to Profit & Loss Account.

Defined Benefit Plans: All eligible employees are entitled to receive benefits under the Bank's Gratuity, Pension & Privilege Leave schemes which are valued based on the principles laid down in AS -15, Employees Benefit (Revised) issued by Institute of Chartered Accountants of India. Bank's liabilities towards defined benefit schemes are determined by way of provisions and adjusted on the basis of an actuarial valuation report provided by the Actuaries appointed by the bank and made at the end of each quarter/financial year. Actuarial gains and losses are recognized in the Profit & Loss Account.

Other Employee Benefits such as Leave Fare Concession, Silver jubilee Award, resettlement allowance, and retirement benefit are provided based on Actuarial valuation.

8. Segment Reporting:

The Bank recognizes Business Segment as its Primary Segment in compliance with the RBI Guidelines and in compliance with the Accounting Standard 17 issued by ICAI.

9. Impairment of Assets:

Impairment losses if any, on fixed assets including revalued fixed assets are recognized in accordance with Accounting Standard 28- Impairment of Assets issued by the ICAI and charged to Profit & Loss Account. Assets are reviewed for Impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable.

10. Provisions, Contingent Liabilities and Contingent Assets:

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

Contingent Liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are not recognized in the financial statements since this may result in the recognition of the income that may not be realized.

11. Net Profit, Provisions and Contingencies:

The Net Profit disclosed is after making the Provisions and Contingencies which include adjustment to the value of investments, write off of bad debts, provision for taxation (including deferred tax), and provision for advances including cases identified as fraud and contingencies /others.

12. Income Tax:

The provision for tax for the year comprises liability towards current Income Tax, and Deferred Tax. The deferred tax asset/ liability is recognized, subject to the consideration of prudence, taking into account the timing differences between the taxable income and accounting income, in terms of the Accounting Standard 22 issued by ICAI. The effect of change in tax rates on deferred tax assets and liabilities is recognized in the Profit & Loss Account in the period of applicability of the change.

Deferred tax assets and liabilities are measured using the applicable tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized and re-assessed at each reporting period based on management judgement as to whether their realization is considered as reasonably certain.

In cases of unabsorbed depreciation or carried forward loss under taxation laws, all deferred tax assets are recognized only if there is virtual certainty of realization of such assets supported by convincing evidence.

Interest income on refund of Income Tax is accounted for in the year in which; the order is passed by the concerned authority.

The demand raised by the Tax authorities including the interest thereon is provided for when such demand is accepted by the bank and the same is not contested before appellate authority **OR** when such demand is upheld by jurisdictional tribunal and there is no favorable judgement of other tribunal on identical issue and bank does not prefer to go before High Court **OR** when such demand is upheld by High Court.

13. Earnings per Share:

The bank reports basic and diluted earnings per equity share in accordance with the Accounting Standard (AS-20) "Earnings Per Share" issued by ICAI. Basic Earnings per share is arrived by dividing net profit after tax with the weighted average number of equity shares outstanding for the period. The diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

Diluted earnings per share reflects the potential dilution that could occur in earnings per share if securities or other contracts to issue equity share are exercised or converted during the period.

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BANK OF MAHARASHTRA
(FY 2023-2024)

SCHEDULE 18: NOTES ON ACCOUNTS

(*Note: Figures in bracket relate to previous year*)

(ANNEXED TO AND FORMING PART OF THE STANDALONE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2024.)

1. Regulatory Capital

a) Composition of Regulatory Capital

(Amount in ₹ crore)

S.N.	Particulars	31.03.2024	31.03.2023
i)	Common Equity Tier 1 capital (CET 1) including CCB	18275.07	14253.78
ii)	Additional Tier 1 capital	1790.00	1790.00
iii)	Tier 1 capital (i + ii)	20065.07	16043.78
iv)	Tier 2 capital	5346.02	4379.98
v)	Total capital (Tier 1+Tier 2)	25411.09	20423.76
vi)	Total Risk Weighted Assets (RWAs)	146180.67	112617.60
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	12.50%	12.66%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	13.72%	14.25%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	3.66%	3.89%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	17.38%	*18.14%
xi)	Leverage Ratio	6.27%	5.72%
xii)	Percentage of the shareholding of Government of India (%)	86.46%	90.97%
xiii)	Amount of paid-up equity capital raised during the year	1000.00	-
xiv)	Amount of non-equity Tier 1 capital raised during the year, *of which:* - Amount of Perpetual Non-Cumulative Preference Shares (PNCPS) - Basel III compliant Perpetual Debt Instruments (AT 1 Bond)	 - -	 - 1590.00
xv)	Amount of Tier 2 capital raised during the year, *of which:* Basel III compliant Tier II Bond	774.00	348.00

* Revised to 17.45% as per RBI direction

- During the year ended on March 31, 2024, Bank has raised Equity Share Capital (including Share Premium) of ₹1000 crores through Qualified Institutional Placements on June 08, 2023. The Bank has issued and allotted 35,08,77,190 equity shares of ₹10 each at a premium of ₹18.50 per share to the investors.
- The Bank has raised following bonds during the FY 2023–24 as under:

Ser ies	Type	ISIN No	Date of Issue	Tenure	Amount (₹ in Crore)	Coupon Rate (In %)	Call date
VI	Basel III Tier II	INE457A08142	18.09.2023	10 Years	515.00	7.98	18.09.2028
VII	Basel III Tier II	INE457A08159	14.12.2023	10 Years	259.00	7.99	14.12.2028

- During the FY 2023-24, Bank has not redeemed any Bond.

b) Draw down from Reserves

In accordance with the Accounting Standard – 10 'Property, Plant & Equipment', depreciation of Rs.29.49 Crore (Rs. 102.46 Crore) for the year on revalued portion of fixed assets has been charged to Profit and Loss Account. Equivalent amount of Rs. 29.49 Crore (Rs. 102.46 Crore) has been transferred from Revaluation Reserve to Revenue Reserve.

2. Asset liability management

a) Maturity pattern of certain items of assets and liabilities as on 31.03.2024

(Amount in ₹ crore)

Particulars	1 day	2 to 7 days	8 to 14 days	15 to 30 days	31days to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
Deposits	2244.22	4979.15	4547.68	8442.56	10135.44	16698.69	25242.98	76410.99	37940.52	18135.05	65969.90	**270747.16**
Gross Advances	2875.54	3409.71	3610.85	5183.22	11060.51	7372.93	13021.73	25355.62	45586.63	30775.87	55411.33	**203663.94**
Gross Investments	0.00	80.31	0.00	93.48	341.09	2997.25	782.45	3153.97	17317.44	10154.96	33671.92	**68592.86**
Borrowings	0.00	0.00	74.41	0.00	107.64	86.17	258.52	485.47	1598.94	0.00	5107.70	**7718.86**
Foreign Currency Assets	27.46	1727.41	73.14	1277.91	191.74	1645.97	1954.96	6769.10	0.00	0.00	0.00	**13667.69**
Foreign Currency Liabilities	369.41	2291.45	1.21	1025.09	9.44	1670.59	1595.32	6823.24	36.27	7.54	0.00	**13829.55**

Maturity pattern of certain items of assets and liabilities as on 31.03.2023

(Amount in ₹ crore)

Particulars	1 day	2 to 7 days	8 to 14 days	15 to 30 days	31days to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
Deposits	1847.03	5260.78	3487.16	7012.35	12394.71	15665.81	15364.50	58071.66	38989.26	16780.10	59209.33	**234082.68**
Gross Advances	3691.05	2884.69	3294.03	4646.70	6030.95	5415.18	9308.56	20813.17	39602.21	34106.63	45326.31	**175119.49**
Gross Investments	0.00	396.70	0.00	313.90	3516.05	1197.48	1586.17	8891.70	13755.64	10710.11	28847.51	**69215.16**
Borrowings	40.23	3997.76	0.00	535.57	40.48	44.68	136.53	277.25	859.46	500.00	4333.70	**10765.66**
Foreign Currency Assets	65.33	1791.78	71.25	972.74	225.30	485.07	1355.98	1811.81	0.00	0.00	0.00	**6779.26**
Foreign Currency Liabilities	418.63	2318.07	4.33	1068.93	29.57	518.30	958.58	1449.07	68.08	20.28	0.00	**6853.84**

This classification of Savings Bank and Current Deposits is based on behavioral pattern approved by the Board / ALCO.

b) Liquidity coverage ratio (LCR)

Quantitative Disclosure:

(Amount in ₹ crore)

		Qtr. June 2023		Qtr. Sep 2023		Qtr. Dec 2023		Qtr. March 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 (HQLAs)		55734.43		62100.95		56287.06		61981.85
Cash outflows									
2	Retail deposits and deposits from small business customers, of which:	155827.76	11814.59	158640.59	12076.81	160798.83	12268.00	163308.84	12441.96
(i)	Stable deposits	75363.74	3768.19	75744.90	3787.24	76237.75	3811.89	77778.58	3888.93
(ii)	Less stable deposits	80464.02	8046.40	82895.69	8289.57	84561.08	8456.11	85530.26	8553.03
3	Unsecured wholesale funding, of which:	60029.70	27824.54	65666.34	30457.76	64178.04	29042.84	75000.45	33980.30
(i)	Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	60029.70	27824.54	65666.34	30457.76	64178.04	29042.84	75000.45	33980.30
(iii)	Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Secured wholesale funding	2516.29	0.00	2600.82	0.00	1990.25	0.00	138.89	0.00
5	Additional requirements, of which:	0.00	0.00	0.00	0.00	0.00	0.00	36330.54	5683.99
(i)	*Outflows related to derivative exposures and other collateral requirements*	0.00	0.00	0.00	0.00	0.00	0.00	7.82	7.82
(ii)	*Outflows related to loss of funding on debt products*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	*Credit and liquidity products*	0.00	0.00	0.00	0.00	0.00	0.00	36322.72	5676.17
6	Other contractual funding obligations	243.33	243.33	301.72	301.72	273.46	273.46	353.83	353.83
7	Other contingent funding obligations	46905.24	6077.66	50162.15	5806.20	49871.34	6063.51	14165.61	492.03
8	**Total Cash Outflows**		**45960.13**		**48642.49**		**47647.81**		**52952.10**
Cash inflows									
9	Secured lending (e.g. reverse repos)	143.74	0.00	674.21	0	896.77	0	4780.44	0.00
10	Inflows from fully performing exposures	5901.83	3524.83	7828.98	4610.90	7737.23	4438.75	6835.42	3995.34
11	Other cash inflows	1045.12	809.79	910.01	746.75	912.30	685.47	882.15	682.99
12	**Total Cash Inflows**		4334.62		5357.65		5124.22		4678.32
13	**Total HQLA**		55734.43		62100.95		56287.06		61981.85
14	**Total Net Cash Outflows**		41625.50		43284.84		42523.59		48273.78
15	**Liquidity Coverage Ratio (%)**		**133.89%**		**143.47%**		**132.37%**		**128.40%**

(Amount in ₹ crore)

		Qtr. June 2022		Qtr. Sep 2022		Qtr. Dec 2022		Qtr. March 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 (HQLAs)		51117.76		44548.76		43631.75		48068.92
Cash outflows									
2	Retail deposits and deposits from small business customers, of which:	148499.50	11104.72	148839.73	11136.13	150471.90	11277.42	153024.59	11576.75
(i)	Stable deposits	74904.58	3745.23	74956.94	3747.85	75395.39	3769.77	74514.26	3725.71
(ii)	Less stable deposits	73594.91	7359.49	73882.79	7388.28	75076.51	7507.65	78510.35	7851.03
3	Unsecured wholesale funding, of which:	41200.66	20151.14	36545.52	17897.83	36470.86	17905.93	43837.81	19549.62
(i)	Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	41200.66	20151.14	36545.52	17897.83	36470.86	17905.93	43837.81	19549.62
(iii)	Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Secured wholesale funding	4121.35	0.00	13452.44	0.00	13515.32	0.00	9747.92	0.00
5	Additional requirements, of which:	7.41	7.41	0.00	0.00	0.00	0.00	0.00	0.00
(i)	*Outflows related to derivative exposures and other collateral requirements*	7.41	7.41	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	*Outflows related to loss of funding on debt products*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	*Credit and liquidity products*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
6	Other contractual funding obligations	659.80	659.80	574.48	574.48	377.36	377.36	313.61	313.61
7	Other contingent funding obligations	37977.57	2886.81	40202.28	4571.56	41479.99	5409.29	41464.41	6001.19
8	**Total Cash Outflows**		34809.88		34179.99		34970.00		37441.18
Cash inflows									
9	Secured lending (e.g. reverse repos)	418.57	0.00	136.27	0.00	16.79	0.00	1.04	0.00
10	Inflows from fully performing exposures	6554.97	5562.74	6851.36	4369.12	5809.35	3579.59	5978.51	3676.27
11	Other cash inflows	2246.74	2006.01	972.09	852.10	1644.63	1398.20	1156.60	985.51
12	**Total Cash Inflows**		7568.74		5221.22		4977.80		4661.78
13	**Total HQLA**		51117.76		44548.76		43631.75		48068.92
14	**Total Net Cash Outflows**		27241.14		28958.77		29992.20		32779.40
15	**Liquidity Coverage Ratio (%)**		**187.65%**		**153.84%**		**145.48%**		**146.64%**

Data is presented as simple averages of daily observations over the previous quarter (i.e. the average is calculated over a period of 90 days). The simple average are calculated on daily observations over the previous quarters. The un-weighted value of inflows and outflows are calculated as the outstanding balances of various categories or types of liabilities, off balance sheet items or contractual receivables. The weighted value of HQLA are calculated as the value after haircuts are applied. The weighted value for inflows and outflows are calculated as the value after the inflow and outflow rates are applied. Total HQLA and total net cash outflows are disclosed as the adjusted value, where the adjusted value of HQLA is the value of total HQLA after the application of both haircuts and any applicable caps on Level 2B and Level 2 assets as indicated in this Framework. The adjusted value of net cash outflows is calculated after the cap on inflows is applied, if applicable.

Qualitative Disclosure:

From 01st January 2015, the bank has implemented guidelines on Liquidity Coverage Ratio (LCR) of the RBI.

The Liquidity Coverage Ratio (LCR) aims to ensure that a bank has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs for a 30 calendar day liquidity stress scenario.

The LCR is calculated by dividing the amount of High Quality Liquid Unencumbered Assets (HQLA) by the estimated net cash outflows over a stressed 30 calendar day period.

The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities (deposits, unsecured and secured wholesale borrowings), as well as to undrawn commitments and derivative-related exposures, netted by inflows from assets maturing within 30 days. Average LCR on a daily basis for the quarter ended 31st March 2024 is 128.40%, above RBI prescribed minimum requirement of 100%.

i) Main drivers of LCR:

The Bank on a consolidated basis, during the three months ended 31st March 2024, had maintained average HQLA (after haircut) of Rs.619818.52 million. The HQLA is primarily driven by Government securities in excess of minimum SLR, Government securities within mandatory SLR requirement, to the extent allowed by RBI under MSF and the facility to avail liquidity for Liquidity coverage ratio. Also, cash, excess CRR maintained with RBI are important factors for Level 1 HQLA.

Level 2 HQLAs primarily consisted of BBB- and above rated corporate bonds and commercial papers not issued by financial entities.

ii) Intra-period changes as well as changes over time:

LCR were 130.60%,126.21% and 128.64% for the months ending January 2024, February 2024 and March 2024 as against regulatory requirement of 100%.

LCR has decreased from 157.49% for year end March 2023 to 138.18% for year end March 2024 mainly due to more increase in net cash outflow as compared to increase in HQLAs. HQLAs have increased on account of increase in SLR portfolio as compared to increase in statutory reserve ratios (SLR/CRR) on account of increase in NDTL.

iii) Composition of HQLAs:

- HQLAs consists of following components: **(Amount in ₹ crore)**

	Unweighted value	Weighted value
Level 1 assets	58468.95	58468.95
Level 2 A assets	825.04	701.29
Level 2 B assets	814.98	407.49

- In composition of HQLAs, excess SLR has increased from 19.49% for FY end 31.03.2023 to 24.35% for FY end 31.03.2024 and FALLCR has decreased from 67% for FY end 31.03.2023 to 63% for FY end 31.03.2024.

- Level 2 assets which are lower in quality as compared to Level 1 assets, constitute 1.86% of total stock of HQLA against maximum mandated level of 40%.

iv) Concentration of funding sources:

A significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the bank's total liabilities.

As on 31.03.2024, there is no significant counterparty deposit as well as borrowing.

Top 20 depositors (other than Certificate of Deposits) of the Bank constitute 9.77% of our total deposits which is well within limit of 15% as per ALM Policy.

Top 10 borrowings of the bank constitute 71.05% of total borrowings.

A significant instrument/product is defined as a single instrument/ product of group of similar instruments/products which in aggregate amount to more than 1% of the bank's total liabilities. Example of funding instruments/products- wholesale deposits, certificate of deposits, long term bonds etc. Significant instrument/product as of 31st March 2024 were bulk deposits i.e. 13.50% of total liabilities, Retail term deposits i.e. 26.57% of total liabilities, Demand deposits i.e. 46.49% of total liabilities and Certificate of deposits i.e. 1.60% of total liabilities.

v) Derivative exposures and potential collateral calls:

Derivative exposure is shown as Net Derivative cash inflows within 30 days. Inflows from derivative exposure arose due to maturing forwards.

vi) Currency mismatch in the LCR;

As per the RBI guidelines while the LCR standard is required to be met on one single currency, in order to better capture potential currency mismatch the LCR in each currency needs to be monitored. Accordingly, Bank is maintaining LCR on daily basis in INR and the same is compared against the regulatory requirement. Further bank does not have exposure to any other significant currencies*, hence LCR is prepared for INR currency.

(*A significant currency is one where aggregate liabilities denominated in the currency amount to 5% or more of the bank's total liabilities).

vii) A description of the degree of centralization of liquidity management and interaction between the group's units:

The liquidity management for the bank on enterprise wide basis is the responsibility of the Board of Directors. Board of Directors has delegated its responsibilities to a Committee of the Board called as the "Risk Management Committee of Board". The committee is responsible for overseeing the inter linkages between different types of risk and its impact on liquidity.

Bank has ALM policy which provides the broad guidelines under which all the entities within the group operate in terms of liquidity and interest rate risk.

LCR is computed and monitored on daily basis by the Bank and the same is shared with Treasury/Midoffice for liquidity management and discussed in Investment committee.

Further LCR for the latest month along with comparison of previous months is placed before ALCO on monthly basis. Moreover, LCR position along with other liquidity parameters is placed before RMC/Board on quarterly basis.

viii) **The inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile** are as under:

Details of average Outflows arising from contingent liabilities for year end 31.03.2024 are as under:

(Amount in ₹ crore)

Particulars	Unweighted value	Weighted value
Currently undrawn committed credit and liquidity facilities provided to	**35580.18**	**5548.37**
Retail and small business clients	15887.22	794.36
non-financial corporates, sovereigns and central banks, multilateral development banks, and PSEs – Credit facilities	14659.30	1465.93
non-financial corporates, sovereigns and central banks, multilateral development banks, and PSEs – Liquidity facilities	0.00	0.00
banks	0.00	0.00
other financial institutions (including securities firms, insurance companies) – Credit facilities	2909.30	1163.72
other financial institutions (including securities firms, insurance companies) – Liquidity facilities	300.00	300.00

other legal entity customers	1824.36	1824.36
Other contingent funding liabilities	**13992.29**	**489.89**
Guarantees, Letters of credit and Trade Finance	10486.53	314.60
Revocable credit and liquidity facilities	2129.79	106.49
Any other	1375.97	68.80

c) Net Stable Funding ratio (NSFR)

Quantitative Disclosure:

(Amount in ₹ crore)

	NSFR Disclosure Template as on 31.03.2024					
		Unweighted Value by residual maturity				**Weighted Value**
SN	**Particulars**	**No maturity***	**< 6 months**	**6 m to <1 yr**	**>=1 yr**	
	ASF Item					
1	Capital (2+3)	**18275.07**	**0.00**	**0.00**	**7436.02**	**25711.09**
2	Regulatory Capital	18275.07	0.00	0.00	7136.02	25411.09
3	Other capital Instrument	0.00	0.00	0.00	300.00	300.00
4	Retail deposits and deposits from small business customers: (5+6)	93432.38	37751.02	26072.91	14473.78	144994.75
5	Stable deposits	45943.51	13497.46	9840.44	6300.76	65817.34
6	Less stable deposits	47488.87	24253.56	16232.47	8173.02	79177.41
7	Wholesale funding: (8+9)	49157.71	25536.25	24617.44	3514.55	39058.92
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	49157.71	25536.25	24617.44	3514.55	39058.92
10	Other liabilities: (11+12)	793.84	10179.44	0	0	0
11	NSFR derivative liabilities		0	0	0	
12	All other liabilities and equity not included in the above categories	793.84	10179.44	0	0	0
13	**Total ASF (1+4+7+10)**					209766.41
	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)					3324.88
15	Deposits held at other financial institutions for operational purposes	6.32				3.16
16	Performing loans and securities: (17+18+19+21+23)	75.45	29640.71	6494.00	122418.55	105319.07
17	Performing loans to financial institutions secured by Level 1 HQLA	0	17876.32	0	0	912.83
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	2310.67	979.15	0	836.17
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	9451.91	5059.54	91583.96	81254.57
20	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	0	1985.41	1062.78	19237.60	14028.54
21	Performing residential mortgages, of which:	0	1.82	3.01	20933.03	13608.88
22	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	0	1.82	3.01	20933.03	13608.88
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	75.45	0.00	452.30	9901.56	8706.61
24	Other assets: (sum of rows 25 to 29)	**4313.24**	**0.00**	**0.00**	**31459.51**	**33505.75**
25	Physical traded commodities, including gold	0				0
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0	0	0	0
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 not included in the above categories	4313.24	0.00	0.00	31459.51	33505.75
30	Off-balance sheet items		93094.64	1647.85	0	3980.46
31	Total RSF (14+15+16+24+30)					146133.31
32	Net Stable Funding Ratio (%)					**143.54%**

(Amount in ₹ crore)

	NSFR Disclosure Template as on 31.12.2023					
		Unweighted Value by residual maturity				**Weighted Value**
SN	**Particulars**	**No maturity***	**< 6 months**	**6 m to <1 yr**	**>=1 yr**	
	ASF Item					
1	Capital (2+3)	15280.87	**0.00**	**0.00**	**7278.04**	**22558.91**
2	Regulatory Capital	15280.87	0.00	0.00	6978.04	22258.91
3	Other capital Instrument	0.00	0.00	0.00	300.00	300.00
4	Retail deposits and deposits from small business customers: (5+6)	86931.70	36883.04	25585.43	15318.38	137778.04
5	Stable deposits	43365.43	13221.78	9770.56	6709.78	63039.88
6	Less stable deposits	43566.27	23661.26	15814.87	8608.60	74738.16
7	Wholesale funding: (8+9)	36222.49	25799.86	18086.78	3010.93	37628.62
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	36222.49	25799.86	18086.78	3010.93	37628.62
10	Other liabilities: (11+12)	797.89	8496.28	0	0	0
11	NSFR derivative liabilities		0	0	0	
12	All other liabilities and equity not included in the above categories	797.89	8496.28	0	0	0
13	**Total ASF (1+4+7+10)**					197965.57
	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)					**3251.85**
15	Deposits held at other financial institutions for operational purposes	12.51				6.25
16	Performing loans and securities: (17+18+19+21+23)	75.04	**15825.01**	**6466.36**	**115474.36**	**97325.32**
17	Performing loans to financial institutions secured by Level 1 HQLA	0	5996.10	0	0	0
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	2523.76	786.02	0	771.58
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	7303.59	5268.30	83996.08	73877.15
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	1654.45	1193.41	19027.31	13791.68
21	Performing residential mortgages, of which:	0	1.56	2.65	21752.63	14141.31
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	1.56	2.65	21752.63	14141.31
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	75.03	0.00	409.39	9725.65	8535.28
24	Other assets: (sum of rows 25 to 29)	**4206.31**	0.00	0.00	28960.62	**30387.93**
25	Physical traded commodities, including gold	0				0
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		**0**	0	0	0
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 not included in the above categories	4206.31	0.00	0.00	28960.62	30387.93
30	Off-balance sheet items		103324.58	1647.85	0	4500.89
31	Total RSF (14+15+16+24+30)					135472.24
32	Net Stable Funding Ratio (%)					**146.13%**

(Amount in ₹ crore)

	NSFR Disclosure Template as on 30.09.2023					
		Unweighted Value by residual maturity				**Weighted Value**
SN	**Particulars**	**No maturity***	**< 6 months**	**6 m to <1 yr**	**>=1 yr**	
	ASF Item					
1	Capital (2+3)	**15279.87**	**0.00**	0.00	**6933.21**	**22213.08**
2	Regulatory Capital	15279.87	0.00	0.00	6633.21	21913.08
3	Other capital Instrument	0.00	0.00	0.00	300.00	300.00
4	Retail deposits and deposits from small business customers: (5+6)	86060.81	34293.89	27316.83	15034.98	136195.65
5	Stable deposits	43123.60	12732.03	9969.85	6570.54	62534.21
6	Less stable deposits	42937.21	21561.86	17346.98	8464.44	73661.45
7	Wholesale funding: (8+9)	35103.68	32429.99	9295.19	2739.78	34160.25
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	35103.68	32429.99	9295.19	2739.78	34160.25
10	Other liabilities: (11+12)	**801.94**	7725.17	0	0	0
11	NSFR derivative liabilities		0	0	0	
12	All other liabilities and equity not included in the above categories	801.94	7725.17	0	0	0
13	**Total ASF (1+4+7+10)**					192568.98
	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)					3382.66
15	Deposits held at other financial institutions for operational purposes	39.93				19.97
16	Performing loans and securities: (17+18+19+21+23)	83.35	13969.31	5959.30	111691.80	94514.84
17	Performing loans to financial institutions secured by Level 1 HQLA	0	2113.73	0	0	0
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	2662.23	701.88	0	750.28
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	9191.86	5082.33	82142.55	72358.28
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	2573.72	1423.05	22999.91	16948.33
21	Performing residential mortgages, of which:	0	1.49	3.12	19348.57	12578.88
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	1.49	3.12	19348.57	12578.88
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	83.35	0.00	171.97	10200.68	8827.41
24	Other assets: (sum of rows 25 to 29)	4271.72	0.00	0.00	29491.44	30594.16
25	Physical traded commodities, including gold	0				0

	NSFR Disclosure Template as on 30.09.2023					
		Unweighted Value by residual maturity				Weighted Value
SN	Particulars	No maturity*	< 6 months	6 m to <1 yr	>=1 yr	
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0	0	0	0
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 not included in the above categories	4271.72	0.00	0.00	29491.44	30594.16
30	Off-balance sheet items		87165.47	1647.85	0	3716.93
31	Total RSF (14+15+16+24+30)					132228.56
32	Net Stable Funding Ratio (%)					**145.63%**

(Amount in ₹ crore)

	NSFR Disclosure Template as on 30.06.2023					
		Unweighted Value by residual maturity				Weighted Value
SN	Particulars	No maturity*	< 6 months	6 m to <1 yr	>=1 yr	
	ASF Item					
1	Capital (2+3)	15264.89	0.00	0.00	6402.58	21667.47
2	Regulatory Capital	15264.89	0.00	0.00	6202.58	21467.47
3	Other capital Instrument	0.00	0.00	0.00	200.00	200.00
4	Retail deposits and deposits from small business customers: (5+6)	86124.56	32091.21	28190.03	16282.69	135061.15
5	Stable deposits	42922.00	12374.07	10622.68	7163.92	62622.81
6	Less stable deposits	43202.56	19717.14	17567.35	9118.77	72438.34
7	Wholesale funding: (8+9)	39425.33	28461.65	11932.81	3165.23	34449.53
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	39425.33	28461.65	11932.81	3165.23	34449.53
10	Other liabilities: (11+12)	806.00	5289.99	0	0	0
11	NSFR derivative liabilities		0	0	0	
12	All other liabilities and equity not included in the above categories	806.00	5289.99	0	0	0
13	**Total ASF (1+4+7+10)**					191178.16
	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)					3492.45
15	Deposits held at other financial institutions for operational purposes	51.23				25.62
16	Performing loans and securities: (17+18+19+21+23)	138.67	21379.19	4736.47	108562.39	91148.72
17	Performing loans to financial institutions secured by Level 1 HQLA	0	9362.00	0	0	0
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	2428.90	716.58	0	722.63
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	9587.17	3845.27	78427.77	68674.16
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	2876.15	1153.58	23528.33	17308.28
21	Performing residential mortgages, of which:	0	1.12	2.65	20341.16	13223.64
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	1.12	2.65	20341.16	13223.64
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	138.67	0.00	171.97	9793.46	8528.30
24	Other assets: (sum of rows 25 to 29)	3724.37	0.00	0.00	26872.91	26895.28
25	Physical traded commodities, including gold	0				0
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0	0	0	0
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 not included in the above categories	3724.37	0.00	0.00	26872.91	26895.28
30	Off-balance sheet items		104300.33	1647.85	0	4571.83
31	Total RSF (14+15+16+24+30)					126133.90
32	Net Stable Funding Ratio (%)					**151.57%**

(Amount in ₹ crore)

NSFR Disclosure Template as on 31.03.2023						
		Unweighted Value by residual maturity				Weighted Value
SN	Particulars	No maturity*	< 6 months	6 m to <1 yr	>=1 yr	
	ASF Item					
1	Capital (2+3)	14253.78	0.00	0.00	6369.98	20623.76
2	Regulatory Capital	14253.78	0.00	0.00	6169.98	20423.76
3	Other capital Instrument	0.00	0.00	0.00	200.00	200.00
4	Retail deposits and deposits from small business customers: (5+6)	84787.75	28967.89	27767.11	16388.82	130643.17
5	Stable deposits	42950.23	11401.79	11101.82	7251.72	62181.15
6	Less stable deposits	41837.52	17566.10	16665.29	9137.10	68462.02
7	Wholesale funding: (8+9)	40030.85	23477.23	10024.10	4430.53	31098.65
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	40030.85	23477.23	10024.10	4430.53	31098.65
10	Other liabilities: (11+12)	866.41	7700.71	0.00	0.00	0.00
11	NSFR derivative liabilities		0.00	0.00	0.00	
12	All other liabilities and equity not included in the above categories	866.41	7700.71	0	0	0
13	Total ASF (1+4+7+10)					182365.58
	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)					3129.29
15	Deposits held at other financial institutions for operational purposes	6.00				3.00
16	Performing loans and securities: (17+18+19+21+23)	151.75	18439.68	6979.89	107050.78	83594.71
17	Performing loans to financial institutions secured by Level 1 HQLA	0	7332.00	0	0	0
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	3785.42	1342.76	0	1239.19
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	7321.35	5531.55	79064.01	62087.51
20	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	0	5344.59	4038.03	57716.73	42207.18
21	Performing residential mortgages, of which:	0	0.91	2.03	18514.98	12036.21
22	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	0	0.91	2.03	18514.98	12036.21
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	151.75	0.00	103.55	9471.81	8231.80
24	Other assets: (sum of rows 25 to 29)	3831.97	0.00	0.00	26409.56	25687.64
25	Physical traded commodities, including gold	0.00				0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0.00	0.00	0.00	0.00
27	NSFR derivative assets		0.00	0.00	0.00	0.00
28	NSFR derivative liabilities before deduction of variation margin posted		0.00	0.00	0.00	0.00
29	All other assets not included in the above categories	3831.97	0.00	0.00	26409.56	25687.64
30	Off-balance sheet items		92894.65	1647.85	0	4007.44
31	Total RSF (14+15+16+24+30)					116422.07
32	Net Stable Funding Ratio (%)					**156.64%**

(Amount in ₹ crore)

	NSFR Disclosure Template as on 31.12.2022					
		Unweighted Value by residual maturity				Weighted Value
SN	Particulars	No maturity*	< 6 months	6 m to <1 yr	>=1 yr	
	ASF Item					
1	Capital (2+3)	12395.83	0.00	0.00	6268.99	18664.82
2	Regulatory Capital	12395.83	0.00	0.00	6068.99	18464.82
3	Other capital Instrument	0.00	0.00	0.00	200.00	200.00
4	Retail deposits and deposits from small business customers: (5+6)	85843.51	40290.18	29439.19	18177.17	159305.75
5	Stable deposits	37630.55	7653.48	7144.25	6158.98	55149.02
6	Less stable deposits	48212.96	32636.70	22294.93	12018.19	104156.74
7	Wholesale funding: (8+9)	24589.10	4643.58	3371.92	3384.60	8839.39
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	24589.10	4643.58	3371.92	3384.60	8839.39
10	Other liabilities: (11+12)	870.80	15546.64	0	0	0
11	NSFR derivative liabilities		0	0	0	
12	All other liabilities and equity not included in the above categories	870.80	15546.64	0	0	0
13	**Total ASF (1+4+7+10)**					186809.97
	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)					2682.97
15	Deposits held at other financial institutions for operational purposes	14.99				7.49
16	Performing loans and securities: (17+18+19+21+23)	83.13	16091.13	6015.79	96236.51	81518.09
17	Performing loans to financial Institutions secured by Level 1 HQLA	0	6282.00	0	0	0
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	3391.38	1025.65	0	1021.53
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	6417.16	4762.72	69889.67	61222.12
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	1732.63	1285.93	18870.21	13774.92
21	Performing residential mortgages, of which:	0	0.59	2.22	16525.21	10742.79
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	0.59	2.22	16525.21	10742.79
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	83.13	0.00	225.21	9821.63	8531.65
24	Other assets: (sum of rows 25 to 29)	3794.04	0.00	0.00	25620.21	24723.25
25	Physical traded commodities, including gold	0				0
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0	0	0	0

F049

	NSFR Disclosure Template as on 31.12.2022					
		Unweighted Value by residual maturity				Weighted Value
SN	Particulars	No maturity*	< 6 months	6 m to <1 yr	>=1 yr	
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 not included in the above categories	3794.04	0.00	0.00	25620.21	24723.25
30	Off-balance sheet items		84861.81	1647.85	0	3613.13
31	Total RSF (14+15+16+24+30)					112544.93
32	Net Stable Funding Ratio (%)					**165.99%**

(Amount in ₹ crore)

	NSFR Disclosure Template as on 30.09.2022					
		Unweighted Value by residual maturity				Weighted Value
SN	Particulars	No maturity*	< 6 months	6 m to <1 yr	>=1 yr	
	ASF Item					
1	Capital (2+3)	12181.33	0.00	0.00	3977.93	17069.26
2	Regulatory Capital	12181.33	0.00	0.00	3877.93	16969.26
3	Other capital Instrument	0.00	0.00	0.00	100.00	100.00
4	Retail deposits and deposits from small business customers: (5+6)	86383.58	30523.77	31283.96	19553.76	152408.82
5	Stable deposits	34281.67	6651.69	6424.44	5591.70	50332.06
6	Less stable deposits	52101.91	23872.08	24859.52	13962.06	102076.75
7	Wholesale funding: (8+9)	21211.30	4213.98	2346.39	1186.03	7306.52
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	21211.30	4213.98	2346.39	1186.03	7306.52
10	Other liabilities: (11+12)	839.11	20740.83	0	0	0
11	NSFR derivative liabilities		0	0	0	
12	All other liabilities and equity not included in the above categories	839.11	20740.83	0	0	0
13	**Total ASF (1+4+7+10)**					176784.60
	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)					2795.72
15	Deposits held at other financial Institutions for operational purposes	102.20				51.10
16	Performing loans and securities: (17+18+19+21+23)	107.20	11514.43	4666.60	84815.52	71577.01
17	Performing loans to financial institutions secured by Level 1 HQLA	0	2950.00	0	0	0
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	2078.77	714.92	0	669.27
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	6482.84	3724.29	58048.54	51310.20
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	1750.37	1005.56	15673.11	11565.48
21	Performing residential mortgages, of which:	0	2.82	2.22	16803.13	10924.55
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	2.82	2.22	16803.13	10924.55
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	107.20	0.00	225.17	9963.85	8672.98
24	Other assets: (sum of rows 25 to 29)	5475.79	0.00	0.00	21950.14	22580.93
25	Physical traded commodities, including gold	0				0
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0	0	0	0
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 not included in the above categories	5475.79	0.00	0.00	21950.14	22580.93
30	Off-balance sheet items		87304.68	1647.85	0	3744.49
31	Total RSF (14+15+16+24+30)					100749.24
32	Net Stable Funding Ratio (%)					**175.47%**

(Amount in ₹ crore)

	NSFR Disclosure Template as on 30.06.2022					
		Unweighted Value by residual maturity				Weighted Value
SN	Particulars	No maturity*	< 6 months	6 m to <1 yr	>=1 yr	
	ASF Item					
1	Capital (2+3)	11805.78	0.00	0.00	4030.38	16036.16
2	Regulatory Capital	11805.78	0.00	0.00	3930.38	15936.16
3	Other capital Instrument	0.00	0.00	0.00	100.00	100.00
4	Retail deposits and deposits from small business customers: (5+6)	81726.77	27697.50	27686.56	17671.70	142439.52
5	Stable deposits	34652.84	6442.19	6325.27	5525.83	50391.43
6	Less stable deposits	47073.93	21255.32	21361.30	12145.87	92048.09
7	Wholesale funding: (8+9)	32553.20	5515.64	3574.51	1134.50	6548.79
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	32553.20	5515.64	3574.51	1134.50	6548.79
10	Other liabilities: (11+12)	850.76	18501.97	0	0	0
11	NSFR derivative liabilities		0	0	0	
12	All other liabilities and equity not included in the above categories	850.76	18501.97	0	0	0
13	**Total ASF (1+4+7+10)**					165024.46
	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)					2991.53
15	Deposits held at other financial institutions for operational purposes	102.20				51.10
16	Performing loans and securities: (17+18+19+21+23)	113.44	11296.33	8247.00	93024.61	79476.95
17	Performing loans to financial Institutions secured by Level 1 HQLA	0	3478.10	0	0	17.61
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	2603.68	3642.49	0	2211.80
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	5211.92	4377.12	66609.30	57815.53
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	1407.22	1181.82	17984.51	12984.45
21	Performing residential mortgages, of which:	0	2.63	2.22	16162.08	10507.78
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	2.63	2.22	16162.08	10507.78
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	113.44	0.00	225.17	10253.22	8924.25
24	Other assets: (sum of rows 25 to 29)	5688.88	0.00	0.00	26463.91	24665.95
25	Physical traded commodities, including gold	0				0
26	Assets posted as Initial margin for derivative contracts and contributions to default funds of CCPs		0	0	0	0
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 not included in the above categories	5688.88	0.00	0.00	26463.91	24665.95
30	Off-balance sheet items		71027.20	1647.85	0	2919.33
31	Total RSF (14+15+16+24+30)					110104.86
32	Net Stable Funding Ratio (%)					**149.88%**

* Items reported in the 'no maturity' time bucket do not have a stated maturity. These include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions and non-HQLA equities.

Qualitative Disclosure around NSFR:

The objective of NSFR is to ensure that bank maintains a stable funding profile in relation to the composition of its assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the probability of erosion of a bank's liquidity position due to disruptions in a bank's regular sources of funding that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR limits overreliance on short-term wholesale funding, encourages better assessment of funding risk across all on- and off-balance sheet items, and promotes funding stability.

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 by the NSFR, which extends to one year. The amount of stable funding required ("Required stable funding") (RSF) of Bank is a function of the liquidity characteristics and residual maturities of the various assets held by Bank as well as those of its off-balance sheet (OBS) exposures.

Main drivers of NSFR:

The Bank as on 31st March 2024, had maintained ASF of Rs 209766.41 cr. ASF consists of 38% from less stable non-maturity deposits and term deposits with residual maturity of less than one year provided by retail and small business customers and 31% from Stable non-maturity (demand) deposits and term deposits with residual maturity of less than one year provided by retail and small business customers.

RSF consists of 42% from "Other unencumbered performing loans with risk weights greater than 35% under the Standardized Approach and residual maturities of one year or more, excluding loans to financial institutions" line item.

NSFR for the quarter ended 31st March 2024 is 143.54%, above RBI prescribed minimum requirement of 100%.

NSFR has decreased from 146.13% as of 31.12.2023 to 143.54% as of 31.03.2024 due to increase in overall market interest rates and resultant decrease in overall liquidity in the system.

3. Investments

The Bank has classified the investment portfolio into three categories i.e. "Held to Maturity (HTM)", "Available for Sale (AFS)", and "Held for Trading (HFT)" and valued the investments in terms of the Reserve Bank of India (RBI) guidelines.

a) Composition of Investment Portfolio

(Amount in ₹ crore)

Particulars	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					
	31.03.24	31.03.23	31.03.24	31.03.23	31.03.24	31.03.23	31.03.24	31.03.23	31.03.24	31.03.23	31.03.24	31.03.23	31.03.24	31.03.23	31.03.24	31.03.23	31.03.24	31.03.23
Held to Maturity																		
Gross	48001.88	51192.83	0.00	0.00	0.00	0.00	55.02	471.14	141.33	109.57	28.78	70.37	48227.00	51843.90	0.00	0.00	48227.00	51843.90
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	0.00	0.00	0.00	0.00	0.00	0.00
Net	**48001.88**	**51192.83**	**0.00**	**0.00**	**0.00**	**0.00**	**55.02**	**471.14**	**141.33**	**109.57**	**28.78**	**70.37**	**48277.00**	**51843.90**	**0.00**	**0.00**	**48227.00**	**51843.90**
Available for Sale																		
Gross	16282.69	13182.79	0.00	0.00	330.92	388.62	3742.31	3447.20	0.00	0.00	9.94	352.74	20365.86	17371.36	0.00	0.00	20365.86	17371.36
Less: Provision for depreciation and NPI	2.08	122.64	0.00	0.00	7.38	53.42	303.67	39.54	0.00	0.00	5.60	132.72	318.74	348.31	0.00	0.00	318.74	348.31
Net	**16280.61**	**13060.15**	**0.00**	**0.00**	**323.54**	**335.20**	**3438.64**	**3407.66**	**0.00**	**0.00**	**4.34**	**220.03**	**20047.12**	**17023.05**	**0.00**	**0.00**	**20047.12**	**17023.05**
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	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	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**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Total Investment	**64284.57**	**64375.62**	**0.00**	**0.00**	**330.92**	**388.62**	**3797.33**	**3918.34**	**141.33**	**109.57**	**38.71**	**423.11**	**68592.86**	**69215.26**	**0.00**	**0.00**	**68592.86**	**69215.26**
Less: Provision for non performing investments	0.00	0.00	0.00	0.00	0.00	0.00	31.45	23.95	0.00	0.00	0.00	0.00	31.45	23.95	0.00	0.00	31.45	23.95
Less: Provision for depreciation and NPI	2.08	122.64	0.00	0.00	7.38	53.42	272.22	15.59	0.00	0.00	5.60	132.72	287.29	324.36	0.00	0.00	287.29	324.36
Net	**64282.49**	**64252.98**	**0.00**	**0.00**	**323.54**	**335.20**	**3493.66**	**3878.80**	**141.33**	**109.57**	**33.11**	**290.39**	**68274.12**	**68866.95**	**0.00**	**0.00**	**68274.12**	**68866.95**

b) **Movement of Provisions for Depreciation and Investment Fluctuation Reserve**

(Amount in ₹ crore)

Particulars	**FY 2023-24**	**FY 2022-23**
i) Movement of provisions held towards depreciation on investments (including NPI)		
a) Opening balance	348.31	502.71
b) Add: Provisions made during the year	266.96	723.70
c) Less: Write off / write back of excess provisions during the year	296.52	878.10
d) Closing balance	318.75	348.31
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	426.10	426.10
b) Add: Amount transferred during the year	-	-
c) Less: Drawdown	-	-
d) Closing balance	426.10	426.10
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.09%	2.43%

c) **Sale and transfers to/from HTM category**

As per RBI guidelines, an amount of **Rs.22.14 crore (Rs 12.29 Crore)** net of taxes and statutory reserves being profit on sale of investment in 'Held to Maturity' category is transferred to Capital Reserve.

The Bank has amortized **Rs. 103.95 crore during the year (Rs 112.94 Crore)** for securities classified under 'Held to Maturity' category, and the amount has been charged to Profit & Loss account by reducing value of the respective securities to that extent.

The value of the sales and transfer of securities to / from HTM category during the financial year 2023-24, excluding one-time transfer with the approval of the Board, sales to RBI under pre announced OMO auctions and as permitted by RBI does not exceed 5 percent of the book value of investments in HTM category at the beginning of financial year.

i. Computation of Transfer of Profit on Sale of Investment in HTM Category to Capital Reserve

(Amount in ₹ crore)

Particulars	**FY 2023-24**	**FY 2022-23**
Profit on sale of HTM Securities	39.44	21.90
Loss on HTM	-	-
Net Profit on sale of HTM Securities	39.44	21.90
Less: Income Tax @25.168%	9.92	5.51
Sub- Total	**29.51**	**16.39**
Less: 25.00% proportionate Transfer to Statutory Reserves	7.38	4.10
Net Transfer to Capital reserve	**22.14**	**12.29**

ii. Computation of Transfer of Write Back on account of MTM Depreciation on Investment in AFS & HFT to Investment Reserve

(Amount in ₹ crore)

Particulars	**AS ON 31.03.2024 A**	**AS ON 31.03.2023 B**	**Utilized during FY 2023-24 C**	**Diff. over prev. year (A-B+C)**
MTM Depreciation AFS	15.05	260.07	131.86	-113.16
MTM Depreciation HFT	-	-	-	-
MTM Depreciation NPI	-	3.40	3.41	0.01
MTM Depreciation under SDR/S4A	26.74	60.89	36.13	1.98
Total	**41.78**	**324.36**	**171.41**	**-111.17**
Net Write Back of Depreciation on MTM				111.17
Less: Income Tax @25.168%				27.98
Sub-Total				83.19
Less: 25% proportionate Transfer to Statutory Reserves				20.80
Net Transfer to Investment Reserve				**62.39**

iii. Details regarding shifting of securities from HFT to AFS category and securities from AFS & HFT to HTM Category be provided for FY 2023-24 & 2022-23.

(Amount in ₹ crore)

Portfolio	**FY 2023-24**	**FY 2022-23**
HFT to AFS	502.66	Nil
AFS to HTM	Nil	Nil

During the year, Bank has provided depreciation on investment for diminution in value on account of shifting of investments from 'Available for Sale' to 'Held to Maturity' category Rs.0.00 Crore (Rs. 0.00 Crore) and 'Held to Maturity' to 'Available for Sale' category Rs.0.00 Crore (Rs. 0.00 Crore).

iv. Details regarding security transferred from HTM category to AFS category for FY 2023-24 & 2022-23

(Amount in ₹ crore)

Portfolio	**FY 2023-24**	**FY 2022-23**
HTM to AFS	2615.19	2937.30

d) **Non-SLR investment portfolio**

i) *Non-performing non-SLR investments*

(Amount in ₹ crore)

S. N.	**Particulars**	**FY 2023-24**	**FY 2022-23**
a)	Opening balance	28.82	446.37
b)	Additions during the year since 1st April	7.74	646.70
c)	Reductions during the above period (Including TWO)	4.22	*1064.25
d)	Closing balance	32.34	28.82
e)	Total provisions held	31.45	23.95

*Reduction on account of Technically Written off (TWO) investment is ₹ 892.05 crore for FY 2022-23.

ii) Issuer composition of non-SLR investments

(Amount 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	417.39	493.82	383.10	457.63	0	0.00	0	0.00	0	0.00
b)	FIs	513.44	868.71	473.21	828.49	0	0.00	0	0.00	0	0.00
c)	Banks	70.63	268.69	70.63	264.89	0	5.00	0	0.00	0	0.00
d)	Private Corporates	1976.56	1417.63	1976.56	1384.97	417.65	163.80	0	0.00	0	0.00
e)	Subsidiaries/ Joint Ventures	241.43	209.68	241.43	209.68	0	0.00	0	0.00	100.11	100.11
f)	Others	1088.85	1581.11	1088.85	1571.11	121.03	176.03	121.03	121.03	275.86	306.82
	Sub Total	**4308.30**	**4839.64**	**4233.78**	**4716.77**	**538.68**	**344.83**	**121.03**	**121.03**	**375.97**	**406.93**
g)	Provision held (Includes Depreciation)	316.66	225.67	316.66	227.92	299.93	24.26	0	0.00	0	0.00
	Total	**3991.63**	**4613.97**	**3917.13**	**4488.85**	**238.75**	**320.57**	**121.03**	**121.03**	**375.97**	**406.93**

e) Repo transactions (in face value terms)

(Amount in ₹ crore)

Particulars	**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				
Repo Borrowing (LAF)	500(NIL)	976(1500)	38(31)	NIL(NIL)
Repo Borrowing (Term)	NIL(500)	NIL(500)	NIL(500)	NIL(500)
b) Corporate debt securities	NIL(NIL)	NIL(NIL)	NIL(NIL)	NIL(NIL)
c) Any other securities	NIL(NIL)	NIL(NIL)	NIL(NIL)	NIL(NIL)
ii) Securities purchased under reverse repo				
a) Government securities	1902(NIL)	5000(10194)	93(101)	NIL (NIL)
b) Corporate debt securities	NIL(NIL)	NIL(NIL)	NIL(NIL)	NIL(NIL)
c) Any other securities	NIL(NIL)	NIL(NIL)	NIL(NIL)	NIL(NIL)

*Previous Year Figures are reported in bracket

Repo transactions other than LAF

(Amount in ₹ crore)

Particulars	**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	47 (NIL)	3882 (3970)	432 (512)	NIL (NIL)
b) Corporate debt securities	NIL (NIL)	NIL(NIL)	NIL(NIL)	NIL (NIL)
c) Any other securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
ii) Securities purchased under reverse repo				
a) Government securities	5 (NIL)	8588 (236)	1258 (56)	1976 (NIL)
b) Corporate debt securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
c) Any other securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)

*Previous Year Figures are reported in bracket

f) Government Security Lending (GSL) transactions (in market value terms)

As on 31.03.2024

(Amount in ₹ crore)

Particulars	**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	-	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-	-
Securities placed as collateral under GSL transactions	-	-	-	-	-
Securities received as collateral under GSL transactions	-	-	-	-	-

As on 31.03.2023

(Amount in ₹ crore)

Particulars	**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	-	-	-	-	-
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

(Amount in ₹ crore)

Particulars	Standard		Non-Performing								Total	
	Total Standard Advances		Sub standard		Doubtful		Loss		Total Non-Performing Advances			
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Gross Standard Advances and NPAs												
Opening Balance	170785.50	129912.59	1466.97	1985.77	2691.87	3108.10	175.16	233.34	4334.00	5327.21	175119.50	135239.81
Add: Additions during the year (Net)									1255.20	1629.72		
Less: Reductions during the year*									1756.15	2622.93		
Closing balance	**199830.89**	**170785.50**	**1181.33**	**1466.97**	**2513.09**	**2691.87**	**138.63**	**175.16**	**3833.05**	**4334.00**	**203663.94**	**175119.50**
*Reductions in Gross NPAs due to:												
i) Upgradation									140.93	199.48	140.93	199.48
ii) Recoveries (excluding recoveries from upgraded accounts)									625.25	932.87	625.25	932.87
iii) Technical/ Prudential Write-offs									925.61	1311.98	925.61	1311.98
iv) Write-offs other than those under (iii) above									64.37	178.59	64.37	178.59
Provisions (excluding Floating Provisions)												
Opening balance of provisions held	1540.11	1634.29	1100.76	1328.96	2590.34	2448.75	169.53	231.17	3860.63	4008.87	5400.74	5643.16
Add: Fresh provisions made during the year									2174.27	2253.10		
Less: Excess provision reversed/ Write-off loans									2672.87	2401.35		
Closing balance of provisions held	**2355.51**	**1540.11**	**863.40**	**1100.76**	**2360.75**	**2590.34**	**137.88**	**169.53**	**3362.03**	**3860.63**	**5717.54**	**5400.74**
Net NPAs												
Opening Balance			366.22	656.81	63.33	617.59	5.63	2.17	435.18	1276.57	435.18	1276.57
Add: ECGC/DICGC Settled Amount									38.20	40.85	38.20	40.85
Gross Opening Balance									473.38	1317.42	473.38	1317.42
Add: Fresh additions during the year									514.60	559.80	514.60	559.80
Less: Reductions during the year									516.96	1403.84	516.96	1403.84
Gross Closing Balance									471.02	473.38	471.02	473.38
Less: ECGC/DICGC Settled Amount									62.03	38.20	62.03	38.20
Net Closing Balance			317.93	366.22	90.31	63.33	0.75	5.63	408.99	435.18	408.99	435.18
Floating Provisions												
Opening Balance											-	-
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											19696.71	18791.70
Add: Technical/ Prudential write-offs during the year (Including write-offs made from fresh slippages)											3251.80	2235.24
Less: Recoveries/Reduction made from previously technical/ prudential written-off accounts during the year#											3392.99	1330.23
Closing balance											**19555.53**	**19696.71**

Includes amount of Recovery in Technically Written off Account of Rs. 907.01 Crore (Rs.924.69 Crore) & upgradation of Rs. 140.86 Crore (Rs.19.34 Crore)

Ratios (in per cent)	FY 2023-24	FY 2022-23
Gross NPA to Gross Advances	1.88%	2.47%
Net NPA to Net Advances	0.20%	0.25%
Provision coverage ratio (including TWO)	98.34%	98.28%

b) Sector-wise Advances and Gross NPAs

(Amounts in ₹ crore)

Sr. No.	Sector	FY 2023-24			FY 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**						
a)	Agriculture and allied activities	30456.27	2425.70	7.96%	23400.00	2332.00	9.97%
b)	Advances to industries sector eligible as priority sector lending	13105.72	181.87	1.39%	9469.20	228.41	2.41%
c)	Services	29056.00	880.87	3.03%	23842.93	1045.22	4.38%
d)	Personal loans	11659.81	95.17	0.82%	10830.47	149.67	1.38%
	Sub-total (i)	**84277.80**	**3583.61**	**4.25%**	**67542.60**	**3755.30**	**5.56%**
ii)	**Non-priority Sector**						
a)	Agriculture and allied activities	-	-	-	-	-	-
b)	Industry	27840.52	37.03	0.13%	26387.26	47.00	0.18%
c)	Services	49193.17	81.54	0.17%	46517.78	372.97	0.80%
d)	Personal loans	42352.46	130.87	0.31%	34671.86	158.73	0.46%
	Sub-total (ii)	**119386.15**	**249.44**	**0.21%**	**107576.90**	**578.70**	**0.54%**
	Total (i + ii)	**203663.95**	**3833.05**	**1.88%**	**175119.50**	**4334.00**	**2.47%**

Details of advances wherein subsector advances is more than 10% of the total advances of sector:

S. N.	Sector / Subsector	FY 2023-24			FY 2022-23		
		O/s Total Advances	Gross NPA	Percentage of Gross NPAs	O/s Total Advances	Gross NPA	Percentage of Gross NPAs
1	Industry/ Infrastructure	19245.36	0.64	0.00%	19202.12	1.04	0.00%

c) Overseas assets, NPAs and revenue

(Amount in ₹ crore)

Particulars	FY 2023-24	FY 2022-23
Total Assets	*100.20	*79.61
Total NPAs	0.00	0.00
Total Revenue	0.15	0.35

*Outstanding Balance in NOSTRO Accounts as on 31.03.2024 and 31.03.2023.

d) Particulars of resolution plan and restructuring

Impact of RBI Circular No RBI/2018-19/2013 DBR No BP.BC.45/21.04.048/2018-19 dated 07.06.2019 on resolution of stressed assets - Revised framework is as follows:

(Amounts 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)	Additional Provision required for loans covered under RBI circular (D)	Provision out of (D) already made by 31.03.2024
171.93	-	-	-	-

e) Divergence in asset classification and provisioning

Banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements, wherever either or both of the following conditions are satisfied:

(a) the additional provisioning for NPAs assessed by Reserve Bank of India as part of its supervisory process, exceeds 5 per cent of the reported profit before provisions and contingencies for the reference period and

(b) the additional Gross NPAs identified by Reserve Bank of India as part of its supervisory process exceed 5 per cent of the reported incremental Gross NPAs for the reference period.

As the divergences are within threshold limit as specified above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for FY 2022-23.

f) Disclosure of transfer of loan exposures

i) Details of loans not in default acquired or transferred during the year ended 31st. March 2024 through assignment are given below:

Particulars	FY 2023-24	FY 2022-23
Aggregate amount of loans acquired (Rs in Crore)	13228.05	8520.20
Weighted average residual maturity (in months)	30.08	27.29
Weighted average holding period by originator (in months)	7.11	6.36
Retention of beneficial economic interest by the originator	10.17%	10.32%
Tangible security coverage	21.03%	27.62%

The loans acquired are not rated as these are related to non-corporate borrowers.

ii) Details stressed loans transferred or acquired are as under:

(Amount in ₹ crore)

A) Detail of Non-Performing Assets Transferred

Particulars	To ARCs	To permitted transferees	To other transferees (please specify)
No: of accounts	3	Nil	Nil
Aggregate principal outstanding of loans transferred	640.68	Nil	Nil
Weighted average residual tenor of the loans transferred	Nil	NA	NA
Net book value of loans transferred (at the time of transfer)	0	NA	NA
Aggregate consideration	244.63*	NA	NA

Additional consideration realized in respect of accounts transferred in earlier years	Nil	NA	NA
*Cash amount of Rs.213.54 Crore received till 31.03.2024. However, SR amount of Rs.31.09 Crore is yet to be received.			
B) Detail of SMA Transferred: Nil			

C) Details of loans acquired during the year (NPA & SMA)

Particulars	**From SCBs, RRBs, UCBs, DCCBs, 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

iii) Recovery Ratings assigned to O/s SRs as on 31.03.2024 by the credit rating agencies

(Amount in ₹ crore)

Recovery Rating Band*	**Amount**
RR1	-
RR2	-
RR3	-
RR4	-
RR5	-
Rating Withdrawn	-
Unrated	-
Total	**-**

*Recovery rating is as assigned by various external agencies.

g) Fraud accounts

Details on the number and amount of frauds as well as the provisioning thereon as per template as under.

(Amount in ₹ crore)

Particulars	**2023-24**	**2022-23**
Number of Borrowal and Non Borrowal frauds reported	34	87
Number of Digital payment related frauds where credentials have been compromised by customers themselves & no loss has been caused to the Bank	438	18
Total	**472**	**105**
Amount involved in fraud including digital payment related frauds (₹ crore)	74.06	933.27
Amount of provision made for such frauds (₹ crore) *	70.39	735.85
Amount of Un-amortised provision debited from 'other reserves' as at the end of the year (₹ crore)	-	-

*The Bank holds 100% provision i.e. of Rs. 70.39 Crore as of 31.03.2024 (Rs.735.85 Crore as of 31.03.2023)

h) Disclosure under Resolution Framework for COVID-19-related Stress

Details of resolution plan implemented under the RBI Resolution Framework for COVID-19 related stressed assets as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 5, 2021 (Resolution Framework 2.0) at March 31, 2024 are as under

(Amount in ₹ crore)

Type of the Borrower	**Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2023 (A)**	**Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2024**	**Of (A) amount written off during the half-year ended March 31, 2024**	**Of (A) amount paid by the borrowers during the half-year ended March 31, 2024**	**Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2024**
Personal Loan	1745.48	117.39	56.86	181.94	1551.04
Corporate Persons*	804.76	0.00	0.00	210.00	629.64
Of which MSMEs	23.65	0.00	0.00	1.33	22.48
Others	0.00	0.00	0.00	0.00	0.00
Total	**2550.24**	**117.39**	**56.86**	**391.94**	**2180.68**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

The Bank continues to hold COVID-19 related provision as contingency provision amounting to ₹ 1200 crores as on 31st March 2024.

5. Exposures

a) Exposure to Real Estate Sector

(Amount in ₹ crore)

S N	Category	31.03.2024	31.03.2023
a)	*Direct exposure*	43383.27	33771.02
i	Residential Mortgages –	38012.68	31129.34
	Of which Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans eligible for inclusion in priority sector advance may be shown separately)	24633.34	19504.20
ii	Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits.)	5370.59	2641.68
iii	Investments in Mortgage Backed Securities (MBS) and other securitized exposures – a. Residential, b. Commercial Real Estate.	Nil Nil	Nil Nil
b)	*Indirect Exposure* Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	4865.53	4430.00
	Total Exposure to Real Estate Sector	**48248.80**	**38201.02**

b) Exposure to capital market

(Amount in ₹ crore)

Particulars		31.03.2024	31.03.2023
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	56.89	64.69
ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	0.12	0.11
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	0.02	0.27
vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii)	Bridge loans to companies against expected equity flows / issues;	-	-
viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
ix)	Financing to stockbrokers for margin trading;	-	-
x)	All exposures to Venture Capital Funds (both registered and unregistered)	93.31	105.39
	Total exposure to capital market	**150.34**	**170.46**

The details of Bank's Direct investment in equity shares on conversion of debt into equity as a part of strategic restructuring of debt which are exempt from Capital Market Exposure limits/regulatory ceilings/investment in para-banking activities and intra-group exposure, is as under:

(Amount in ₹ crore)

Particulars	31.03.2024		31.03.2023	
	No. of accounts	Amount	No. of accounts	Amount
Investment in equity shares received/allotted on account of conversion of debt into equity which are exempt from Capital Market Exposure limits/regulatory ceilings/investment in para-banking activities and intra-group exposure	5	98.87	10	235.81

c) *Risk category-wise country exposure*

(Amount in ₹ crore)

Risk Category*	Exposure (net) as at March 31, 2024	Provision held as at March 31, 2024	Exposure (net) as at March 31, 2023	Provision held as at March 31, 2023
Insignificant	789.21	-	606.51	-
Low	319.80	-	170.71	-
Moderately Low	178.23	-	110.37	-
Moderate	15.31	-	30.07	-
Moderately High	33.50	-	0.99	-
High	0.42	-	28.36	-
Very High	14.39	-	8.81	-
Total	**1350.86**	**-**	**955.82**	**-**

*Till such time, as banks move over to internal rating systems, banks shall use the seven-category classification followed by Export Credit Guarantee Corporation of India Ltd. (ECGC) for the purpose of classification and making provisions for country risk exposures. ECGC shall provide to banks, on request, quarterly updates of their country classifications and shall also inform all banks in case of any sudden major changes in country classification in the interim period.

d) Unsecured advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken and the estimated value of such intangible collateral are as under.

(Amounts in ₹ crore)

Particulars	FY 2023-24	FY 2022-23
Total unsecured advances of the bank	36545.07	31725.44
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	3302.43	3192.99
Estimated value of such intangible securities	3704.85	3185.12

e) Factoring exposures (Under TReDS)

Particulars	31.03.2024	31.03.2023
TReDS Exposure in terms of DBR No. FSD.BC.32/24.01.007/2015-16 dated 30th July 2015 (Para 8)	2973.03	534.23
Total	**2973.03**	**534.23**

f) Intra-group exposures

The details of the intra-group exposures of the bank are as under;

(Amounts in ₹ crore)

S. N.	Particulars	FY 2023-24	FY 2022-23
1	Total amount of intra-group exposures	750.00	750.00
2	Total amount of top-20 intra-group exposures	750.00	750.00
3	Percentage of intra-group exposures to total exposure of the bank on borrowers/ customers	0.37%	0.43%
4	Details of breach of limits on intra-group exposures and regulatory action thereon, if any	Nil	Nil

Details of Intra-Group Exposure (RBI circular no. DB OD No. BP. BC 6/21.06.102/2013-14 dated 11th. Feb 2014

(Amounts in ₹ crore)

Sr. No.	Particulars	31.03.2024	31.03.2023
1	Borrowings from (if any)		
a.	Maharashtra Gramin Bank (MGB)	NIL	NIL
b.	Maharashtra Executor Trustee Co (METCO)	NIL	NIL
2	Lending to (if any)		
a.	Maharashtra Gramin Bank (MGB)*	750.84#	750.00
b.	Maharashtra Executor Trustee Co (METCO)	NIL	NIL
3	Investment in (if any)		
a.	Maharashtra Gramin Bank (MGB)	**241.28**	**241.28**
i.	*Equity (incl Preference shares)*	141.17	109.42
ii.	*Bonds /Debentures*	100.11	100.11
iii	*Any other – Investment in MGB pending allotment*	-	31.75
b.	Maharashtra Executor Trustee& Co (METCO)	**0.15**	**0.15**
i.	*Equity (incl Preference shares)*	0.15	0.15

*Not considered as exposure as per extant RBI guidelines

#Outstanding as on 31.03.2024

g) Unhedged foreign currency exposure

(Amount in ₹ crore)

S. N.	Particulars	31.03.2024	31.03.2023
1	Additional provisioning made on account of UFCE	3.47	(0.01)
2	Incremental capital held on account of UFCE	20.72	3.39

Bank has put in place a policy for management of currency induced credit risk arising out of exposure to its constituents which inter-alia specifies the mechanism to ascertain Unhedged Foreign Currency Exposure (UFCE) and mitigate the same by pricing the exposure as well as incremental provisioning as under –

Method to ascertain the amount of Unhedged Foreign Currency Exposure (UFCE):
The amount of UFCE of the constituents is measured by obtaining the periodical information from the clients having exposure of Rs. 10.00 crore and above. For this purpose, items maturing or having cash flows over the period of next five years only are considered. Further, items which are effective hedges, financial hedge and / or natural hedge, of each other are set off. (Financial hedge through a derivative contract (e.g. Forward Cover) and Natural hedge may be considered when cash flows arising out of the operations of the company offset the risk arising out of the Foreign Currency Exposure. For the purpose of computing UFCE, an exposure may be considered naturally hedged if the offsetting exposure has the maturity/cash flow within the same accounting year).

Method to estimate the extent of likely loss:
The loss to the entity in case of movement in exchange rate is calculated using the annualised volatilities. For this purpose, largest annual volatility seen in the rates during the period of last ten years is taken as the movement of the rate in the adverse direction.

Method to estimate the riskiness of unhedged position and provide appropriately:
The likely loss / EBID so arrived at is taken as the base, as per which consolidated UFCE on behalf of the constituents is calculated, based on the model specified by the Bank. Such exposure is subjected to additional provisioning and also incremental capital requirement.
Further, the pricing to such constituents is accordingly re-priced based on the risk profile of the borrower by loading an appropriate premium to cover the UFCE.

6. Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits

(Amount in ₹ crore)

Particulars	31.03.2024	31.03.2023
Total deposits of the twenty largest depositors	28851.70	27622.20
Percentage of deposits of twenty largest depositors to total deposits of the bank	10.66%	11.80%

b) Concentration of advances

Advance is computed based on credit exposures. The sanctioned limits or outstanding, whichever is higher, have been considered. In case of fully drawn term loan, where there is no scope for re – drawal of any portion of the sanctioned limit, outstanding has been considered as the credit exposure.

(Amount in ₹ crore)

Particulars	31.03.2024	31.03.2023
Total advances to the twenty largest borrowers	29751.71	30729.74
Percentage of advances to twenty largest borrowers to total advances of the bank	11.56%	13.74%

c) Concentration of exposures

(Amount in ₹ crore)

Particulars	31.03.2024	31.03.2023
Total exposure to the twenty largest borrowers/customers	29776.71	30754.74
Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/ customers	11.03%	12.97%

d) Concentration of NPAs

(Amount in ₹ crore)

Particulars	31.03.2024	31.03.2023
Total Exposure to the top twenty NPA accounts	349.37	623.34
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	9.11%	14.38%

7. Derivatives

a) Forward rate agreement / Interest rate swap

(Amount in ₹ crore)

Items	31.03.2024	31.03.2023
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 (+) To receive / (-) To pay@	Nil	Nil

Bank has policy guidelines in place for IRS/ FRA's. The approved ceiling for IRS / FRAs in terms of notional principal is Rs 2000.00 crore. As on 31st March 2024, the Bank had no outstanding swaps.

$Example of concentration could be exposures to particular industries or swaps with highly geared companies.

@If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the bank would receive or pay to terminate the swap agreements as on the balance sheet date. For a trading swap the fair value would be its mark to market value.

b) Exchange traded interest rate derivatives

(Amount in ₹ crore)

S.N.	Particulars	FY 2023-24	FY 2022-23
1	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise) a) 6.10% GS2031	Nil	18.55
2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March (instrument-wise)	Nil	Nil
3	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil
4	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

Qualitative disclosures

i) Derivative policy is approved by the Board, which includes measurement of credit & market risk.
ii) Policy for hedging and processes for monitoring the same are in place.
iii) The hedged transactions are undertaken for Balance Sheet management. Proper system for reporting & monitoring of risks is in place.
iv) Risk Management of derivative operations is headed by a Top Management Executive who reports to Central Office. The swaps are tracked on regular basis.
v) Accounting Policy for recording hedge and non-hedge transactions is in place, which includes recognition of income, valuation of outstanding contracts and credit risk mitigation as given in para 3.7 (ii) of Schedule 17, viz., Significant Accounting Policies.
vi) The Bank has made requisite provision on credit exposure of derivative contracts computed as per current exposure method & as per RBI guidelines.

Quantitative disclosures

(Amount in ₹ crore)

S. N.	Particular	FY 2023-24		FY 2022-23	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)	26190.97	NIL	12076.49	NIL
	a) For hedging	4425.50	NIL	4636.60	NIL
	b) For trading	21765.47	NIL	7439.89	NIL
(ii)	Marked to Market Positions*		NIL		
	a) Asset (+)	56.09	NIL	50.90	NIL
	b) Liability (-)		NIL	-	NIL
(iii)	Credit Exposure$	523.82	NIL	292.43	NIL
(iv)	Likely impact of one percentage change in interest rate (100*PV01)		NIL		
	a) on hedging derivatives	0.0504	NIL	0.0244	NIL
	b) on trading derivatives	0.0137	NIL	0.0122	NIL
(v)	Maximum and Minimum of 100*PV01 observed during the year				
	a) on hedging	Max: 0.0512 Min: 0.0148	NIL	Max: 0.052 Min: 0.024	NIL
	b) on trading	Max: 0.0315 Min: 0.0001	NIL	Max:0.062 Min:0.0001	Max:0.0213 Min:0.0104

*The net position shall be shown either under asset or liability, as the case may be, for each type of derivatives

$ Bank may adopt the current exposure method on Measurement of credit exposure of Derivative Products as per extant RBI instructions.

d) Standard provision on derivative exposure

(Amount in ₹ crore)

Sr. No.	Particulars	Credit Exposure*	Provision as applicable to standard advances as on 31.03.2024
1	Interest rate derivative	NIL	NIL
2	Foreign exchange derivative	523.82	2.32
3	Gold contract	NIL	NIL
4	Credit default swaps	NIL	NIL
	Total	**523.82**	**2.32**

*Credit Exposure calculated as per RWA guidelines of Basel III

d) Credit Default Swaps (CDS)

The Bank has no Credit Default Swaps (CDS) during the year 2023-24 and as on March 31, 2024 is NIL.

8. Disclosures relating to securitization

(Amount in ₹ crore)

S. N.	Particulars			31-03-2024 (No./ Amount)	31-03-2023 (No./ Amount)
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	
2.	Total amount of securitized assets as per books of the SPEs				
3.	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet				
	a)	Off-balance sheet exposures			
		First loss			
		Others			
	b)	On-balance sheet exposures			
		First Loss			
		Others			
4.	Amount of exposures to securitization transactions other than MRR				
	a)	Off Balance Sheet Exposures			
		i)	Exposure to own securitizations		
			First Loss		
			Others		
		ii)	Exposure to third party securitizations		
			First Loss		
			Others		
	b)	On Balance Sheet Exposures			
		i)	Exposure to own securitizations		
			First Loss		
			Others		
		ii)	Exposure to third party securitizations		
			First Loss		
			Others		
5	Sale consideration received for the securitized asserts and gain/loss on sale on account of securitization				
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post –securitization asset servicing etc.				
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. -Amount paid -Repayment received -Outstanding amount				
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc				
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.				
10	Investor complaints* -Directly/Indirectly received and; -Complaints outstanding				

9. Off balance sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	**Overseas**
Nil	Nil

10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

(Amount in ₹ crore)

Particulars	FY 2023-24	FY 2022-23
Opening balance of amount transferred to DEAF	845.13	610.27
Add: Amount transferred to DEAF during the year	151.03	239.25
Less: Amount reimbursed by DEAF towards claims	46.07	4.39
Closing balance of amount transferred to DEAF	***950.09**	**845.13**

The closing balance of the amount transferred to DEA Fund as disclosed above (*excluding claim lodged for the month of March 2024 of Rs.3.14 crore) are also included under Schedule 12- Contingent Liabilities- Other Items for which Bank is contingently liable.

11. Disclosure of complaints

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

S. N.		Particulars	FY 2023-24	FY 2022-23
	Complaints received by the bank from its customers			
1.		Number of complaints pending at beginning of the year	37	06
2.		Number of complaints received during the year	6439	5609
3.		Number of complaints disposed during the year	6448	5578
	3.1	Of which, number of complaints rejected by the bank	602	0
4.		Number of complaints pending at the end of the year	28	37
	Maintainable complaints received by the bank from Office of Ombudsman			
5.		Number of maintainable complaints received by the bank from Office of Ombudsman	1332	1473
	5.1.	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	552	502
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	780	970
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	0	1
6.		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

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**
FY 2023-24					
1-ATM/Debit Cards	9	1108	-4	5	0
2-Internet/Mobile /Electronic Bkg	13	1766	-23	4	0
3-Account opening /difficulty in operation of account	6	2235	104	6	0
4- Loans and Advances	8	757	34	3	0

5.Pension and facilities for senior citizens/differently abled	0	76	17	2	0
Others	1	497	15	8	0
Total	**37**	**6439**	**15**	**28**	**0**
		FY 2022-23			
1-ATM/Debit Cards	2	1154	68	9	0
2-Internet/Mobile /Electronic Bkg	3	2300	53	13	0
3-Account opening /difficulty in operation of account	0	1094	85	6	0
4- Loans and Advances	0	564	83	8	0
5.Pension and facilities for senior citizens/differently abled	0	65	282	0	0
Others	1	432	243	1	0
Total	**6**	**5609**	**73**	**37**	**0**

12. Disclosure of penalties imposed by the Reserve Bank of India

During the Current Financial year following Penalties have been imposed:

(Amount in ₹ crore)

S. N.	Particulars/nature of penalties	Amount
1	Penalty under Payment & Settlement Systems Act, 2007	NIL
2	Penalty under section 46(4) of the Banking Regulation Act,1949	NIL
3	Government Securities Act, 2006 (for bouncing of SGL)	NIL
4	Penalty levied by RBI on currency chests	0.08
5	Others levied by RBI	1.49

There is no default in reverse repo transaction from bank side during the financial year.

13. Disclosure on remuneration

(Amount in ₹ crore)

S. N.	Name	Designation	Remuneration	
			FY 2023-24	FY 2022-23
1.	Shri Nidhu Saxena	MD & CEO (from 27.03.2024 to till date)	-	-
2.	Shri A S Rajeev	MD & CEO (till 22.02.2024)	0.74	0.48
3.	Shri Asheesh Pandey	Executive Director	0.39	0.32
4.	Shri A. B. Vijayakumar	Executive Director (till 31.10.2023)	0.51	0.37
5.	Shri Rohit Rishi	Executive Director (from 01.11.2023 to till date)	0.13	-
6.	Shri V P Srivastava	Chief Financial Officer (CFO)	0.44	0.32
		Total	**2.21**	**1.49**

Note: The disclosure of CFO as key management personnel has been made as advised by RBI in its risk assessment report for the year 2018-19.

14. Other Disclosures

a) Business Ratios

Particular	FY 2023-24	FY 2022-23
Interest Income as a percentage to Working Funds	7.59%	6.70%
Non-interest income as a percentage to Working Funds	1.11%	0.96%
Cost of Deposits	4.34%	3.70%
Net Interest Margin	3.92%	3.56%
Operating Profit as a percentage to Working Funds	2.96%	2.57%
Return on Assets	1.50%	1.10%
Business (deposits plus advances) per employee (₹ in crore) excluding inter bank deposits	35.00	31.45
Profit per employee (in ₹ Crore)	0.30	0.20

b) Bancassurance business

The fee/brokerage/commission etc. income earned under Bancassurance and other third party (agency) products is Rs.44.72 Crore (Rs. 36.71 crore). The details of Bancassurance income is as under:

(Amount in ₹ crore)

S. N.	Nature of Income	FY 2023-24	FY 2022-23
1	For selling life insurance policies	26.41	18.45
2	For selling non-life insurance policies	14.18	17.24
3	For selling other insurance (like Agriculture & Others)	1.85	0.08
	Total	**42.44**	**35.77**

c) Marketing and distribution

Details of fees/remuneration received in respect of marketing and distribution function (excluding bancassurance business) undertaken

(Amount in ₹ crore)

S. N.	Nature of Income	FY 2023-24	FY 2022-23
1	For Payment Gateway & Others	2.05	0.94
2	For selling of Mutual Funds	0.23	-

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

The amount of PSLCs (category-wise) sold and purchased during the year is Nil

e) Provisions and contingencies shown under the head Expenditure in Profit and Loss Account

(Amount in ₹ crore)

S. N.	*Particulars*	31.03.2024	31.03.2023
1	Provision towards NPA	2174.27	2253.10
2	Provisions for Standard Advances	1318.57	-
3	Provision for Non Performing Investment	2.55	476.64
4	Provision for restructured Investment	-	27.10
5	Provisions for Standard Assets other than Advances	101.15	-
6	Provision for other Assets – Nominal	1.42	1.41
7	Provision for fraud (other than advances)	3.63	5.69
8	Provision for income tax (Incl- Reversal of DTA)	304.44	842.85
9	Other Provisions	65.88	20.14
10	Provision for contingent liability	0.92	0.75
	Sub-total (A)	**3972.83**	**3627.68**
	Less: Write back /adjustments		
1	Write back of Provision for restructured Advances	-	19.65
2	Write back of Provision for fraud (other than advances)	-	-

3	Write back of Provisions for TIBD- provision for FITL/interest/SR TIBD	20.54	16.66
4	Write back of provision for un-hedged foreign currency exposure	-	0.01
5	Write back of Income Tax (Incl Reversal of DTL)	-	-
6	Write back of provision for Standard Advances	-	94.18
7	Write back of Provision for restructured Investment	1.98	-
	Sub Total (B)	**22.52**	**130.50**
	Total	**3950.31**	**3497.18**

f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

1. The Proforma Financial Statement (PFS) are being submitted to RBI on Half yearly basis (from FY 2021-22).
2. Bank has appointed a consultant for vetting the Proforma Financial Statement (PFS) before putting to Board for approval & submission to RBI.
3. In addition to vetting, Consultant has also been given assignment to conduct training for employees of the Bank in respect of IndAS.

g) Payment of DICGC Insurance Premium

(Amount in ₹ crore)

S. N.	Particulars	FY 2023-24	FY 2022-23
i)	Payment of DICGC Insurance Premium (Incl GST)	271.68	243.43
ii)	Arrears in payment of DICGC premium	-	-

h) Disclosure on amortization of expenditure on account of enhancement in family pension of employees of banks

The additional liability on account of enhancement in family pension in line with Government guidelines, works out to Rs. 217.70 Crore as per Actuarial valuation. The Bank had already recognized the said liability and charged to the Profit & Loss Account during the FY 2021-22.

i) Letter of Comfort (LOCs) issued by Bank for the purpose of Trade Credit Facility to corporate.

During the current year, 138 Trade credits amounting to Rs. 112.08 crores were sanctioned by the Bank and No Letters of Comfort issued by the branches in favor of various other Banks for arranging trade credit to corporate clients.

As on 31st Mar 2024, 45 Trade Credits amounting to Rs 36.71 crores are outstanding as against 22 Trade Credits amounting to Rs 20.66 crores for the year ended 31st March, 2023.

j) Portfolio-level information on the use of funds raised from green deposits

Amount In Crore

Particulars	FY 2023-24	FY 2022-23	Cumulative*
Total green deposits raised (A)	Nil	Nil	-
Use of green deposit funds**			
(1) Renewable Energy	-	-	-
(2) Energy Efficiency	-	-	-
(3) Clean Transportation	-	-	-
(4) Climate Change Adaptation	-	-	-
(5) Sustainable Water and Waste Management	-	-	-
(6) Pollution Prevention and Control	-	-	-
(7) Green Buildings	-	-	-
(8) Sustainable Management of Living Natural Resources and Land Use	-	-	-
(9) Terrestrial and Aquatic Biodiversity Conservation	-	-	-
Total Green Deposit funds allocated (B = Sum of 1 to 9)	-	-	-
Amount of Green Deposit funds not allocated (C = A – B)	-	-	-
Details of the temporary allocation of green deposit proceeds pending their allocation to the eligible green activities/projects	-	-	-

* This shall contain the cumulative amount since the RE started offering green deposits. For example, if a bank has commenced raising green deposits from June 1, 2023, then the annual financial statement for the period ending March 31, 2025, would contain particulars of deposits raised and allocated from June 1, 2023, till March 31, 2025. Further, the actual amount of green deposits raised during the year and use of such funds shall be given under this disclosure.

**Under each category, REs may provide sub-categories based on the funds allocated to each sub-sector. For example, REs may provide sub-categories like solar energy, wind energy, etc. under "Renewable Energy".

15) Fixed Assets:

i. In accordance with the As-10 "Property, Plant and Equipment" depreciation of Rs. 29.49 Crore (Rs. 102.46 crore) for the year on revalued portion of fixed assets has been charged to Profit and Loss Account. Equivalent amount of Rs.29.49 crore (Rs.102.46 crore) has been transferred from Revaluation Reserve to Revenue Reserve.

ii. Certain premises of banks are stated at revalued amount. The gross amount of such revaluation included in premises at the end of the year is Rs. 1472.83 crore and net of depreciation the revaluation amounts to Rs.1443.34 crore

iii. There are cases pending for leased premises where no contingent liability is recognized as the Bank is defending all these cases filed by landlords of Branch premises due to expiration of lease deeds. Out of these, Bank accounts for its liability to around Rs. 0.27 crore. In all other cases where landlords have filed the claims, the amount cannot be ascertained unless the court crystalizes quantum of claims.

iv. Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Capital work in progress amounting to Rs. 9.58 Crore includes construction of building.

16) Accounting Standards:

The Bank has complied with the Accounting Standards issued by The Institute of Chartered Accountants of India (ICAI) to the extent applicable as under:

Accounting Standard 3- Cash Flow Statement: The bank prepares cash flow statement in line with requirements of AS-3 using indirect method.

Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies: As prior period items of income/expenditure are not material, the same have been charged/accounted for in respective heads of accounts during the year.

Accounting Standard 9 – Revenue Recognition: As per Accounting Policy No. 6.2, given in Schedule -17 – Significant Accounting Policies, the interest payable on overdue term deposit is provided on accrual basis at rate of interest as applicable to saving account or contracted rate of interest on the matured TD, whichever is lower from 02.07.2021.

Accounting Standard 11 – Effect of Changes in Foreign Exchange Rates: Net income on account of exchange differences credited to Profit and Loss account for the year is Rs. 41.61 crore (Rs.78.04 crore).

Accounting Standard (AS) 15 (Revised 2005) - "Employee Benefits"

A. Defined Contribution Plans

(Amount in ₹ crore)

Particulars	31.03.2024	31.03.2023
a. Provident Fund	37.01	39.44
b. Contribution to Staff Welfare –Welfare Fund Contingency	15.00	15.00
c. Contribution to New Pension Scheme	114.34	87.43

B. Defined Benefit Plans:

a) **Pension Plan-** This is a post-employment benefit, which is 50% of final pay for a maximum of 33 years of pensionable service. This is a funded scheme.

b) **Gratuity Plan-** This is a post-employment benefit and is payable as higher of Gratuity as per Company's Rules and Gratuity under Payment of Gratuity Act 1972 as amended. This is a funded scheme.

c) **Leave Encashment/ Compensated Absences-**This is a post-employment benefit and is payable for a maximum limit of 240 days of accumulated leave based on final pay. This is a funded scheme.

I. Change in the Present value of Defined Benefit Obligations:

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
1	Opening Present Value of Defined Benefit Obligation	6997.34	6925.37	517.25	532.15	380.94	329.46
2	Interest Cost	480.68	493.62	35.00	36.71	26.32	23.26
3	Current Service Cost	223.13	300.66	37.79	34.95	100.87	75.61
4	Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00
5	Benefits Paid	(661.10)	(634.79)	(65.03)	(86.82)	(32.87)	(39.58)
6	Actuarial (Gains)/Losses for the year	449.69	(87.51)	96.62	0.27	(43.24)	(7.80)
7	**Closing Present Value of Defined Benefit Obligation**	**7489.74**	**6997.34**	**621.63**	**517.25**	**432.02**	**380.94**

II. Change in the Fair Value of Plan Assets:

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.24	31.03.23	31.03.24	31.03.23	31.03.24	31.03.23
1	Opening fair value of plan assets	6949.29	6875.12	519.35	556.67	241.07	0.00
2	Expected return on plan assets	501.04	513.57	37.50	41.81	17.41	0.00
3	Contributions made	451.83	227.51	10.00	0.00	143.00	270.11
4	Benefits paid	(661.10)	(634.79)	(65.03)	(86.82)	(32.87)	(39.58)
5	Actuarial gains/(losses)	41.74	(32.12)	3.19	7.69	5.46	10.54
6	Closing fair value of plan assets	**7282.80**	**6949.29**	**505.01**	**519.35**	**374.07**	**241.07**

III. Amount recognized in the Balance Sheet:

(Amount in ₹ crore)

S N	Particulars	FUNDED DEFINED BENEFIT OBLIGATIONS					
		PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.24	31.03.23	31.03.24	31.03.23	31.03.24	31.03.23
1	Present Value of Defined Benefit Obligations	7489.74	6997.34	621.63	517.25	432.02	380.94
2	Fair Value of Plan Assets	(7282.80)	(6949.29)	(505.01)	(519.35)	(374.07)	(241.07)
3	Net liability to be recognized	206.94	48.05	116.62	(2.10)	57.95	139.87
4	Other amount recognized in the Balance Sheet	0.00	0.00	0.00	0.00	0.00	0.00
5	**Net liability recognized in the Balance Sheet**	**206.94**	48.05	**116.62**	(2.10)	**57.95**	139.87

IV. Amount recognized in Profit and Loss Account:

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
1	Current Service Cost	223.13	300.66	37.79	34.95	100.87	75.61
2	Interest Cost	480.68	493.62	35.00	36.71	26.32	23.26
3	Expected Return on Plan Assets	(501.04)	(513.57)	(37.50)	(41.81)	(17.41)	0.00
4	Actuarial (Gains)/Losses for the year	407.95	(55.39)	93.43	(7.43)	(48.70)	(18.34)
5	Past Service Cost	0.00	0.00	0.00	0.00	0.00	0
6	**Expense to be recognized**	**610.72**	225.31	**128.72**	22.42	**61.08**	80.52
7	Additional provision made / (write back) during the year	0.00	0.00	0.00	0.00	0.00	0
8	**Net expense recognized in Profit & Loss Account and included in Staff Cost**	**610.72**	225.31	**128.72**	22.42	**61.08**	80.52

V. Reconciliation in the Net Liability recognized in the Balance Sheet

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
1	Opening Net Liability	48.05	50.25	(2.10)	(24.51)	139.87	329.46
2	Expense recognized	610.72	225.31	128.72	22.42	61.08	80.52
3	Contributions/ Benefits paid	(451.83)	(227.51)	(10.00)	0.00	(143.00)	(270.11)
4	**Closing Net Liability**	**206.94**	48.05	**116.62**	(2.10)	**57.95**	139.87

VI. Actual Return on Plan Assets

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
1	Expected return on plan assets	501.04	513.57	37.50	41.81	17.41	0.00
2	Actuarial gain (loss) on plan assets	41.74	(32.12)	3.19	7.69	5.46	10.54
3	**Actual return on plan assets**	**542.78**	**481.45**	**40.69**	**49.50**	**22.87**	**10.54**

VII. Principal Actuarial Assumptions (expressed as weighted averages)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
1	Discount rate	7.21%	7.47%	7.22%	7.51%	7.22%	7.51%
2	Expected return on plan assets	7.21%	7.47%	7.22%	7.51%	7.22%	7.51%
3	Expected rate of salary increases	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%

C. Other Long Term Benefits:

(Amount in ₹ crore)

S N	Particulars	Recognized in Profit & Loss Account	
		31.03.2024	31.03.2023
1	Resettlement Allowance	0.00	0.00
2	Leave Fare Concession	15.08	13.26
3	Silver Jubilee Award	0.28	0.12
	Total	**15.36**	**13.38**

D. During FY 2023-24, Bank has implemented the provisions of 9th Joint note/XII bipartite settlement signed on 08.03.2024.

Accounting Standard 17- Segment Reporting: Bank has identified its primary reportable segments as under:

Part A: Business segments (Amount in ₹ crore)

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
Particulars	**2023-24**	**2022-23**	**2023-24**	**2022-23**	**2023-24**	**2022-23**	**2023-24**	**2022-23**	**2023-24**	**2022-23**
Revenue	5002.81	4321.98	8431.56	6065.36	9824.59	7530.41	233.60	260.98	23492.56	18178.72
Result	1042.30	(102.37)	2437.92	1887.73	795.08	1566.82	84.16	92.70	4359.47	3444.88
Unallocated expenses									-	-
Operating profit									8005.34	6099.21
Taxes including deferred taxes									304.44	842.85
Extraordinary profit/ loss	-	-	-	-	-	-	-	-	-	-
Net profit									4055.03	2602.03
Segment assets	87326.16	77388.47	112642.57	104210.95	90821.09	70208.51	14083.94	12744.05	304873.75	264551.98
Unallocated assets									2264.10	3099.41
Total assets									307137.85	267651.39
Segment liabilities	86171.75	76214.14	104206.45	97077.76	82855.73	65313.94	13238.64	12403.95	286472.56	251009.79
Unallocated liabilities									991.39	1031.33
Capital & Other Reserves									19673.90	15610.27
Total liabilities									307137.85	267651.39

RBI's Master Direction on Financial Statements –Presentation and Disclosures, requires to sub divide "Retail Banking" into (a) Digital Banking (as defined in RBI circular or Establishment of Digital Banking Units dated April 07, 2022) and (b) Other Retail Banking segment. Accordingly, the segmental results for retail banking segment is subdivided as below:

(Amount in ₹ crore)

S.N.	Particulars	Segment Revenue		Segment Results		Segment Assets		Segment Liabilities	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
i	Digital Banking	0.06	0.01	(1.76)	(0.51)	1.73	1.30	4.00	1.81
ii	Other Retails Banking	9824.53	7530.40	796.84	1567.33	90819.36	70207.21	82851.73	65312.13
Total	**Retail Banking**	**9824.59**	**7530.41**	**795.08**	**1566.82**	**90821.09**	**70208.51**	**82855.73**	**65313.94**

a) Treasury segment includes Investment, balances with Banks outside India, Interest accrued on investments and related income there from.

b) Corporate/Wholesale Banking Segments include all advances to trusts, partnership firms, companies, statutory bodies and individuals etc. which are not included in Retail Banking Segments.

c) Retail Banking Segments include exposure to entity/concern where

  i. Total average annual turnover less than Rs. 50.00 crore and

  ii. Aggregate exposure to one counter party does not exceed 0.2% of the overall retail portfolio of the Bank and

  iii. The maximum aggregated retail exposure to one counterpart is below Rs.7.50 crore.

d) Other Banking Operations segment includes all other banking transaction not covered under segments, specified above.

e) The interest income is allocated on the basis of actual interest received from wholesale banking operations. The total interest received less interest of wholesale banking is taken to retail banking operations

f) Expenses not directly attributable are allocated on the basis of Interest income earned by the wholesale banking / retail banking segment. Expenses of treasury operations are as per the details available from treasury operations

g) Capital employed for each segment has been allocated proportionate to the assets of the respective segment.

Part B: Geographical Segment

Since the operations of the Bank are within India only, Geographical Segment is not applicable.

Accounting Standard 18 – Related party disclosures

The details in this regard are asunder:

Name of the Related Parties and their relationship:

a) Subsidiary of the Bank –The Maharashtra Executor & Trustee Co. Pvt. Limited
b) Associate of the Bank – Maharashtra Gramin Bank
*c) Key Management Personnel- **Details given in point no. 13 above***
d) Sponsor Trust- Gramin Va Balak Vikas Mandal
e) Sponsor Trust- Mahabank Agricultural Research and Rural Development Foundation
f) Staff welfare Trust for Pension- Bank of Maharashtra Employees' Pension Fund
g) Staff welfare Trust for Gratuity- Bank of Maharashtra Employees' Gratuity Fund
h) Staff welfare Trust for Provident Fund - Bank of Maharashtra Employees' Provident Fund
i) Staff welfare Trust for Leave Encashment- Bank of Maharashtra Employees Privilege Leave Encashment Fund Trust

Transactions with Related parties:

No disclosure is required in respect of related parties, which are "State Controlled Enterprises" as per paragraph no 9 of Accounting Standard (AS 18). Further in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

Accounting Standard 19 - Leases

Finance Leases: Lease under which the Bank assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at fair value of the asset or lease payments at the inception of the lease, whichever is lower.

Operating Leases: Operating Leases are cancellable at the option of the Bank. The amount of lease expenses recognized in the Profit and Loss Account for such operating lease is Rs.214.15 crore for the year 2023-24 (for FY 2022-23 Rs. 184.68 crore).

Accounting Standard 20- Earnings per Share

Particulars	**31.03.2024**	**31.03.2023**
Basic E.P.S.	Rs. 5.78	Rs. 3.87
Diluted E.P.S.	Rs. 5.78	Rs. 3.87
Calculation of Basic /Diluted EPS.		
a) Net Profit after Tax (in Crore)	4055.03	2602.03
b) Weighted Average number of Equity Shares (in Crore)	701.81	673.05
c) Basic/ Diluted Earnings per share [(a) divided by (b)]	Rs. 5.78	Rs. 3.87
d) Nominal Value per Share	Rs. 10.00	Rs. 10.00

Accounting Standard 21 – Consolidated Financial Statements: The financial results of the Associate viz. Maharashtra Gramin Bank and subsidiary viz. Maharashtra Executor & Trustee Company Private Limited have been consolidated with the parent bank in compliance with Accounting Standard 23 and Accounting Standard 21 respectively.

Accounting Standard 22 – Accounting for Taxes on Income: Based on the review by the bank and on reasonable certainty of availability of future taxable income against which timing differences arising on account of provision for accumulated losses, Bad & Doubtful Debts (NPA), employee benefits etc. can be realized, the bank has accounted for taxes on income in compliance with AS 22. Accordingly, Deferred Tax Assets and Deferred Tax Liabilities are as under:

(Amount in ₹ crore)

Particulars	**31.03.2024**	**31.03.2023**
Deferred Tax Assets		
1) On account of Accumulated Losses	NIL	NIL
2) On account of provisions for Employees benefits	24.48	23.68
3) Other Provisions where DTA is created	945.19	1250.42
Sub-Total (A)	**969.67**	**1274.10**
Deferred Tax Liability		
1) On account of Special Reserve u/s 36(1) (viii)	12.90	12.90
Sub-Total (B)	**12.90**	**12.90**
Net Deferred Tax Asset (A-B)	**956.77**	**1261.20**

As the bank has opted for lower tax rate permitted under section 115 BAA of the Income Tax Act 1961 from AY 2021-22, the provisions of section 115JB of the Income Tax Act are not applicable to the bank.

Accounting Standard -24- Discontinuing Operations: The Bank, during the financial year 2023-24, has not discontinued any of its business activities/ operations which resulted in discharging of liabilities and realization of the assets and no decision has been finalized to discontinue a business activity in its entirety which will have the above effects.

Accounting Standard 26—Accounting for Intangible Assets:

Computer Software – other than internally generated:

Useful life	-	3 years.
Amortization Rate	-	33.33 %
Amortization Method	-	Straight line at cost

(Amount in ₹ crore)

Particulars	**31.03.2024**	**31.03.2023**
Software at the beginning of the year	110.53	27.63
Software acquired during the year	37.86	125.93
Amortization during the year	52.56	43.03
Net carrying amount at the end of the year	95.83	110.53

Accounting Standard 28- Impairment of Assets: Assets are reviewed for impairment at the end of the year whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of an asset to be held and used is measured by a comparison for the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset. If such an asset is considered to be impaired, the impairment to be recognized and is measured by the amount by which the carrying amount of the asset exceeds the recoverable amount of the asset. However, in the opinion of the Bank's Management, there is no indication of material impairment to the assets during the year to which Accounting Standard 28 - "Impairment of Assets" applies.

Accounting Standard 29- Provisions, Contingent Liabilities and Contingent Assets Claim against the bank not acknowledged as debt on year end

(Amount in ₹ crore)

Category	**FY 2023 – 24**	**FY 2022 – 23**
Balance Outstanding	1349.91	1375.62
Provision Held	3.57	2.66

Total Contingent liabilities (as per Schedule 12) include expired Guarantees amount Rs.1482.68 crore (P.Y. Rs. 1157.12 crore), which has not been cancelled because of pending completion formalities.

17) The Board has proposed dividend @14% i.e. Rs. 1.40 per equity share (Face Value of Rs. 10/- per share) for the Financial Year 2023-24 in Board Meeting dated April, 26 2024 subject to requisite approval from Shareholders.

18) Previous year's figures have been regrouped / reclassified wherever considered necessary to make them comparable with current year's figure.

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BANK OF MAHARASHTRA

Statement of Cash Flow (standalone) for the year ended 31st March 2024

(₹ in Thousands)

Particulars	Year Ended 31-03-2024		Year Ended 31-03-2023	
A. Cash Flow From Operating Activities:				
Income				
Interest received during the year from advances, Investments etc.	20494 ,68 ,83		15898 ,45 ,86	
Other Income	2997 ,86 ,57	23492 ,55 ,40	2280 ,27 ,07	18178 ,72 ,93
Less: Expenditure & Provisions				
Interest Paid during the year on Deposits and Borrowings	10672 ,84 ,37		8157 ,68 ,09	
Operating Expenses	4814 ,37 ,29		3921 ,83 ,56	
Provisions & Contingencies	3950 ,31 ,02	19437 ,52 ,68	3497 ,17 ,54	15576 ,69 ,19
Net Increase in Cash due to Increase of Income over Expenses		**4055 ,02 ,72**		**2602 ,03 ,74**
Add : Non Cash Items & Items Considered Separately				
Provisions & Contingencies	3950 ,31 ,02		3497 ,17 ,54	
Depreciation on Fixed Assets	223 ,47 ,20		262 ,47 ,67	
Profit/Loss on sale of Fixed Assets	- ,87 ,08		-1 ,96 ,52	
Interest on Bonds, PCPS and PDI	437 ,59 ,39	4610 ,50 ,53	373 ,54 ,36	4131 ,23 ,05
		8665 ,53 ,25		6733 ,26 ,79
Less: Direct Taxes Paid (Net)		, ,		, ,
Cash Profit Generated From Operations (I)		**8665 ,53 ,25**		**6733 ,26 ,79**
Increase / (Decrease) in Operating Liabilities:				
Deposits	36664 ,48 ,45		31788 ,39 ,19	
Borrowings other than Bond Borrowings	-3820 ,80 ,27		2080 ,91 ,58	
Other Liabilities & Provision	-2261 ,59 ,43		-3528 ,29 ,22	
Total Increase in Operating Liabilities	**30582 ,08 ,75**		**30341 ,01 ,55**	
Less: Increase / (Decrease) of Operating Assets				
Investments	-592 ,83 ,13		276 ,97 ,94	
Advances	29019 ,21 ,31		40050 ,23 ,23	
Other Assets	-775 ,55 ,35		-1815 ,17 ,93	
Total Increase in Operating Assets	**27650 ,82 ,83**		**38512 ,03 ,24**	
Net Increase in Operating Liabilities Over Operating Assets (II)		**2931 ,25 ,92**		**-8171 ,01 ,69**
Cash Flow From Operating Activities (A) = (I+II)		**11596 ,79 ,17**		**-1437 ,74 ,90**
B. Cash Flow From Investing Activities				
Sale of Fixed Assets	3 ,42 ,38		147 ,20 ,39	
Purchase of Fixed Assets	-278 ,90 ,61		-324 ,44 ,85	
Net Cash Flow From Investing Activities (B)		**-275 ,48 ,23**		**-177 ,24 ,46**
C. Cash Flow From Financing Activities:				
i) Issue/ (Redemption) of Bonds	774 ,00 ,00		938 ,00 ,00	
ii) Dividend Paid in FY 2023-24 pertaining to the previous year	-874 ,96 ,46		-336 ,52 ,48	
iii) Interest on Bonds, PCPS and PDI	-437 ,59 ,39		-373 ,54 ,36	
iv) Issue of equity shares	1000 ,00 ,00		-	
Cash Flow From Financing Activities (C)		**461 ,44 ,15**		**227 ,93 ,16**
Total Cash Flow During The Year (A+B+C)		**11782 ,75 ,09**		**-1387 ,06 ,20**
Represented By-				
Cash and Cash equivalents at the beginning of the year				
Cash & Balance with RBI		18507 ,72 ,06		**19721 ,92 ,62**
Balances with Banks & Money at Call & Short notice		21 ,19 ,01		**194 ,04 ,65**
		18528 ,91 ,07		**19915 ,97 ,27**
Cash and Cash equivalents at the end of the year				
Cash & Balances with RBI		21161 ,33 ,96		**18507 ,72 ,06**
Balance with banks & money at call & Short notice		9150 ,32 ,20		**21 ,19 ,01**
		30311 ,66 ,16		**18528 ,91 ,07**
Total Cash Flow During The Year		**11782 ,75 ,09**		**-1387 ,06 ,20**

Note : Previous year figures have been regrouped and reclassified whenever necessary.

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KIRTANE & PANDIT LLP PUNE Chartered Accountants

SUNDARAM & SRINIVASAN CHENNAI Chartered Accountants

G. D. APTE & CO. MUMBAI Chartered Accountants

BANK OF MAHARASHTRA F.M.& A. PUNE-5

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Independent Auditors' Report

To,
The President of India and Members of "BANK OF MAHARASHTRA"
Report on Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of Bank of Maharashtra (the "Bank") which comprise the Consolidated Balance Sheet as at 31st March, 2024, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and Notes to the Consolidated Financial Statements including summary of Significant Accounting Policies and other explanatory information, in which following are incorporated –

    a. Audited Standalone Financial Statements of the Bank;
    b. Audited Financial Statements of one Subsidiary,
    c. Unaudited financial statements / financial information of one Associate,

    The Bank together with its Subsidiary are referred to as the "Group".

    In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the reports of other auditors on separate financial statements and the other financial information of subsidiary, the unaudited financial statements and the other financial information of associate as furnished by the management, the aforesaid consolidated financial statements give the information required by the Banking Regulation Act, 1949 (the 'Act') in the manner so required for bank and are in conformity with accounting principles generally accepted in India and:

    a. in case of Consolidated Balance Sheet, read with the notes thereon, gives true and fair view of the state of affairs of the Group as at 31st March, 2024;
    b. the Consolidated Profit and Loss Account, read with the notes thereon, shows a true balance of profit for the year ended 31st March, 2024 and
    c. the Consolidated Cash Flow Statement, gives a true and fair view of the cash flows for the year ended 31st March, 2024.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the Consolidated financial statements prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI") from time to time 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

3. We draw attention to Note No. 4(h) in Schedule 18 of the Standalone Financial Statements where Bank continues to hold COVID-19 related provision of Rs. 1200 Crore as contingency provision as on 31st March 2024.

   Our Opinion is not modified in respect of this matter.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matters	How our Audit procedures addressed the Key Audit Matters
1.	**Classification of Advances, Provisioning and other relevant compliance of RBI Guidelines:** (Refer Note No. 5 of Schedule 17 of Significant Accounting Policy to the Consolidated Financial Statements) The Group's portfolio comprises of Net Advances of Rs. 200239.88 Crores as at March 31, 2024 comprising of wholesale and retail banking. As required by IRAC Norms, guidelines issued by RBI and other circulars, notification and directives issued by RBI, the Bank has classified Advances and has made appropriate provisions in accordance with such guidelines. Income from Advances constitutes 67.32% of Total Income. The provision in respect of Non-Performing Asset is Rs. 2174.27 Crores which constitutes 11.19% of the total expenditure. The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate the IRAC Norms, are not properly followed.	The audit was focused on income recognition, asset classification and provisioning pertaining to advances. The matter has been addressed as follows: • Tested the design and operating effectiveness of the Key controls of the system of application, process of approval, recording, monitoring, and recovery of loans, overdue and stressed accounts, identification of NPA, provision for NPA including verification of valuation reports of experts for primary and collateral securities based on the understanding of the prudential guidelines and overall organizational IT framework of the Bank and its communication through various circulars and reports. • Evaluated the Internal Controls over sanctioning, disbursement, monitoring process, considered system overrides or bypasses to controls of advances, evaluated through supervisory framework such as Internal Audit, Credit Audit, Concurrent Audit, Systems Audit, as well as Internal Check and operational existence and effectiveness of such framework as per the policies and procedures of the bank and in

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	The Bank has significant Credit Risk Exposure to a large number of borrowers across a wide range of borrowers, products, industries and there is a high degree of complexity, uncertainty, judgement involved in recoverability of Advances, estimation of provisions thereon and identification of accounts to be written off. If such prudential guidelines are not followed by the Bank the profit for the year and the net advances position will be materially mis-stated. Hence, we consider this as a Key Audit Matter.	compliance with prudential guidelines. Also reviewed approval of sanctions as per Bank's credit Policy and performance of Credit Assessments and controls. • Tested samples of Performing Assets and assessed the application of IRAC Norms, as prescribed by RBI, to ensure compliance of the same. • Examined early warning signal reports, other exceptional reports generated by the Bank for the purpose of identifying potential NPA and steps taken for monitoring of such accounts including red flagged accounts to overcome assessed risks and ensure effective implementation of risk management and related controls. • Adopted a framework of carrying out detailed verification of corporate wholesale (including Consortium, Pool Buyout and other large borrowers) on sample basis by way of review of collateral documents including valuation reports, due diligence report, servicing Agreement, deed of assignment, JLA and External Credit rating reports to assess and focus on larger exposures of the Bank and mitigating the areas of emerging risk. • Discussed with the Senior Management and performed our own assessment including internal and external macroeconomic factors and testing the timelines and the accuracy of risk assessment and risk grading as per the Bank's lending policies, IRAC Norms and in accordance with Government Policies. • Examined the Retail advances portfolio of the Bank on sample basis to ensure effective monitoring and implementation of IRAC norms including income recognition, provisioning for such loans. The Bank has adopted Loan Life Cycle Management System for retail loans which monitors, controls the retail portfolio of the Bank and is tested for its effective implementation and performance.

		• Tested the completeness and accuracy of the data from the underlying source systems, tested the automated calculation and evaluated the bank's oversight of the portfolio. • Reviewed the Bank's process for granting moratorium and/or restructuring to borrowers as per the Relevant regulatory Package announced by RBI during the financial year. We tested the completeness and accuracy of data used for computing general provisions in line with regulatory package announced by RBI. • Examined the adequacy and appropriateness of disclosures as per the relevant RBI requirements relating to NPA and applicable Accounting Standards required to be made in accordance with Banking Regulation Act and RBI Circulars. • Reviewed the reliability, effectiveness and accuracy of manual interventions, wherever it has come to our notice, on test check basis. • Relied on the reports/returns and work done by other Statutory Branch Auditors (SBA) in cases of branches not visited by us to get an overall comfort with respect to overall compliance in accordance with SA 600 - Using the Work of Another Auditor. Reviewed the work done by other experts like independent valuers, Lawyers, Legal Experts and other such professionals who have rendered services to the Bank, in accordance with SA 620 Using the Work of an Auditor's Expert.
2.	**Classification and Valuation of Investments:** (Refer Note No. 4 of Schedule 17 of Significant Accounting policies to the Consolidated Financial Statements) Investments are classified into Held for Trading (HFT), Available for Sale (AFS) and Held to Maturity (HTM) categories at the time of purchase. Investments intended to be held till maturity are classified as HTM	Our audit approach towards investment portfolio with reference to the RBI Circulars / directives included a combination of test of the design, implementation, and operating effectiveness of internal controls, related process and substantive procedures in relation to classification, valuation, independent price verification, identification of non-performing investments (NPIs), provisioning/depreciation related to Investments.

	Investments. Classification of Investments, valuation and provisioning thereof are based on RBI guidelines. Compliance of Investment Portfolio as per guidelines issued by RBI is mandatory and involves management judgement in determining the value of bonds, debentures and other securities based on the policy and the model adopted by the Bank. Impact of Impairment assessment is having overall significance to the financial results of the Bank. Interest Income from Investment of the Bank comprises 18.98% of the total income. In view of these significant points including assessment of non performing Investments and provisions we have identified this aspect as a Key Audit Matter.	Examined the investment agreements / term sheets entered into during the current year, on a sample basis, to understand the relevant investment terms and identify any conditions that were relevant to the valuation of financial instruments. For the selected sample of investments, tested the accuracy, completeness and compliance with the RBI guidelines and directives by re-performing valuation for each category of the security. Samples were selected in such a way that all the categories of investments (based on nature of security) were covered. Carried out on test check basis independent valuation exercise of unquoted investments on the basis of prescribed procedures in terms of the RBI guidelines. Assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision. Carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided in accordance with the RBI guidelines and directives of the RBI, selected samples from the investments in each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs. Verified Investment portfolio on sample basis and performed various substantive analytical procedures in determination of Income, gain / loss on sale and tested the controls implemented by the Bank in recognizing the profit / loss to profit and loss account. Reviewed the reports of the internal audits, concurrent audits etc. conducted by the bank. Ensured that adequate disclosures have been made by way Notes to the financial statements as mandated by the RBI guidelines.
3.	**Information Technology Systems and Control Framework:** The Bank's key business objective is determined evaluated, controlled, monitored, implemented through complex IT architecture to support high volume of business operation by automation and application which are significant towards	Information Technology forms an integral part of operating requirements of the Bank by way of various applications, general, software controls and requires understanding of various systems and procedures in evaluating the Risk based and business centric requirements of the Bank. We have reviewed the various IT policies and procedures including user management, change

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	Banking business and plays a major role as a backbone in achieving the Business Objective. The Bank's financial accounting process in respect of recognition of Income, classification of Assets through IRAC Norms and evaluating the performance of the Bank and producing the desired output through various application and other IT general controls to ensure the required business Output and helps us to arrive at the Audit conclusion to ensure quality performance Financial & Accounting Processes. We have identified various application and control framework in implementing various products and schemes which covers majority of Bank's business and hence we consider Information Technology Systems and Control as a Key Audit Matter.	management, system security, incident management, physical and environment security, standard operating procedures, Segregation of duty, BCP, DRP, service level agreements, security policies to ensure these are in line with business requirements of the Bank and to comply with government and RBI regulations. We have adopted various techniques such as enquiry, review of documentation, record, reports, observation, and re performance of various application controls by taking adequate samples of instances for our test. We have also tested validation checks using negative testing technique. We have tested various compensating controls and performed alternate procedures which were necessary and gathered a comprehensive understanding of IT applications landscape implemented by the Bank. It was followed by process understanding mapping of application to the same and understanding financial risk posed by people, process and technology. We have also assessed areas including password policies, security configuration, system interface controls over changes to applications and databases and that business users and controls to ensure that developers and production support did not have access to change applications, the operating systems or databases in the production environment to ensure proper segregation of duties is in place as per the SOP. We have tested certain critical aspects of cyber security on network security management mechanism, operational security of key information infrastructure, data and client information management, monitoring and emergency management. through certain data drill conducted by the Management and scrutinised by us and comparing the required results. We have verified the testing report carried out by the Management on risk of implementation of security control in a more holistic, comprehensive way, ensuring that all business decisions are based on proper Risk assessment and management considering the overall effect of uncertainties on the Bank's Objective.

4.	**Provisions and Contingent Liability:** Assessment of Provisions and Contingent Liability in respect of certain litigations on various claims filed by other parties not acknowledged as debt (Note No. 11 of Schedule 17 and Note No. 14 of Schedule 18) There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgement, past experience, and advice from legal and independent experts wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in Balance Sheet. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to outcome of these matters which requires application of judgement in interpretation of Law.	We have obtained an understanding of Internal Controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances. Understanding the current status of the litigations / tax assessments. Examining recent orders and communications received from various tax authorities / judicial forums and follow up actions thereon; Evaluated the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of experts. Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues. Verified the disclosures related to significant litigations and taxation matters. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgements / interpretation of law involved.

Information other than the Consolidated Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors is responsible for other information. The other information comprises the information other than Consolidated Financial Statements and our Auditors' Report thereon and the Pillar III disclosure under the Basel III disclosures.

   Our opinion on the Consolidated Financial Statements does not cover the other information and Pillar III disclosures under Basel III Disclosures and we do not express any form of assurance conclusion thereon.

   In connection with our Audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

   When we read the Other Information and based on the work we perform, if we conclude that there is material misstatement therein, we are required to report that fact to 'Those charged with Governance'. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Bank's Board of Directors is responsible with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group and its associate in accordance with the accounting principles generally accepted in India and in accordance with the Accounting Standard 21- "Consolidated Financial Statements", and Accounting Standard 23

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- "Accounting for Investment in Associates in Consolidated Financial Statements", issued by Institute of Chartered Accountants of India, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. The respective Board of Directors of the entities included in the group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate's and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Bank, as aforesaid .

In preparing the Consolidated Financial Statements, the respective management of the entities included in the Group and its associate are responsible for assessing the ability of the Group and its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group and of the associate are responsible for overseeing the Financial Reporting process of the Group and its associate.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of Internal Control relevant to the Audit in order to design Audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and its associate's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditors' report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Group and its associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the audit of the Financial Statements of such entity included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors are responsible for direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of Consolidated Financial Statements 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 effect of identified misstatements in the Consolidated Financial Statements.

We communicate with Those charged with governance of the Bank included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

8. We did not audit the Financial Statements / information of 524 branches included in the Consolidated Financial Statements of the Bank whose Financial Statements / financial information reflect total advances of Rs. 56896.06 Crores as at 31st March, 2024 and total revenue of Rs. 5781.46 Crores for the year ended on that date, as considered in the Consolidated Financial Statements. These branches cover 27.94% of advances, 43.14% of deposits and 39.74% of Non-performing assets as at March 31, 2024 and 24.61% revenue of the Bank for the year ended March 31, 2024. The Financial Statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

   Further we did not audit the Financial Statements of 1967 branches included in the Consolidated Financial Statements of the Bank whose Financial Statements reflect total advances of Rs. 57568.13 Crores as at 31st March, 2024 and total revenue of Rs. 6001.00 Crores for the year ended on that date as considered in the Consolidated Financial Statements. These have been drawn by the management.

S. BHANDARI & CO. LLP JAIPUR
KIRTANE & PANDIT LLP PUNE
SUNDARAM & SRINIVASAN CHENNAI
G. D. APTE & CO. MUMBAI

Also, we did not audit the Financial Statements of the subsidiary company whose Financial Statement / financial information reflects Group's share of total assets of Rs. 23.31 crore as at March 31, 2024, Group's share of total revenue of Rs. 0.68 crore and Rs. 2.71 Crore and Group's share of total net profit after tax of Rs. 0.24 crore and Rs. 0.81 crore for the quarter and year ended March 31, 2024 respectively, as considered in the Consolidated Financial Statements. The Financial Statements/financial information of the subsidiary company have been audited by the other auditor, whose reports and statements have been furnished to us by the management of the Bank. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report, in so far it relates to the aforesaid subsidiary, is based solely on the report of such auditor.

The Consolidated Financial Statements also include the Group's share of Net Profit after tax of Rs. 15.94 Crores for the year ended 31st March 2024 as considered in the Consolidated Financial Statements, in respect of one associate, whose Financial Statements / financial information have not been audited by us. The Financial Statements/financial information is unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report relates to the aforesaid associate, in so far as is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters with respect to our reliance on the work done and the report of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

9. The Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;

   Subject to the limitations of the audit indicated in paragraphs 6 to 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also to the limitations of disclosure required therein, we report that:

   a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
   b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
   c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

10. As required by letter no. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

    a) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
    b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.

S. BHANDARI & CO. LLP JAIPUR Chartered Accountants

KIRTANE & PANDIT LLP PUNE Chartered Accountants

SUNDARAM & SRINIVASAN CHENNAI Chartered Accountants

G. D. APTE & CO. MUMBAI Chartered Accountants

c) As the bank and its associate are not registered under the Companies Act, 2013 the disqualifications from being a director of the bank under the sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank. However, in case of subsidiary (a company), on the basis of the written representations received from the directors as on 31st March, 2024, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.

d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.

e) As per para 1.14 of the "Technical guide on Audit of Internal Financial Controls in case of Public Sector Banks" issued by ICAI, the reporting requirement introduced by RBI regarding Internal Financial Reporting will apply to the Standalone financial statements of public sector bank. Accordingly, reporting is not done on the Group's Internal Financial Control over financial reporting with reference to Consolidated financial statements.

11. We further report that:

a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

b) the Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the books of accounts and with the returns received from the branches not visited by us;

c) the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and

d) in our opinion, the Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Statement of Cash Flows comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

For M/s. S Bhandari & Co. LLP **Chartered Accountants**	For M/s. Kirtane & Pandit LLP **Chartered Accountants**	For M/s. Sundaram & Srinivasan **Chartered Accountants**	For M/s. G D Apte & Co. **Chartered Accountants**
FRN – 000560C/ C400334	FRN – 105215W/ W100057	FRN – 004207S	FRN – 100515W
CA P P Pareek	CA Mittal Shah	CA S Ramkumar	CA S B Rashinkar
Partner	Partner	Partner	Partner
M No 71213	M No 147370	M No 238820	M No 103483
UDIN:24071213BKJMDW4342	UDIN:24147370BKANQW2818	UDIN:24238820BKERKG4314	UDIN:24103483BKDZTO1318

Date: 26.04.2024
Place: Mumbai

बैंक ऑफ महाराष्ट्र
Bank of Maharashtra
भारत सरकार का उद्यम
एक परिवार एक बैंक

HEAD OFFICE: "LOKMANGAL", 1501 SHIVAJINAGAR, PUNE 411005

CONSOLIDATED BALANCE SHEET AS ON 31st Mar 2024

(₹ in thousands)

	Schedule	As on 31st Mar 2024 (Current Year)	As on 31st Mar 2023 (Previous Year)
CAPITAL AND LIABILITIES			
Capital	1	7081 ,37 ,36	6730 ,49 ,64
Reserves and Surplus	2	12789 ,24 ,76	9059 ,73 ,71
Minority Interest	2A	-	-
Deposits	3	270726 ,42 ,32	234064 ,10 ,36
Borrowings	4	7718 ,85 ,50	10765 ,65 ,77
Other Liabilities and Provisions	5	9013 ,12 ,15	7207 ,17 ,40
TOTAL		**307329 ,02 ,09**	**267827 ,16 ,88**
ASSETS			
Cash and Balances with Reserve Bank of India	6	21161 ,34 ,19	18507 ,72 ,24
Balances with Banks, Money at call and short notice	7	9150 ,36 ,30	21 ,22 ,81
Investments	8	68464 ,65 ,22	69042 ,03 ,19
Advances	9	200239 ,88 ,43	171220 ,67 ,12
Fixed Assets	10	2209 ,61 ,16	2156 ,73 ,96
Other Assets	11	6103 ,16 ,79	6878 ,77 ,56
TOTAL		**307329 ,02 ,09**	**267827 ,16 ,88**
Contingent Liabilities	12	39390 ,94 ,01	24589 ,12 ,14
Bills for Collection		5740 ,31 ,19	6345 ,88 ,83
Significant accounting policies	17		
Notes on Accounts	18		

The Schedules 1 to 18 form an integral part of the Accounts.

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st Mar 2024

(₹ in thousands)

	Schedule	Year ended 31st Mar 2024 (Current Year)	Year ended 31st Mar 2023 (Previous Year)
I. INCOME			
Interest earned	13	20494 ,84 ,87	15898 ,59 ,54
Other Income	14	2998 ,59 ,36	2280 ,93 ,50
TOTAL		**23493 ,44 ,23**	**18179 ,53 ,04**
II. EXPENDITURE			
Interest expended	15	10671 ,82 ,77	8156 ,78 ,78
Operating Expenses	16	4815 ,20 ,10	3922 ,46 ,35
Provisions & contingencies		3950 ,57 ,29	3497 ,48 ,47
TOTAL		**19437 ,60 ,16**	**15576 ,73 ,60**
PROFIT/LOSS			
Share of earnings/ loss in Associates		15 ,93 ,92	2 ,20 ,81
Consolidated Net profit/(loss) for the year before deducting Minorities' Interest		4071 ,77 ,99	2605 ,00 ,25
Less: Minorities' Interest		, ,	, ,
Consolidated Net profit/(loss) for the year attributable to the group		**4071 ,77 ,99**	**2605 ,00 ,25**
Add: Profit brought forward		1657 ,41 ,70	590 ,18 ,33
TOTAL		**5729 ,19 ,69**	**3195 ,18 ,58**
III. APPROPRIATIONS			
Transfer to Statutory Reserve		1017 ,94 ,50	650 ,50 ,94
Transfer to Capital Reserve		22 ,13 ,62	12 ,29 ,48
Transfer to Revenue Reserve		-	-
Transfer to Special Reserve		-	-
Transfer to Investment Fluctuation Reserve		-	-
Transfer to Investment Reserve		62 ,39 ,41	
Proposed dividend (Equity)		991 ,39 ,23	874 ,96 ,46
Balance carried over to Balance Sheet		3635 ,32 ,93	1657 ,41 ,70
TOTAL		**5729 ,19 ,69**	**3195 ,18 ,58**
Earning per share (Basic & Diluted) (Rupees)		5.80	3.87

SARDAR BALJIT SINGH
DIRECTOR

SHASHANK SHRIVASTAVA
DIRECTOR

RAKESH KUMAR
DIRECTOR

SANJEEV PRAKASH
DIRECTOR

Dr. ABHIJIT PHUKON
DIRECTOR

ROHIT RISHI
EXECUTIVE DIRECTOR

ASHEESH PANDEY
EXECUTIVE DIRECTOR

NIDHU SAXENA
MANAGING DIRECTOR & CEO

KEYUR TALATI
ASST. GENERAL MANAGER, FM&A

MUDIT AGARWAL
ASST. GENERAL MANAGER, FM&A

V P SRIVASTAVA
GENERAL MANAGER & CFO

- AS PER OUR REPORT OF EVEN DATE ATTACHED -

For M/s. S Bhandari & Co LLP
FRN – 000560C/C400334
Chartered Accountants

CA P P Pareek
Partner
Membership No: 071213
UDIN - 24071213BKJMDW4342

For M/s. Kirtane & Pandit LLP
FRN- 105215W/W100057
Chartered Accountants

CA Mittal Shah
Partner
Membership No: 147370
UDIN -24147370BKANQW2818

For M/s. Sundaram & Srinivasan
FRN- 004207S
Chartered Accountants

CA Ramkumar S
Partner
Membership No: 238820
UDIN - 24238820BKERKG4314

For M/s. G D Apte & co
FRN- 100515W
Chartered Accountants

CA S B Rashinkar
Partner
Membership No: 103483
UDIN - 24103483BKDZTO1318

Place: Mumbai
Date: 26.04.2024

SCHEDULE-1 CAPITAL

₹ In Thousands

	As on 31st Mar 2024 (Current Year)		As on 31st Mar 2023 (Previous Year)	
Authorised Capital				
10,00,00,00,000 Equity Shares (Previous Year 10,00,00,00,000) of Rs. 10/- each		**10000 ,00 ,00**		**10000 ,00 ,00**
Issued & Subscribed				
708,13,73,639 Equity Shares (Previous Year 673,04,96,447) of Rs.10/- each				
Opening Balance	6730 ,49 ,64		6730 ,49 ,64	
Additions during the year	350 ,87 ,72	7081 ,37 ,36	, ,	6730 ,49 ,64
Paid Up Capital				
a. Held by Central Government	6122 ,62 ,79		6122 ,62 ,79	
612,26,27,927 (Previous Year 612,26,27,927) Equity shares of Rs.10/- each				
b. Held by the Public & Others	958 ,74 ,57		607 ,86 ,85	
95,87,45,712 (Previous Year 60.78,68,520) Equity Shares of Rs.10/- each				
Less: Allotment money due	-	7081 ,37 ,36	, ,	6730 ,49 ,64
TOTAL		**7081 ,37 ,36**		**6730 ,49 ,64**

SCHEDULE-2 RESERVES AND SURPLUS

₹ In Thousands

	As on 31st Mar 2024 (Current Year)		As on 31st Mar 2023 (Previous Year)	
I. STATUTORY RESERVE				
Opening Balance	2445 ,31 ,63		1794 ,80 ,69	
Addition during the year	1017 ,94 ,50	3463 ,26 ,13	650 ,50 ,94	2445 ,31 ,63
II. CAPITAL RESERVE				
i) Opening Balance	697 ,55 ,93		685 ,26 ,44	
ii) Addition during the year	22 ,13 ,62		12 ,29 ,48	
iii) Deduction during the year	, ,	719 ,69 ,55	, ,	697 ,55 ,92
III. SHARE PREMIUM				
i) Opening Balance	328 ,31 ,28		328 ,31 ,28	
ii) Addition during the year	649 ,12 ,28	977 ,43 ,56	, ,	328 ,31 ,28
IV. REVENUE AND OTHER RESERVES				
a) REVENUE RESERVE				
i) Opening Balance	1980 ,94 ,32		1878 ,48 ,27	
ii) Addition during the year	29 ,48 ,70		102 ,46 ,05	
iii) Deduction during the year	, ,	2010 ,43 ,02	, ,	1980 ,94 ,32
b) SPECIAL RESERVE				
i) Opening Balance	51 ,26 ,04		51 ,26 ,04	
ii) Deduction during the year	, ,	51 ,26 ,04	, ,	51 ,26 ,04
c) REVALUATION RESERVE				
i) Opening Balance	1472 ,82 ,82		1576 ,96 ,57	
ii) Addition during the year	, ,		, ,	
iii) Deduction during the year	29 ,48 ,70	1443 ,34 ,12	104 ,13 ,75	1472 ,82 ,82
d) INVESTMENT FLUCTUATION RESERVE ACCOUNT				
i) Opening Balance	426 ,10 ,00		426 ,10 ,00	
ii) Addition during the year	, ,		, ,	
iii) Deduction during the year	, ,	426 ,10 ,00	, ,	426 ,10 ,00
e) INVESTMENT RESERVE ACCOUNT				
i) Opening Balance	, ,		, ,	
ii) Addition during the year	62 ,39 ,41		, ,	
iii) Deduction during the year	, ,	62 ,39 ,41	, ,	, ,
V. BALANCE IN PROFIT & LOSS ACCOUNT				
Balance of Profit /Loss	3635 ,32 ,93	3635 ,32 ,93	1657 ,41 ,70	1657 ,41 ,70
TOTAL (I, II, III, IV & V)		**12789 ,24 ,76**		**9059 ,73 ,71**

SCHEDULE-2A MINORITY INTEREST

₹ In Thousands

	As on 31st Mar 2024 (Current Year)		As on 31st Mar 2023 (Previous Year)	
i) Opening Balance	, ,		, ,	
ii) Addition during the year	, ,		, ,	
iii) Deduction during the year	, ,	, ,	, ,	-
TOTAL		, ,		-

SCHEDULE-3 DEPOSITS

₹ In Thousands

	As on 31st Mar 2024 (Current Year)		As on 31st Mar 2023 (Previous Year)	
A. I. DEMAND DEPOSITS				
i) From Banks	297 ,86 ,52		81 ,57 ,71	
ii) From others	34668 ,75 ,88	34966 ,62 ,40	28218 ,81 ,52	28300 ,39 ,23
II. SAVINGS BANK DEPOSITS		107805 ,04 ,19		96659 ,91 ,93
III. TERM DEPOSITS				
i) From Banks	1606 ,00 ,50		933 ,76 ,23	
ii) From others	126348 ,75 ,23	127954 ,75 ,73	108170 ,02 ,97	109103 ,79 ,20
TOTAL (i, ii & iii)		**270726 ,42 ,32**		**234064 ,10 ,36**
B. i) Deposits of Branches in India		270726 ,42 ,32		234064 ,10 ,36
ii) Deposits of Branches outside India		, ,		, ,
TOTAL (C iii + C vi)		**270726 ,42 ,32**		**234064 ,10 ,36**

SCHEDULE-4 BORROWINGS

₹ In Thousands

	As on 31st Mar 2024 (Current Year)		As on 31st Mar 2023 (Previous Year)	
I. BORROWINGS IN INDIA				
i) Reserve Bank Of India	, ,		500 ,00 ,00	
ii) Other Banks	-		-	
iii) Other Institutions and Agencies	2111 ,15 ,50		5395 ,94 ,07	
iv) Debentures	-		-	
v) Other Borrowings				
a) Perpetual Debt Instruments (PDI)- Tier -I Bond	1880 ,00 ,00		1880 ,00 ,00	
b) Hybrid Debt Capital Instruments issued as Bonds	-		-	
c) Subordinated Debt Bonds- Tier II Bond	3727 ,70 ,00		2953 ,70 ,00	
d) Infra Bonds	-	7718 ,85 ,50	-	10729 ,64 ,07
II. BORROWINGS OUTSIDE INDIA		, ,		36 ,01 ,70
TOTAL (I & II)		**7718 ,85 ,50**		**10765 ,65 ,77**
III. SECURED BORROWINGS INCLUDED IN I & II ABOVE		, ,		4497 ,76 ,07

SCHEDULE-5 OTHER LIABILITIES AND PROVISIONS

₹ In Thousands

	As on 31st Mar 2024 (Current Year)		As on 31st Mar 2023 (Previous Year)	
I. Bills Payable		1179 ,48 ,01		696 ,22 ,51
II. Inter-office adjustments (net)				
a. Parent Company		, ,		156 ,36 ,85
b. Subsidiary		-		-
III. Interest Accrued		382 ,64 ,51		407 ,29 ,19
IV. Others (including provisions):				
a) Provision against standard assets	2457 ,83 ,05		1541 ,27 ,88	
b) Other liabilities (including provisions)	4993 ,16 ,58	7450 ,99 ,63	4406 ,00 ,97	5947 ,28 ,85
TOTAL		**9013 ,12 ,15**		**7207 ,17 ,40**

BHANDARI & CO. LLP Chartered Accountants

KIRTANE & PANDIT LLP PUNE Chartered Accountants

SUNDARAM & SRINIVASAN CHENNAI Chartered Accountants

G. D. APTE & CO. MUMBAI Chartered Accountants

BANK OF MAHARASHTRA H.O. PUNE-5 F. & A.

SCHEDULE - 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA

₹ In Thousands

	As on 31st Mar 2024 (Current Year)		As on 31st Mar 2023 (Previous Year)	
I. Cash in hand (including foreign currency notes)		1015 ,70 ,09		1094 ,91 ,72
II. Balances with Reserve Bank of India				
i) In Current Accounts	11397 ,64 ,10		10080 ,80 ,52	
ii) In other Accounts	8748 ,00 ,00	20145 ,64 ,10	7332 ,00 ,00	17412 ,80 ,52
TOTAL (I & II)		**21161 ,34 ,19**		**18507 ,72 ,24**

SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

₹ In Thousands

	As on 31st Mar 2024 (Current Year)		As on 31st Mar 2023 (Previous Year)	
I. In India				
i) Balances with Banks in				
(a) Current Accounts	,73 ,83		6 ,04 ,25	
(b) Other Deposit Accounts	15 ,68 ,56	16 ,42 ,39	15 ,18 ,56	21 ,22 ,81
ii) Money at call and short notice				
(a) With Banks	-		-	
(b) With Other Institutions	9128 ,31 ,72	9128 ,31 ,72	-	-
TOTAL (i & ii)		**9144 ,74 ,11**		**21 ,22 ,81**
II. Outside India				
i) Balances with Banks in				
(a) Current Accounts	5 ,62 ,19		-	
(b) Other Deposit Accounts	, ,		-	
(c) Money at Call and Short Notice	, ,	5 ,62 ,19	-	-
TOTAL		**5 ,62 ,19**		-
GRAND TOTAL (I & II)		**9150 ,36 ,30**		**21 ,22 ,81**

SCHEDULE - 8 INVESTMENTS

₹ In Thousands

	As on 31st Mar 2024 (Current Year)		As on 31st Mar 2023 (Previous Year)	
I. Investments in India in				
a) Government Securities		64284 ,26 ,63		64255 ,24 ,89
b) Other approved securities		-		-
c) Shares		323 ,53 ,96		335 ,20 ,40
d) Debentures and Bonds		3493 ,65 ,83		3878 ,80 ,28
e) Investment in Associates		330 ,07 ,64		282 ,38 ,13
f) Others				
i) Units of U T I/ Mutual funds	33 ,11 ,16			
ii) Certificate of Deposits	, ,		65 ,73 ,11	
iii) Commercial Papers	-		224 ,66 ,38	
iv) PTCs	-		-	
v) Others	-	33 ,11 ,16	-	290 ,39 ,49
TOTAL		**68464 ,65 ,22**	-	**69042 ,03 ,19**
II. Investments outside India				
i) Government Securities (including local authorities)		-		
ii) Investment in Associates		-		-
iii) Other Investments (to be specified)		-		-
TOTAL		-		-
GRAND TOTAL (I & II)		68464 ,65 ,22		69042 ,03 ,19
III Investments in India				
i) Gross Value of Investments		68783 ,39 ,70		69390 ,34 ,39
ii) Aggregate of Provisions for Depreciation		318 ,74 ,48		348 ,31 ,20
iii) Net Investment (i-ii)		68464 ,65 ,22		69042 ,03 ,19
Details of Investments:				
I. Investment in Associates		330 ,07 ,64		282 ,38 ,13
II. Other Investments		68134 ,57 ,58		68759 ,65 ,06
TOTAL (I & II)		**68464 ,65 ,22**		**69042 ,03 ,19**

SCHEDULE-9 ADVANCES

₹ In Thousands

	As on 31st Mar 2024 (Current Year)		As on 31st Mar 2023 (Previous Year)	
A. i) Bills purchased and discounted	3531 ,09 ,78		903 ,20 ,06	
ii) Cash Credits, Overdrafts and Loans repayable on demand	51489 ,78 ,04		49434 ,02 ,06	
iii) Term Loans	145219 ,00 ,61	200239 ,88 ,43	120883 ,45 ,00 -	171220 ,67 ,12
TOTAL		**200239 ,88 ,43**		**171220 ,67 ,12**
B. i) Secured by tangible assets (includes advances against Book Debts)	162329 ,35 ,19		139173 ,61 ,26	
ii) Covered by Bank/Government Guarantees	1641 ,25 ,42		853 ,39 ,61	
iii) Unsecured	36269 ,27 ,82	200239 ,88 ,43	31193 ,66 ,25	171220 ,67 ,12
TOTAL		**200239 ,88 ,43**		**171220 ,67 ,12**
C. I. Advances in India				
i) Priority Sector	81079 ,58 ,53		64251 ,20 ,74	
ii) Public Sector	35750 ,96 ,35		30556 ,87 ,64	
iii) Banks	741 ,94 ,95		729 ,76 ,39	
iv) Others	82667 ,38 ,60	**200239 ,88 ,43**	75682 ,82 ,35	**171220 ,67 ,12**
II. Advances outside India				
i) Due from banks	-		-	
ii) Due from others	-		-	
a) Bills purchased and discounted	-		-	
b) Syndicated Loans	-		-	
b) Others	-	-	-	-
TOTAL (C.I & C.II)		**200239 ,88 ,43**		**171220 ,67 ,12**

SCHEDULE-10 FIXED ASSETS

₹ In Thousands

	As on 31st Mar 2024 (Current Year)		As on 31st Mar 2023 (Previous Year)	
I. Premises *				
1. At cost as on 31st March of the preceding year (includes increase in the value on account of revaluation of certain premises in earlier years)	1937 ,74 ,81		1928 ,67 ,42	
2. Addition during the Period	13 ,47 ,64		10 ,75 ,09	
3. Addition on account of revaluation during the year	-		-	
	1951 ,22 ,45		1939 ,42 ,51	
4. Deductions during the year	, ,		1 ,67 ,70	
	1951 ,22 ,45		1937 ,74 ,81	
5. Depreciation to date	347 ,11 ,69	1604 ,10 ,76	314 ,49 ,11	1623 ,25 ,70
II. Capital Work in progress		9 ,69 ,53		7 ,50 ,58
III. Other Fixed Assets (Including furniture and fixtures)				
1. At cost as on 31st March of the preceding year	1608 ,08 ,84		1636 ,80 ,78	
2. Addition during the Period	263 ,24 ,02		368 ,11 ,09	
	1871 ,32 ,86		2004 ,91 ,87	
3. Deduction during the Period	35 ,41 ,96		396 ,81 ,21	
	1835 ,90 ,90		1608 ,10 ,66	
4. Depreciation to date	1240 ,10 ,03	595 ,80 ,87	1082 ,12 ,98	525 ,97 ,68
TOTAL (I & II)		**2209 ,61 ,16**		**2156 ,73 ,96**

SCHEDULE-11 OTHER ASSETS

₹ In Thousands

	As on 31st Mar 2024 (Current Year)		As on 31st Mar 2023 (Previous Year)	
I. Inter-office adjustments (net)				
a. Parent Company		65 ,97 ,75		-
b. Subsidiary Companies		-		-
II. Interest accrued		1307 ,36 ,07		1284 ,00 ,04
III. Tax paid in advance/tax deducted at source		1810 ,35 ,13		1838 ,41 ,33
IV. Stationery and Stamps		2 ,59 ,80		3 ,29 ,92
V. Non-banking assets acquired in satisfaction of claims		-		-
VI. Deferred Tax Assets (net)		956 ,83 ,31		1261 ,28 ,54
VII. Others (incl RIDF)		1960 ,04 ,73		2491 ,77 ,73
TOTAL (I, II, III, IV, V & VI)		**6103 ,16 ,79**		**6878 ,77 ,56**

S. Bhandari & Co. LLP Jaipur Chartered Accountants

Kirtane & Pandit LLP Pune Chartered Accountants

Sundaram & Srinivasan Chennai Chartered Accountants

G. D. Apte & Co. Mumbai Chartered Accountants

बँक ऑफ महाराष्ट्र वित्त व लेखा F.M. & A. पुणे/PUNE-5 BANK OF MAHARASHTRA

SCHEDULE-12 CONTINGENT LIABILITIES

₹ In Thousands

	As on 31st Mar 2024 (Current Year)		As on 31st Mar 2023 (Previous Year)	
I. Claims against the Bank not acknowledged as debts		1349 ,96 ,22		1375 ,67 ,66
II. Liability for partly paid investments		-		-
III. Liability on account of outstanding forward exchange contracts*		26190 ,97 ,20		12076 ,49 ,65
IV. Guarantees given on behalf of constituents				
(a) In India	9317 ,18 ,38		8676 ,57 ,07	
(b) Outside India	210 ,30 ,87	9527 ,49 ,25	141 ,46 ,18	8818 ,03 ,25
V. Acceptances,endorsements and obligations		1375 ,56 ,09		1474 ,35 ,53
VI. Other items for which Bank is contingently liable		946 ,95 ,25		844 ,56 ,05
TOTAL (I, II, III, IV, V & VI)		**39390 ,94 ,01**		**24589 ,12 ,14**

* Contingent liabilities in respect of forward exchange contracts include both sale and purchase contracts

SCHEDULE-13 INTEREST EARNED

₹ In Thousands

	For the Year ended 31st Mar 2024 (Current Year)		For the Year ended 31st Mar 2023 (Previous Year)	
I. Interest/Discount on Advances/Bills		15826 ,24 ,03		11485 ,81 ,53
II. Interest on Investments	4613 ,94 ,20		4481 ,89 ,99	
Less - Amortisation of Investments	153 ,02 ,03	4460 ,92 ,17	214 ,84 ,70	4267 ,05 ,29
III. Interest on balances with Reserve Bank of India & other inter bank funds		135 ,76 ,95		52 ,43 ,07
IV. Others (incl RIDF)		71 ,91 ,72		93 ,29 ,65
TOTAL (I, II, III & IV)		**20494 ,84 ,87**		**15898 ,59 ,54**

SCHEDULE-14 OTHER INCOME

₹ In Thousands

	For the Year ended 31st Mar 2024 (Current Year)		For the Year ended 31st Mar 2023 (Previous Year)	
I. Commission, exchange, and brokerage		1582 ,23 ,10		1309 ,11 ,52
II. Profit on sale of investments	214 ,29 ,80		130 ,15 ,81	
Less : Loss on sale of Investments	6 ,41 ,94	207 ,87 ,86	24 ,02 ,75	106 ,13 ,06
III. Profit on revaluation of Investments	-		-	
Less: Loss on revaluation of Investments	-113 ,15 ,12	113 ,15 ,12	208 ,71 ,10	-208 ,71 ,10
IV. Profit on sale of land, buildings and other assets	2 ,12 ,58		3 ,69 ,04	
Less : Loss on sale of land, buildings and other assets	1 ,25 ,50	,87 ,08	1 ,72 ,52	1 ,96 ,52
V. Profit on Exchange Transactions	41 ,61 ,23		78 ,04 ,02	
Less: Loss on Exchange Transactions	-	41 ,61 ,23	-	78 ,04 ,02
VI. Income earned by way of dividends etc. from subsidiaries/ companies and/or Joint Ventures abroad/in India		1 ,35 ,93		2 ,62 ,27
VII. Miscellaneous Income*		1051 ,49 ,04		991 ,77 ,21
TOTAL (I, II, III, IV, V, VI & VII)		**2998 ,59 ,36**		**2280 ,93 ,50**

*Misc. Income includes Recovery in W/Off Rs. 985,52,22 In thousands (Previous Year Rs. 943,13,32 In Thousands)

SCHEDULE-15 INTEREST EXPENDED

₹ In Thousands

	For the Year ended 31st Mar 2024 (Current Year)		For the Year ended 31st Mar 2023 (Previous Year)	
I. Interest on deposits		10039 ,61 ,45		7185 ,55 ,07
II. Interest on Reserve Bank of India / inter-bank borrowings		33 ,27 ,41		59 ,77 ,27
III. Others		598 ,93 ,91		911 ,46 ,44
TOTAL (I, II & III)		**10671 ,82 ,77**		**8156 ,78 ,78**

SCHEDULE-16 OPERATING EXPENSES

₹ In Thousands

	For the Year ended 31st Mar 2024 (Current Year)		For the Year ended 31st Mar 2023 (Previous Year)	
I. Payments to and provisions for employees		2837 ,79 ,78		2058 ,12 ,34
II. Rent, taxes and lighting		280 ,29 ,35		248 ,22 ,82
III. Printing and stationery		31 ,59 ,88		26 ,08 ,09
IV. Advertisement and publicity		33 ,57 ,14		33 ,39 ,86
V. Depreciation on Bank's property (Net of depreciation transferred to Revaluation Reserve)		223 ,49 ,02		262 ,48 ,88
VI. Directors' fees, allowances and expenses		1 ,22 ,76		136 ,18
VII. Auditors' fees and expenses (incl. branch auditors' fees and expenses)		15 ,69 ,27		15 ,76 ,07
VIII. Law Charges		68 ,48 ,94		59 ,13 ,08
IX. Postage, Telegrams, Telephones, etc.		45 ,42 ,84		53 ,88 ,61
X. Repairs and maintenance		258 ,67 ,93		215 ,98 ,73
XI. Insurance		279 ,12 ,26		235 ,51 ,24
XII. Other expenditure		739 ,80 ,93		712 ,50 ,45
TOTAL (I, II, III, IV, V, VI, VII, VIII, IX, X, XI & XII)		**4815 ,20 ,10**		**3922 ,46 ,35**

BANK OF MAHARASHTRA
(FY 2023-24)

SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES

(ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2024)

1. Basis of Preparation of Financial Statements:

1.1 The financial statements are prepared under the historical cost conventions except as otherwise stated and conform to the Generally Accepted Accounting Principles (GAAP) which include statutory provisions, practices prevailing within the Banking Industry in India, the regulatory/ Reserve Bank of India ("RBI") guidelines, applicable Accounting Standards/ Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI).

1.2 **Use of Estimates**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of Assets and Liabilities (including contingent liabilities) as of the date of financial statements and reported income and expenses for the period under report. Management is of the view that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates. Any revisions to the accounting estimates shall be recognized prospectively unless otherwise stated.

1.3 The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 – "Consolidated Financial Statements" and Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India.

1.4 Revenue and costs are accounted for on accrual basis except as stated in para 7.1 below.

1.5 The accounting policies with regard to Revenue Recognition, Investments and Advances in relation to Banking Business are in conformity with the prudential norms issued by the Reserve Bank of India from time to time.

1.6 The financial statements of the subsidiary and associate considered in preparation of Consolidated Financial Statement are drawn up to 31st March 2024.

2. Principles of Consolidation:

A. **Parent Entity**: The Financial Statements are consolidated for Bank of Maharashtra, the parent entity and its subsidiary along with associated enterprise as follows.

B. **Related Entity**:
The following subsidiary has been consolidated as per Accounting Standard 21 – "Consolidated Financial Statement".

Name of the company	Country / Residence	Relationship	Ownership Interest
The Maharashtra Executor & Trustee Co. Pvt. Ltd. (hereafter referred to as "METCO")	India	Wholly Owned Subsidiary	100%

The following associate enterprise has been accounted for under the Equity Method as per Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated Financial Statements"

Name of the company	Country / Residence	Relationship	Ownership Interest
Maharashtra Gramin Bank (sponsored by Bank of Maharashtra)	India	Associate Enterprise	35%

C. **Basis of Preparation of Consolidated Financial Statements & its impact**

The Consolidated Financial Statements of the Group have been prepared on the basis of : -

i. Audited financial statement of Bank of Maharashtra.

ii. Line by line aggregation of each item of asset/ liability/ income/ expense of the subsidiary with the respective item of the Parent, and after eliminating all material intra-group balances/transactions in accordance with Accounting Standard 21 – "Consolidated Financial Statements" issued by ICAI.

iii. Accounting for investment in 'Associates' under the 'Equity Method' as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI. The excess of carrying cost of bank's investment in associate is recognized in the financial statements as goodwill.

iv. The difference between cost to the group of its investment in the subsidiary entities and the group's portion of the equity of the subsidiaries is recognized in the financial statements as goodwill / capital reserve.

v. The subsidiary has used accounting policies other than those adopted by the Bank in certain cases for like transactions & events in similar circumstances. No adjustments have been made to the financial statements of the subsidiary, when they are used in preparing the consolidated financial statements. However, the proportion of the items in the consolidated financial statements to which the different accounting policies are applied by the subsidiary is insignificant.

vi. The financial statements of the subsidiary have been regrouped with that of the parent bank, wherever necessary.

3. Foreign Exchange Transactions:

3.1 The foreign currency transactions are translated at the weekly average closing rates for the preceding week as published by Foreign Exchange Dealers' Association of India (FEDAI). Revaluation of foreign currency assets and liabilities as on Balance Sheet date is done at the closing exchange rate published by FEDAI and the resultant profit/loss is accounted for in the Profit & Loss Account.

3.2 Outstanding Forward Foreign Exchange Contracts are stated at contracted rates and revalued/ marked to market as on quarterly basis and on Balance Sheet date at the exchange rates published by FBIL for specified maturities by discounting the same at the Modified MIFOR rate published by Financial Benchmarks India Pvt. Ltd. [FBIL] i.e. on PV01 basis. The resulting profit/loss, on revaluation, is recognized in the Profit & Loss Account in accordance with RBI / FEDAI guidelines and the effect is taken to "Other Assets" in case of gain or to "Other Liabilities" in case of loss.

3.3 Contingent Liabilities on account of Guarantees and Letters of Credit issued in foreign currency are stated in the Balance Sheet at the closing exchange rates published by FEDAI.

3.4 Credit exposure of the un-hedged foreign currency exposure, if any, of the constituents shall attract provisioning and capital requirements as per RBI guidelines.

4. Investments:

As per Reserve Bank of India guidelines, the investments are classified and valued as under:

4.1 Investments are classified in the following categories:

a.	Held to Maturity	(HTM)
b.	Available for sale	(AFS)
c.	Held for trading	(HFT)

4.2 All the investments are further classified in the following six baskets in conformity with the requirement of Form-A of Third Schedule to the Banking Regulation Act, 1949:

a. Government Securities
b. Other approved Securities
c. Shares
d. Debentures and Bonds
e. Subsidiaries and Joint Ventures
f. Others (Commercial Papers, Mutual Fund Units etc.)

4.3 Bank decides the category of each investment at the time of acquisition and classifies the same accordingly. Shifting of securities from one category to another, other than shifting / transfer from HFT to AFS category, is done once in a year with the approval of Board of Directors, at the least of acquisition cost / book value / market value on the date of shifting. The depreciation, if any, on such shifting is provided for and the book value of the security is adjusted accordingly. The transfer of securities from one category to another is made as per permission from or guidelines of RBI. Transfer / shifting of investments from HFT to AFS category will be executed under exceptional circumstances, like not being able to sell the securities within 90 days due to tight liquidity conditions, or extreme volatility, or market becoming unidirectional.

4.4 **REPO / Reverse REPO /** Standing Deposit Facility

The Bank has adopted the Uniform Accounting Procedure prescribed by the RBI for accounting of market Repo and Reverse Repo transactions. Repo and Reverse Repo transactions are treated as Collateralized Borrowing / Lending Operations with an agreement to repurchase on the agreed terms. Securities sold under Repo are continued to be shown under investment and Securities purchased under Reverse Repo are not included in investment. Outstanding Repo / Term Repo is disclosed as borrowing and outstanding Reverse Repo is disclosed as lending. Costs and revenues are accounted for as interest expenditure / income, as the case may be.

4.5 Cost of investments is determined on the basis of Weighted Average Price method.

Interest paid for broken period / interest received for broken period at the time of purchase / sale of fixed income securities is treated as revenue expenditure / income.

Brokerage / incentive received / paid at the time of purchase/sale of investment is deducted / added from the amount of investment.

4.6 Valuation of investments:

a. Held to Maturity:

i. Securities under the category 'Held to Maturity' are valued at weighted average acquisition cost. Wherever the cost of security is higher than the face value, the premium is amortized over the remaining period of maturity on straight line basis. In case of investments, where the cost price is less than the face value, the difference is ignored.

ii. In case of investments in subsidiaries and joint ventures permanent diminution in value is recognized and provided for; investment in RRB is valued at carrying cost.

iii. On sale of investments in this category (a) the net profit is initially taken to profit and loss account and thereafter such profit net of applicable taxes and proportionate transfer to statutory reserve is appropriated to the 'Capital Reserve account'; and (b) the net loss is charged to the Profit & Loss Account.

b. Available for Sale:

The individual securities under this category are marked to market on a quarterly basis and on each balance sheet date. Central/ State Government securities are valued at market rates declared by FBIL. Other approved securities, debentures and bonds are valued as per the yield curve, average credit spread rating and methodology suggested by FIMMDA. Quoted shares are valued at market rates. Unquoted shares are valued at break-up value ascertained from the latest available Balance Sheet i.e. Balance Sheet of immediate preceding year and in case the latest Balance Sheet is not available, the same is valued at Re.1/- per company / scrip.

Investments in discounted instruments, viz. Treasury Bills, Certificate of Deposits, Commercial Papers, Zero Coupon Bonds are valued at carrying cost. Mutual Fund Instruments are valued at market rate or repurchase price or net asset value in that order depending on their availability. Investments in Security Receipts (SRs) /Pass Through Certificates (PTCs) issued by Asset Reconstruction Companies (ARCs) in respect of financial assets sold to ARCs are carried at lower of redemption value and net book value (i.e. book value less provision held) of the financial assets.

Based on the above valuation under each of six-sub classifications under `Available for Sale':

i. If it results in appreciation, the same is ignored.

ii. If it results in net depreciation, the same is charged to Profit & Loss account and credited to Provision for Depreciation on Investments (AFS) in the liability side.

Provided that, depreciation, if any, on equity shares allotted consequent to implementation of Strategic Debt Restructuring (SDR) shall be provided for over a maximum of 4 calendar quarters on straight line basis from the date of conversion of debt into equity.

iii. The book value of securities is not changed in respect of marked to market (MTM) except as required by the RBI guidelines.

iv. Profit or Loss on sale of investment in this category is accounted for in the Profit and loss account.

c. Held for Trading:

i. The individual securities under this category are held at original cost and are marked to market every month and each balance sheet date. Central/ State Government securities are valued at market rates declared by FIBL. Other approved securities, debentures and bonds are valued as per the yield curve; average credit spread rating and methodology suggested by FIMMDA. Quoted Shares are valued at market rates.

ii. Investments in discounted instruments, viz. Treasury Bills, Certificate of Deposits, Commercial Papers, Zero Coupon Bonds are valued at carrying cost. Mutual Fund Instruments are valued at market rate or repurchase price or net asset value in that order depending on their availability. Investments in SRs / PTCs issued by ARCs in respect of financial assets sold to ARCs are carried at lower of redemption value and net book value (i.e. book value less provision held), of the financial assets.

F083

iii. Net basket-wise depreciation if any, is charged to Profit & Loss Account and credited to Provision on Depreciation on Investment (HFT) under liability. Net appreciation, if any is ignored. The book value of the securities is not changed after revaluation except as required by the RBI guidelines.

iv. Profit or loss on sale of investment in this category is accounted for in the Profit & Loss Account.

d. Classification of and provisions on investments, including on restructured investments, are made in accordance with the prudential norms prescribed by and guidelines of RBI from time to time.

e. Costs such as brokerage, fees, commission, taxes etc. incurred at the time of acquisition of securities are capitalized

4.7 Derivatives:

Interest Rate Swaps:

i. Valuation:

a. **Hedging Swaps**: Interest Rate Swaps for hedging assets and liabilities are not marked to market.

b. **Trading Swaps**: Interest Rate Swaps for trading purpose are marked to market.

ii. Accounting of income on derivative deals:

a. **Hedging Swaps:** Income is accounted for on realization basis. Expenditure, if any, is accounted for on accrual basis, if ascertainable.

b. **Trading Swaps:** Income or expenditure is accounted for on realization basis on settlement date.

iii. Accounting of gain or loss on termination of swaps:

a. **Hedging Swaps:** Any gain or loss on the terminated swap is recognized over the shorter of (a) the remaining contractual life of the swap or (b) the remaining life of the asset/ liability.

b. **Trading Swaps:** Any gain or loss on terminated swap is recognized as income or expenditure in the year of termination.

4.8 Investment Fluctuation Reserve:

As per RBI circular number RBI/DOR/2021-22/81 DOR.MRG.42/21.04.141/2021-22 DATED AUG 25,2021 as updated till March 31,2024 Investment Fluctuation Reserve (IFR) is created to build up of adequate reserves to protect the bank against increase in yields.

Transfer to IFR is lower of the following –

a. Net profit on sale of Investments during the year or

b. Net profit for the year less mandatory appropriations, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis

Investment Reserve Account (IRA):

In the event, provisions created on account of depreciation in the 'AFS' or 'HFT' categories are found to be in excess of the required amount in any year, the excess shall be credited to the Profit & Loss Account and an equivalent amount (net of taxes, if any and net of transfer to Statutory Reserves as applicable to such excess provision) shall be appropriated to an IRA Account in Schedule 2 – "Reserves & Surplus" under the head "Revenue and Other Reserves".

5. Advances:

5.1 Advances shown are net of write offs, provisions made for non-performing assets, claims settled with the credit guarantee institutions, provision for diminution in fair value for restructured advances and bills rediscounted.

5.2 Classification of advances and provisions thereon are made in accordance with the prudential norms prescribed by and guidelines of RBI from time to time, except in respect of following category of advances, provision on NPAs are made higher than the rate prescribed by RBI -

Sub-Standard - 20%
Doubtful Assets One to three years - 50% on secured portion

5.3 Provision for performing assets, is shown under the head "Other liabilities and provisions".

5.4 In respect of advances under SDR, provision is made in accordance with RBI guidelines, within a maximum period of four quarters.

5.5 In case of financial assets sold to Asset Reconstruction Company (ARC)/ Securitization Company (SC), if the sale is at a price higher than the NBV, the surplus is retained and utilised to meet the shortfall/loss on account of sale of other financial assets to SC/ARC. If the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is to be debited to the Profit and Loss account. However, if surplus is available, such shortfall will be absorbed in the surplus. Any shortfall arising due to sale of NPA will be amortised over a period of two years if not absorbed in the surplus.

Excess provision arising out of sale of NPAs are reversed only when the cash received (by way of initial consideration only/or redemption of SRS/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision will be limited to the extent to which cash received exceeds the NBV of the asset.

6. Fixed Assets and Depreciation:

6.1 Premises and Other Fixed Assets are carried at cost less accumulated depreciation/ amortization, except for certain premises, which were revalued and stated at revalued amount.

Cost includes cost of purchase, taxes as per GST law and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability

6.2 Depreciation on fixed assets is provided for at the rates specified below, so as to write down value of assets to Rupee One over the residual life of the assets.

S.N.	Category of Asset	Useful Life of Assets (Years)	Rate of Depreciation (%)	Method of depreciation
1	Building & Premises	60	1.667	SLM
2	General Items including Safe	10	10	SLM
3	Electrical – Television, Mobile Phones, Home Theater, Printer, Camera	3	33.33	SLM
4	Electrical Equipment's- Others	7	14.29	SLM
5	Office Machinery	5	20	SLM
6	Motor Vehicles	8	12.50	SLM
7	Safe Deposit Vaults	10	10	SLM
8	Computers & Laptops	3	33.33	SLM
9	ATM	7	14.29	SLM
10	UPS	5	20	SLM
11	BNA	7	14.29	SLM
12	Cash Re-cycler	7	14.29	SLM

SLM means Straight Line Method

6.3 In respect of assets acquired during the year, depreciation is provided on proportionate basis for the number of days the assets have been put to use during the year. Similarly, in respect of assets sold / discarded during the year, depreciation is provided on proportionate basis till the number of days the assets had been put to use during the year.

6.4 Eligible fixed assets are revalued once in every three years. Revalued portion of fixed assets net of salvage value (over and above the cost of fixed assets) is depreciated on Straight Line method over the residual life of the assets as certified by approved valuers at the time of valuation.

Revaluation reserve pertaining to lease hold lands, is amortised on straight line method over the residual life of the lease period.

Depreciation on revalued portion of fixed assets, over and above the cost is debited to Profit & Loss account. Amount of Revaluation Reserve to the extent of depreciation related to revalued portion of fixed assets over and above the cost debited to profit & loss account is transferred to Revenue Reserve from Revaluation Reserve.

6.5 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease on SLM basis in accordance with AS 19.

In case of the subsidiary:

6.7 In the case of METCO, fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost includes all expenditure necessary to bring the asset to its working conditions for its intended use. Assets sold are reduced from the fixed assets and after taking effect of depreciation, profit / loss has been calculated. Depreciation is provided on the written down value basis applying new standards as per Companies Act 2013, on the basis of useful life of assets.

7. Revenue Recognition

7.1 All revenues and costs are accounted for on accrual basis except the following items, which are accounted for on cash basis:-

a. Interest on Advances and Investments identified as Non-Performing Assets according to the prudential norms issued by Reserve Bank of India, from time to time.

b. Income from commission like on Government business, Mutual Fund business, credit & debit cards issued, Annual Maintenance Charges for cards and Locker Rent.

c. Interest for overdue period on bills purchased and bills discounted.

d. Insurance claims.

e. Remuneration on Debenture Trustee Business.

f. Processing Fees.

g. Income from Merchant Banking Operations and Underwriting Commission.

h. Transaction processing fees received on utility bill pay services through internet banking.

7.2 Pursuant to RBI guidelines, the interest payable on overdue term deposit is provided on accrual basis at rate of interest as applicable to saving account or contracted rate of interest on the matured TD, whichever is lower from 02.07.2021.

8. Employees' Benefits:

Defined Contribution Plan: The contribution paid/ payable under defined contribution benefit schemes are charged to Profit & Loss Account.

Defined Benefit Plans: All eligible employees are entitled to receive benefits under the Bank's Gratuity, Pension & Privilege Leave schemes which are valued based on the principles laid down in AS -15, Employees Benefit (Revised) issued by Institute of Chartered Accountants of India. Bank's liabilities towards defined benefit schemes are determined by way of provisions and adjusted on the basis of an actuarial valuation report provided by the Actuaries appointed by the bank and made at the end of each quarter/financial year. Actuarial gains and losses are recognized in the Profit & Loss Account.

Other Employee Benefits such as Leave Fare Concession, Silver jubilee Award, resettlement allowance, and retirement benefit are provided based on Actuarial valuation.

9. Segment Reporting:

The Bank recognizes Business Segment as its Primary Segment in compliance with the RBI Guidelines and in compliance with the Accounting Standard 17 issued by ICAI.

10. Impairment of Assets

Impairment losses if any, on fixed assets including revalued fixed assets are recognized in accordance with Accounting Standard 28- Impairment of Assets issued by the ICAI and charged to Profit & Loss Account. Assets are reviewed for Impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable.

11. Provisions, Contingent Liabilities and Contingent Assets:

As per the Accounting Standard 29-"Provisions, Contingent Liabilities and Contingent Assets" issued by ICAI, the Bank recognizes provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation for which 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 the income that may not be realized.

12. Net Profit, Provisions and Contingencies:

The Net Profit disclosed is after making the Provisions and Contingencies which include adjustment to the value of investments, write off of bad debts, provision for taxation (including deferred tax), and provision for advances including cases identified as fraud and contingencies /others.

13. Income tax:

The provision for tax for the year comprises liability towards current Income Tax, and Deferred Tax. The deferred tax asset/ liability is recognized, subject to the consideration of prudence, taking into account the timing differences between the taxable income and accounting income, in terms of the Accounting Standard 22 issued by ICAI. The effect of change in tax rates on deferred tax assets and liabilities is recognized in the Profit & Loss Account in the period of applicability of the change.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized and re-assessed at each reporting period based on management judgement as to whether their realization is considered as reasonable certain.

In cases of unabsorbed depreciation or carried forward loss under taxation laws, all deferred tax assets are recognized only if there is virtual certainty of realization of such assets supported by convincing evidence.

Interest income on refund of Income Tax is accounted for in the year; the order is passed by the concerned authority.

The demand raised by the Tax authorities including the interest thereon is provided for when such demand is accepted by the bank and the same is not contested before appellate authority **OR** when such demand is upheld by jurisdictional tribunal and there is no favorable judgement of other tribunal on identical issue and bank does not prefer to go before High Court **OR** when such demand is upheld by High Court.

14. Earnings Per Share

The bank reports basic and diluted earnings per equity share in accordance with the Accounting Standard (AS-20) "Earnings Per Share" issued by ICAI. Basic Earnings per share is arrived by dividing net profit after tax by the weighted average number of equity shares outstanding for the period. The diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

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BANK OF MAHARASHTRA
(FY 2023-2024)

SCHEDULE 18: NOTES ON ACCOUNTS

(Note: Figures in bracket relate to previous year)

(ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2024.)

1. Investments:

The Bank has classified the investment portfolio into three categories i.e. "Held to Maturity", "Available for Sale" and "Held for Trading" and valued the investments in terms of the Reserve Bank of India guidelines.

The Bank has made an appropriation of ₹ 0.00 crores (₹ 0.00 crores) to Investment Fluctuation Reserve (IFR) out of profit of current year

The Bank has made an appropriation of ₹ 62.39 crores (₹ 0.00 crores) to Investment Reserve Account (IRA) out of profit of current year

2. The Bank has complied with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable as under:

2.1 Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies.

As prior period items of income/expenditure are not material, the same have been charged/accounted for in respective heads of accounts.

2.2 Accounting Standard 9 – Revenue Recognition

As per Accounting Policy No. 7.2, given in Schedule -17 – Significant Accounting Policies, the interest payable on overdue term deposit is provided on accrual basis at rate of interest as applicable to saving account or contracted rate of interest on the matured TD, whichever is lower from 02.07.2021.

3. Fixed Assets

i. In accordance with the As-10 "Property, Plant and Equipment" depreciation of ₹ 29.49 Crore (₹ 102.46 crore) for the year on revalued portion of fixed assets has been charged to Profit and Loss Account. Equivalent amount of ₹ 29.49 crore (₹ 102.46 crore) has been transferred from Revaluation Reserve to Revenue Reserve.

ii. Certain premises of banks are stated at revalued amount. The gross amount of such revaluation included in premises at the end of the year is ₹ 1472.83 crore and net of depreciation the revaluation amounts to ₹ 1443.34 crore

iii. There are cases pending for leased premises where no contingent liability is recognized as the Bank is defending all these cases filed by landlords of Branch premises due to expiration of lease deeds. Out of these, Bank accounts for its liability to around ₹ 0.27 crore. In all other cases where landlords have claimed profits, the amount cannot be ascertained unless the court crystalizes quantum of profits.

iv. Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Capital work in progress amounting to ₹ 9.58 Crore includes construction of building.

4. Accounting Standard (AS) 15 (Revised 2005)- "Employee Benefits"

A. Defined Contribution Plans: **(Amount in ₹ crore)**

Particulars	31.03.2024	31.03.2023
a. Provident Fund	37.03	39.47
b. Contribution to Staff Welfare –Welfare Fund Contingency	15.00	15.00
c. Contribution to New Pension Scheme	114.34	87.43

B. Defined Benefit Plans:

a) **Pension Plan-** This is a post-employment benefit, which is 50% of final pay for a maximum of 33 years of pensionable service. This is a funded scheme.

b) **Gratuity Plan-** This is a post-employment benefit and is payable as higher of Gratuity as per Company's Rules and Gratuity under Payment of Gratuity Act 1972 as amended. This is a funded scheme.

c) **Leave Encashment/ Compensated Absences-**This is a post-employment benefit and is payable for a maximum limit of 240 days of accumulated leave based on final pay. Bank has a funded scheme.

I. Change in the Present value of Defined Benefit Obligations:

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
1	Opening Present Value of Defined Benefit Obligation	6997.34	6925.37	517.85	533.19	381.25	329.86
2	Interest Cost	480.68	493.62	35.04	36.76	26.34	23.28
3	Current Service Cost	223.13	300.66	37.80	34.97	100.88	75.62
4	Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00
5	Benefits Paid	(661.10)	(634.79)	(65.22)	(87.07)	(32.96)	(39.72)
6	Actuarial (Gains)/Losses for the year	449.69	(87.51)	96.60	0.01	(43.25)	(7.78)
7	Closing Present Value of Defined Benefit Obligation	**7489.74**	**6997.34**	**622.07**	**517.85**	**432.26**	**381.25**

II. Change in the Fair Value of Plan Assets:

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
1	Opening fair value of plan assets	6949.29	6875.12	520.16	557.62	241.07	0.00
2	Expected return on plan assets	501.04	513.57	37.55	41.87	17.41	0.00
3	Contributions made	451.83	227.51	9.88	0.07	143.00	270.11
4	Benefits paid	(661.10)	(634.79)	(65.22)	(87.07)	(32.87)	(39.58)
5	Actuarial gains/losses	41.74	(32.12)	3.19	7.67	5.46	10.54
6	Closing fair value of plan assets	**7282.80**	**6949.29**	**505.56**	**520.16**	**374.07**	**241.07**

III. Amount recognized in the Balance Sheet:

(Amount in ₹ crore)

S N	Particulars	FUNDED DEFINED BENEFIT OBLIGATIONS					
		PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
1	**Present Value of Defined Benefit Obligations**	7489.74	6997.34	622.07	517.85	432.26	381.25
2	**Fair Value of Plan Assets**	(7282.80)	(6949.29)	(505.56)	(520.16)	(374.07)	(241.07)
3	**Net liability to be recognized**	206.94	48.05	116.51	(2.31)	58.19	140.18
4	**Other amount recognized in the Balance Sheet**	0.00	0.00	0.00	0.00	0.00	0.00
5	**Net liability recognized in the Balance Sheet**	**206.94**	**48.05**	**116.51**	**(2.31)**	**58.19**	**140.18**

IV. Amount recognized in Profit and Loss Account:

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
1	Current Service Cost	223.13	300.66	37.80	34.97	100.88	75.62
2	Interest Cost	480.68	493.62	35.04	36.76	26.34	23.28
3	Expected Return on Plan Assets	(501.04)	(513.57)	(37.55)	(41.87)	(17.41)	0.00
4	Actuarial (Gains)/Losses for the year	407.95	(55.39)	93.41	(7.67)	(48.71)	(18.32)
5	Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00
6	**Expense to be recognized**	**610.72**	**225.31**	**128.70**	**22.19**	**61.10**	**80.57**
7	Additional provision made / (write back) during the year	0.00	0.00	0.00	0.00	0.00	0.00
8	**Net expense recognized in Profit & Loss Account and included in Staff Cost**	**610.72**	**225.31**	**128.70**	**22.19**	**61.10**	**80.57**

V. Reconciliation in the Net Liability recognized in the Balance Sheet

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
1	Opening Net Liability	48.05	50.25	(2.31)	(24.42)	140.18	329.86
2	Expense recognized	610.72	225.31	128.70	22.19	61.10	80.57
3	Contributions/ Benefits paid	(451.83)	(227.51)	(9.88)	(0.07)	(143.09)	(270.25)
4	**Closing Net Liability**	**206.94**	**48.07**	**116.51**	**(2.31)**	**58.19**	**140.18**

VI. Actual Return on Plan Assets

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
1	Expected return on plan assets	501.04	513.57	37.55	41.87	17.41	0.00
2	Actuarial gain (loss) on plan assets	41.74	(32.12)	3.19	7.67	5.46	10.54
3	**Actual return on plan assets**	**542.78**	**481.45**	**40.74**	**49.54**	**22.87**	**10.54**

VII. Principal Actuarial Assumptions (expressed as weighted averages)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
1	Discount rate	7.21%	7.47%	7.22%	7.51%	7.22%	7.51%
2	Expected return on plan assets	7.21%	7.47%	7.22%	7.51%	7.22%	7.51%
3	Expected rate of salary increases	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%

C. Other Long Term Benefits:

(Amount in ₹ crore)

S N	Particulars	Recognized in Profit & Loss Account	
		31.03.2024	31.03.2023
1	Resettlement Allowance	0.00	0.00
2	Leave Fare Concession	15.08	13.26
3	Silver Jubilee Award	0.28	0.12
	Total	**15.36**	**13.38**

During FY 2023-24, Bank has implemented the provisions of 9th Joint note/XII bipartite settlement signed on 08.03.2024.

5) Accounting Standard 17- Segment Reporting: Bank has identified its primary reportable segments as under:

Part A: Business segments **(Amount in ₹ crore)**

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
Particulars	**2023-24**	**2022-23**	**2023-24**	**2022-23**	**2023-24**	**2022-23**	**2023-24**	**2022-23**	**2023-24**	**2022-23**
Revenue	5002.81	4321.98	8431.56	6065.36	9824.59	7530.41	250.42	263.99	23509.38	18181.74
Result	1042.30	(102.37)	2438.39	1888.12	795.63	1567.30	100.19	95.08	4376.51	3448.13
Unallocated expenses									-	-
Operating profit									8022.35	6102.49
Taxes including deferred taxes									304.73	843.16
Share in profit of Associates	-	-	-	-	-	-	-	-	15.94	2.21
Extraordinary profit/ loss	-	-	-	-	-	-	-	-	-	-
Net profit									4071.78	2605.00
Other Information:										
Segment assets	87326.16	77388.47	112642.57	104210.96	90821.09	70208.52	14275.10	12919.81	305064.92	264727.76
Unallocated assets									2264.10	3099.41
Total assets									307329.02	267827.17
Segment liabilities	86171.75	76214.14	104206.45	97077.76	82855.73	65313.94	13233.08	12399.76	286467.02	251005.60
Unallocated liabilities									991.39	1031.33
Capital & Other Reserves									19870.62	15790.23
Total liabilities									307329.02	267827.17

RBI's Master Direction on Financial Statements –Presentation and Disclosures, requires to sub divide "Retail Banking" into (a) Digital Banking (as defined in RBI circular or Establishment of Digital Banking Units dated April 07, 2022) and (b) Other Retail Banking segment. Accordingly, the segmental results for retail banking segment is subdivided as below:

(Amount in ₹ crore)

S.N.	Particulars	Segment Revenue		Segment Results		Segment Assets		Segment Liabilities	
		31.03.2024	**31.03.2023**	**31.03.2024**	**31.03.2023**	**31.03.2024**	**31.03.2023**	**31.03.2024**	**31.03.2023**
I	Digital Banking	0.06	0.01	(1.76)	(0.51)	1.73	1.30	4.00	1.81
Ii	Other Retails Banking	9824.53	7530.40	797.39	1567.81	90819.36	70207.22	82851.73	65312.13
Total	**Retail Banking**	**9824.59**	**7530.41**	**795.63**	**1567.30**	**90821.09**	**70208.52**	**82855.73**	**65313.94**

a) Treasury segment includes Investment, balances with Banks outside India, Interest accrued on investments and related income there from.

b) Corporate/Wholesale Banking Segments include all advances to trusts, partnership firms, companies, statutory bodies and individuals etc. which are not included in Retail Banking Segments.

c) Retail Banking Segments include exposure to entity/concern where
   i. Total average annual turnover less than ₹ 50.00 crore and
   ii. Aggregate exposure to one counter party does not exceed 0.2% of the overall retail portfolio of the Bank and
   iii. The maximum aggregated retail exposure to one counterpart is up to ₹ 7.50 crore.

d) Other Banking Operations segment includes all other banking transaction not covered under segments, specified above.

e) The interest income is allocated on the basis of actual interest received from wholesale banking operations. The total interest received less interest of wholesale banking is taken to retail banking operations

f) Expenses not directly attributable are allocated on the basis of Interest income earned by the wholesale banking / retail banking segment. Expenses of treasury operations are as per the details available from treasury operations

g) Capital employed for each segment has been allocated proportionate to the assets of the respective segment.

Part B: Geographical Segment

Since the operations of the Bank are within India only, Geographical Segment is not applicable.

6) Accounting Standard 18 – Related party disclosures

The details in this regard are asunder:

Name of the Related Parties and their relationship:

(a) Subsidiary of the Bank –The Maharashtra Executor & Trustee Co. Pvt. Limited
(b) Associate of the Bank – Maharashtra Gramin Bank
(c) Key Management Personnel-

(Amount in ₹ crore)

S. N.	Name	Designation	Remuneration	
			FY 2023-24	**FY 2022-23**
1.	Shri Nidhu Saxena	MD & CEO (from 27.03.2024 to till date)	-	-
2.	Shri A S Rajeev	MD & CEO (till 22.02.2024)	0.74	0.48
3.	Shri Asheesh Pandey	Executive Director	0.39	0.32
4.	Shri A. B. Vijayakumar	Executive Director (till 31.10.2023)	0.51	0.37
5.	Shri Rohit Rishi	Executive Director (from 01.11.2023 to till date)	0.13	-
6.	Shri V P Srivastava	Chief Financial Officer (CFO)	0.44	0.32
		Total	**2.21**	**1.49**

Note: The disclosure of CFO as key management personnel has been made as advised by RBI in its risk assessment report for the year 2018-19.

(d) Sponsor Trust- Gramin Va Balak Vikas Mandal
(e) Sponsor Trust- Mahabank Agricultural Research and Rural Development Foundation
(f) Staff welfare Trust for Pension- Bank of Maharashtra Employees' Pension Fund
(g) Staff welfare Trust for Gratuity- Bank of Maharashtra Employees' Gratuity Fund
(h) Staff welfare Trust for Provident Fund - Bank of Maharashtra Employees' Provident Fund
(i) Staff welfare Trust for Leave Encashment- Bank of Maharashtra Employees Privilege Leave Encashment Fund Trust

Transactions with Related parties:

No disclosure is required in respect of related parties, which are "State Controlled Enterprises" as per paragraph no 9 of Accounting Standard (AS 18). Further in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

7) Accounting Standard 19 - Leases

Finance Leases: Lease under which the Bank assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at fair value of the asset or lease payments at the inception of the lease, whichever is lower.

Operating Leases: Operating Leases are cancellable at the option of the Bank. The amount of lease expenses recognized in the Profit and Loss Account for such operating lease is Rs.214.15 crore for the year 2023-24 (for FY 2022-23 Rs. 184.68 crore).

8) Accounting Standard 20- Earnings per Share

Particulars	**31.03.2024**	**31.03.2023**
Basic E.P.S.	₹ 5.80	₹ 3.87
Diluted E.P.S.	₹ 5.80	₹ 3.87
Calculation of Basic /Diluted EPS.		
a) Net Profit after Tax (₹ in Crore)	4071.78	2605.00
b) Weighted Average number of Equity Shares (₹ in Crore)	701.81	673.05
c) Basic/ Diluted Earnings per share [(a) divided by (b)]	₹ 5.80	₹ 3.87
d) Nominal Value per Share	₹ 10.00	₹ 10.00

9) Accounting Standard 21 – Consolidated Financial Statements: The financial results of the subsidiary viz. The Maharashtra Executor & Trustee Company Private Limited have been consolidated with the parent bank in compliance with Accounting Standard 21 respectively. The audited Financial Statements are considered for this purpose.

The accounting of investment in associate i.e. Maharashtra Gramin Bank has been made in Consolidated Financial Statement in accordance with Accounting Standard 23.The unaudited Financial Statements are considered for this purpose

10) Accounting Standard 22 – Accounting for Taxes on Income: Based on the review by the bank and on reasonable certainty of availability of future taxable income against which timing differences arising on account of provision for accumulated losses, Bad & Doubtful Debts (NPA), employee benefits etc. can be realized, the bank has accounted for taxes on income in compliance with AS 22. Accordingly, Deferred Tax Assets and Deferred Tax Liabilities are as under:

(Amount in ₹ crore)

Particulars	**31.03.2024**	**31.03.2023**
Deferred Tax Assets		
1) On account of Accumulated Losses	NIL	NIL
2) On account of provisions for Employees benefits	24.48	23.68
3) Other Provisions where DTA is created	945.26	1250.50
Sub-Total (A)	**969.74**	**1274.18**
Deferred Tax Liability		
1) On account of Special Reserve u/s 36(1) (viii)	12.90	12.90
Sub-Total (B)	**12.90**	**12.90**
Net Deferred Tax Asset (A-B)	**956.84**	**1261.28**

As the bank has opted for lower tax rate permitted under section 115 BAA of the Income Tax Act 1961 from AY 2021-22, the provisions of section 115JB of the Income Tax Act are not applicable to the bank.

11) Accounting Standard -24- Discontinuing Operations: The Bank, during the financial year 2023-24, has not discontinued any of its business activities/ operations which resulted in discharging of liabilities and realization of the assets and no decision has been finalized to discontinue a business activity in its entirety which will have the above effects.

12) Accounting Standard 26—Accounting for Intangible Assets:

Computer Software – other than internally generated:

Useful life - 3 years.
Amortization Rate - 33.33 %
Amortization Method - Straight line at cost

(Amount in ₹ crore)

Particulars	**31.03.2024**	**31.03.2023**
Software at the beginning of the year	110.56	27.63
Software acquired during the year	37.86	125.97
Amortization during the year	52.58	43.04
Net carrying amount at the end of the year	95.84	110.56

13) Accounting Standard 28- Impairment of Assets: Assets are reviewed for impairment at the end of the year whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of an asset to be held and used is measured by a comparison for the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset. If such an asset is considered to be impaired, the impairment to be recognized and is measured by the amount by which the carrying amount of the asset exceeds the recoverable amount of the asset. However, in the opinion of the Bank's Management, there is no indication of material impairment to the assets during the year to which Accounting Standard 28 - "Impairment of Assets" applies.

14) Accounting Standard 29- Provisions, Contingent Liabilities and Contingent Assets Claim against the bank not acknowledged as debt on year end

(Amount in ₹ crore)

Category	**FY 2023-24**	**FY 2022-23**
Balance Outstanding	1349.96	1375.67
Provision Held	3.57	2.66

Total Contingent liabilities (as per Schedule 12) include expired Guarantees amount ₹ 1482.68 crore (P.Y. ₹ 1157.12 crore), which has not been cancelled because of pending completion formalities.

15) The Board of the Bank has proposed dividend @ 14% i.e. of ₹ 1.40 per equity share (Face Value of ₹ 10/- per share) for the Financial Year 2023-24 in Board Meeting dated April, 26 2024 subject to requisite approval from Shareholders.

16) Previous year's figures have been regrouped / reclassified wherever considered necessary to make them comparable with current year's figure.

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BANK OF MAHARASHTRA

Statement of Consolidated Cash Flow for the Year Ended 31st March 2024

(Rs. in Thousands)

Particulars	Year Ended 31-03-2024		Year Ended 31-03-2023	
A. Cash Flow From Operating Activities:				
Income				
Interest received during the year from advances, Investments etc.	20494 ,84 ,87		15898 ,59 ,54	
Share of earnings/ loss in Associates	15 ,93 ,92		2 ,20 ,81	
Other Income	2998 ,59 ,36	23509 ,38 ,15	2280 ,93 ,50	18181 ,73 ,85
Less: Expenditure & Provisions				
Interest Paid during the year on Deposits and Borrowings	10671 ,82 ,77		8156 ,78 ,78	
Operating Expenses	4815 ,20 ,10		3922 ,46 ,35	
Provisions & Contingencies	3950 ,57 ,29	19437 ,60 ,16	3497 ,48 ,47	15576 ,73 ,60
Net Increase in Cash due to Increase of Income over Expenses		**4071 ,77 ,99**		**2605 ,00 ,25**
Add : Non Cash Items & Items Considered Separately				
Provisions & Contingencies	3950 ,57 ,29		3497 ,48 ,47	
Depreciation on Fixed Assets	223 ,49 ,02		262 ,48 ,88	
Profit/Loss on sale of Fixed Assets	- ,87 ,08		-1 ,96 ,52	
Share of Earnings/Loss in associates	-15 ,93 ,92		-2 ,20 ,81	
Interest on Bonds, PCPS and PDI	437 ,59 ,00	4594 ,84 ,31	373 ,54 ,36	4129 ,34 ,38
		8666 ,62 ,30		6734 ,34 ,63
Less: Direct Taxes Paid (Net)				
Cash Profit Generated From Operations (I)		**8666 ,62 ,30**		**6734 ,34 ,63**
Increase / (Decrease) of Operating Liabilities:				
Deposits	36662 ,31 ,96		31788 ,84 ,94	
Borrowings other than Bond Borrowings	-3820 ,80 ,27		2080 ,91 ,58	
Other Liabilities & Provision	-2261 ,06 ,20		-3528 ,34 ,09	
Total of Increase In Operating Liabilities	**30580 ,45 ,49**		**30341 ,42 ,43**	
Less: Increase / (Decrease) of Operating Assets				
Investments	-577 ,37 ,97		280 ,46 ,87	
Advances	29019 ,21 ,31		40050 ,23 ,23	
Other Assets	-775 ,60 ,77		-1815 ,00 ,90	
Total of Increase in Operating Assets	**27666 ,22 ,57**		**38515 ,69 ,20**	
Net Increase In Operating Liabilities Over Operating Assets (II)		**2914 ,22 ,92**		**-8174 ,26 ,77**
Cash Flow From Operating Activities (A) = (I+II)		**11580 ,85 ,22**		**-1439 ,92 ,14**
B. Cash Flow From Investing Activities				
Sale of Fixed Assets	3 ,42 ,38		147 ,16 ,41	
Purchase of Fixed Assets	-278 ,90 ,61		-324 ,44 ,85	
Share of Earnings/Loss in associates	15 ,93 ,92		2 ,20 ,81	
Net Cash Flow From Investing Activities (B)		**-259 ,54 ,31**		**-175 ,07 ,63**
C. Cash Flow From Financing Activities:				
i) Issue/ (Redemption) of Bonds	774 ,00 ,00		938 ,00 ,00	
ii) Dividend Paid in FY 2022-23 pertains to previous year	-874 ,96 ,46		-336 ,52 ,48	
iii) Interest on Bonds, PCPS and PDI	-437 ,59 ,00		-373 ,54 ,36	
iv) Issue of equity shares	1000 ,00 ,00		- -	
Cash Flow From Financing Activities (C)		**461 ,44 ,54**		**227 ,93 ,16**
Total Cash Flow During The Year (A+B+C)		**11782 ,75 ,44**		**-1387 ,06 ,61**
Represented By-				
Cash and Cash equivalents at the beginning of the year				
Cash & Balance with RBI		18507 ,72 ,24		19721 ,92 ,92
Balances with Banks & Money at Call & Short notice		21 ,22 ,81		194 ,08 ,74
		18528 ,95 ,05		**19916 ,01 ,66**
Cash and Cash equivalents at the end of the year				
Cash & Balances with RBI		21161 ,34 ,19		18507 ,72 ,24
Balance with banks & money at call & Short notice		9150 ,36 ,30		21 ,22 ,81
		30311 ,70 ,49		**18528 ,95 ,05**
Total Cash Flow During The Year		**11782 ,75 ,44**		**-1387 ,06 ,61**

Note : Previous year figures have been regrouped and reclassified wherever necessary

Bhandari & Co. LLP, Jaipur, Chartered Accountants

Kirtane & Pandit LLP, Pune, Chartered Accountants

Sundaram & Srinivasan, Chennai, Chartered Accountants

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Independent Auditors' Report

To,

The President of India and Members of "BANK OF MAHARASHTRA"

Report on Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Bank of Maharashtra, which comprise the Balance Sheet as at 31st March 2023, the Profit and Loss Account and the Statement of Cash Flows for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date of the Head Office, 42 Zonal Offices and 20 branches and one Treasury and International Banking Division audited by us, and 576 branches audited by Statutory Branch Auditors of the Bank.

   The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows are the returns from 1627 branches which have not been subjected to audit. These unaudited branches account for 22.94% of advances, 44.89% of deposits, 15.91% of interest income and 43.56% interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 in the manner so required for bank and are in conformity with accounting principles generally accepted in India and:

a. the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31st March, 2023;
b. the Profit and Loss Account, read with the notes thereon shows a true balance of profit for the year ended 31st March, 2023 and
c. the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the ICAI. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the ICAI, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI") from time to time 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

3. We draw attention to Note No. 4(h) in Schedule 18 of the Financial Statements where Bank continues to hold COVID-19 related provision of Rs. 1200 Crore as contingency provision as on 31st March 2023.

   Our Opinion is not modified in respect of this matter.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the year ended March 31 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matters	How our Audit procedures addressed the Key Audit Matters
1.	**Classification of Advances, Provisioning and other relevant compliance of RBI Guidelines:** (Refer Note No. 4 of Schedule 17 of Significant Accounting Policy to the Standalone Financial Statements) The Bank's portfolio comprises of Net Advances of 171220.67 Crores as at March 31, 2023 comprising of wholesale and retail banking. As required by IRAC Norms, guidelines issued by RBI and other circulars, notification and directives issued by RBI, the Bank has classified Advances	We have tested the design and operating effectiveness of the Key controls of the system, application, process over approval, recording, monitoring, and recovery of loans, overdue and stressed accounts, identification of NPA, Provision for NPA including verification of valuation reports of experts for primary and collateral securities based on the understanding of the prudential guidelines and overall organisational IT framework of the Bank and its communication through various circulars and reports. We have evaluated the Internal Controls over sanctioning, monitoring the process and account for system overrides or bypasses to controls of

	and has made appropriate provisions in accordance with such guidelines. Income from Advances constitutes 63.18% of Total Income. The provision in respect of Non-Performing Asset is Rs. 2253.10 Crores which constitutes 14.46% of the total expenditure. The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate the IRAC Norms, are not properly followed. The Bank has significant Credit Risk Exposure to a large number of borrowers across a wide range of borrowers, products, industries and there is a high degree of complexity, uncertainty, judgement involved in recoverability of Advances, estimation of provisions thereon and identification of accounts to be written off. If such prudential guidelines are not followed by the Bank the profit for the year and the net advances position will be materially mis-stated. Hence, we consider this as a Key Audit Matter.	advances, supervisory framework such as Internal Audit, Credit Audit, Concurrent Audit, Systems Audit, as well as Internal Check, effectiveness of such framework as per the policies and procedures of the bank and in compliance with prudential guidelines. We have tested samples of Performing Assets and assessed the application of IRAC Norms, as prescribed by RBI, individually to ensure compliance of the same. Also reviewed approval of sanctions against Bank's credit Policy and performance of Credit Assessments and controls. Examined early warning signal reports, other exceptional reports generated by the Bank for the purpose of identifying potential NPA and steps taken for monitoring of such accounts including red flagged accounts to overcome assessed risks and ensure effective implementation of risk management and related controls. We have adopted a framework of carrying out detailed verification of corporate wholesale (including Consortium, Pool Buyout and other large borrowers) by way of review of collateral documents including valuation reports, due diligence report, servicing Agreement, deed of assignment, JLA and External Credit rating reports to assess and focus on larger exposures of the Bank and mitigating the areas of emerging risk. We have discussed with the Senior Management and performed our own assessment including internal and external macroeconomic factors and testing the timelines and the accuracy of risk assessment and risk grading against the Bank's lending policies, IRAC Norms and in accordance with Government Policies. We have examined the Retail advances portfolio of the Bank on sampling basis to ensure effective monitoring and implementation of IRAC norms including income recognition, provisioning for such loans. The Bank has adopted Loan Life Cycle Management System for retail loans which effectively monitors, controls, the retail portfolio of the Bank and is tested for its effective implementation and performance. We have also tested the completeness and accuracy of the data from the underlying source systems, tested the

		automated calculation and evaluated the bank's oversight of the portfolio. We have reviewed the Bank's process for granting moratorium and restructuring to borrowers as per the Regulatory Package announced by RBI. We tested the completeness and accuracy of data used for computing general provisions in line with regulatory package issued by RBI. Also we have relied on the compilation of the data of the restructured accounts at Head office based on the schedules audited by the statutory branch auditors. We have examined the adequacy and appropriateness of disclosures against the relevant RBI requirements relating to NPA and applicable Accounting Standards required to be made in accordance with Banking Regulation Act and RBI Circulars. We have also placed reliance on the Audit reports of the other Statutory Branch Auditors, with whom we have made specific communications.
2.	**Classification and Valuation of Investments:** (Refer Note No. 3 of Schedule 17 of Significant Accounting policies to the Standalone Financial Statements) Investments are classified into Held for Trading (HFT), Available for Sale (AFS) and Held to Maturity (HTM) categories at the time of purchase. Investments intended to be held till maturity are classified as HTM Investments. Classification of Investments, valuation and provisioning thereof are based on RBI guidelines. Compliance of Investment Portfolio as per guidelines issued by RBI is mandatory and involves management judgement in determining the value of bonds, debentures and other securities based on the policy and the model adopted by the Bank. Impact of Impairment assessment is having overall significance to the financial results of the Bank.	We have tested the design, implementation, and operating effectiveness of management's key internal controls of the Bank towards classification, valuation process, independent price verification, including the Bank's review and approval of the estimates and assumptions used for the valuation including key authorisation and data input controls. We have examined the investment agreement / term sheet entered during the current year, on a sample basis, to understand the relevant investment terms and identify any conditions that were relevant to the valuation of financial instruments. Our Audit approach towards Investment Portfolio of the bank is based on compliance and requirements of RBI circulars and directives in relation to valuation, classification, identification of Non-Performing Investments, Provision for Investments and relevant policies and procedures adopted by the Bank including effective implementation of Internal control system and related process. We tested accuracy and completeness of adoption of RBI guidelines and directions by reperforming valuations for each category of the securities. Various sampling techniques were

.	Interest Income from Investment of the Bank comprises . 23.47% of the total income. In view of these significant points including assessment of non performing Investments and provisions we have identified this aspect as a Key Audit Matter.	adopted to ensure coverage of risk weighted Investments based on the nature of security and were tested for its carrying value in the Financial Statements of the Bank. We have verified the non performing investments of the bank by the method of independent verification of provisions and depreciation in accordance with RBI guidelines and confirmed the compliance of such guidelines. We have reviewed the application / conversion of interest / principal towards a separate List of Investments and checking whether these Investments are classified as NPI. The samples selected for the same covers the majority categories of Investments to cover the material impact on the income of the Bank. We have verified Investment portfolio of AFS and HFT on sample basis and performed various substantive analytical procedures in determination of Income, gain / loss on sale and tracked the controls implemented by the Bank through credit / debit in the profit and loss account. We have tested the portfolio of HTM and made detailed verification of transaction of purchase / sale of such HTM and controls implemented by the TIBD in recognizing the profit / loss to profit and loss account and subsequent appropriation to Capital Reserve Account. We have examined the adequacy and appropriateness of depreciation and Impairment of each category of Investment and recomputed the provision to be maintained in accordance with the RBI Guidelines and ensured that adequate disclosures have been made in Notes to Accounts.
3.	**Information Technology Systems and Control Framework:** The Bank's key business objective is determined evaluated, controlled, monitored, implemented through complex IT architecture to support high volume of business operation by automation and application which are significant towards Banking business and plays a major role as a backbone in achieving the Business Objective.	Information Technology forms an integral part of operating requirements of the Bank by way of various applications, general, software controls and requires understanding of various systems and procedures in evaluating the Risk based and business centric requirements of the Bank. We have reviewed the various IT policies and procedures including user management, change management, system security, incident management, physical and environment security, standard operating procedures, Segregation of duty, BCP, DRP, service level agreements, security policies to ensure these are in line with business requirements of the

	The Bank's financial accounting process in respect of recognition of Income, classification of Assets through IRAC Norms and evaluating the performance of the Bank and producing the desired output through various application and other IT general controls to ensure the required business Output and helps us to arrive at the Audit conclusion to ensure quality performance Financial & Accounting Processes. We have identified various application and control framework in implementing various products and schemes which covers majority of Bank's business and hence we consider Information Technology Systems and Control as a Key Audit Matter.	Bank and to comply with government and RBI regulations. We have adopted various techniques such as enquiry, review of documentation, record, reports, observation, and re performance of various application controls by taking adequate samples of instances for our test. We have also tested validation checks using negative testing technique. We have tested various compensating controls and performed alternate procedures which were necessary and gathered a comprehensive understanding of IT applications landscape implemented by the Bank. It was followed by process understanding mapping of application to the same and understanding financial risk posed by people, process and technology. We have also assessed areas including password policies, security configuration, system interface controls over changes to applications and databases and that business users and controls to ensure that developers and production support did not have access to change applications, the operating systems or databases in the production environment to ensure proper segregation of duties is in place as per the SOP. We have tested certain critical aspects of cyber security on network security management mechanism, operational security of key information infrastructure, data and client information management, monitoring and emergency management. through certain data drill conducted by the Management and scrutinised by us and comparing the required results. We have also assessed the requirement of the implementation of Business Continuity Plan initiated by the Bank due to impact of COVID -19 pandemic and ensured sustainability and growth under COVID -19 circumstances. We have verified the testing report carried out by the Management on risk of implementation of security control in a more holistic, comprehensive way, ensuring that all business decisions are based on proper Risk assessment and management considering the overall effect of uncertainties on the Bank's Objective.

4.	**Provisions and Contingent Liability:** Assessment of Provisions and Contingent Liability in respect of certain litigations on various claims filed by other parties not acknowledged as debt (Note No. 10 of Schedule 17 and Note No. 16 of Schedule 18) There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgement, past experience, and advice from legal and independent experts wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in Balance Sheet. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to outcome of these matters which requires application of judgement in interpretation of Law.	We have obtained an understanding of Internal Controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances. Understanding the current status of the litigations / tax assessments. Examining recent orders and communications received from various tax authorities / judicial forums and follow up actions thereon; Evaluated the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of experts. Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues. Verified the disclosures related to significant litigations and taxation matters. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgements / interpretation of law involved.

Information other than the Standalone Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors is responsible for other information. The other information comprises the information other than Standalone Financial Statements and our Auditors' Report thereon and the Pillar III disclosure under the Basel III disclosure.

   Our opinion on the Standalone Financial Statements does not cover the other information and Pillar 3 disclosure under the Basel III Disclosure and we do not express any form of assurance conclusion thereon

   In connection with our Audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

   When we read the other information and based on the work we perform, if we conclude that there is a material misstatement therein, we are required to report that fact to those charged with governance.

Kirtane & Pandit LLP Chartered Accountants Pune

Sundaram & Srinivasan Chartered Accountants New No: 4, Old No: 23, CPR Road, Chennai 600 018.

S Bhandari & Co LLP Chartered Accountants Jaipur

Rodi Dabir & Co. Chartered Accountants FRN: 108846W

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The Bank's Board of Directors is responsible with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the standalone financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

   The Board of Directors is also responsible for overseeing the Bank's Financial Reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

   As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of Internal Control relevant to the Audit in order to design Audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of Standalone Financial Statements 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 effect of identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

8. We did not audit the financial statements / information of 576 branches included in the Standalone Financial Statements of the Bank whose Financial Statements / Financial Information reflect total advances of Rs. 63295.49 crores as at March 31, 2023 and total revenue of Rs. 5151.98 crores for the year ended on that date, as considered in the Standalone Financial Statements. These branches cover 32.49% of advances, 44.35% of deposits and 39.64% of non-performing assets as at March 31, 2023 and 28.34% revenue for the year ended March 31, 2023. The Financial 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 branches, is based solely on the report of such Branch Auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;

   Subject to the limitations of the audit indicated in paragraphs 6 to 8 above and as required by sub section 3 of section 30 of the Banking Regulation Act, 1949, and subject also to the limitations of disclosure required therein, we report that:

   a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory.
   b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
   c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

10. As required by letter no. DOS.ARG.No.6270/08.91.001/2019- 20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communications dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

    a) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

    b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.

    c) As the bank is not registered under the Companies Act, 2013 the disqualifications from being a director of the bank under the sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank.

KIRTANE & PANDIT LLP
PUNE
Chartered Accountants

SUNDARAM & SRINIVASAN
New No. 4, Old No. 23, CPR Road, Chennai 600 018.
CHARTERED ACCOUNTANTS

S BHANDARI & CO LLP
JAIPUR
Chartered Accountants

RODI DABIR & CO.
FRN: [illegible]
CHARTERED ACCOUNTANTS

d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.

e) Our audit report on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting is given in **Annexure A** to this report. Our report expresses an unmodified opinion on the Bank's internal financial controls over financial reporting with reference to the Standalone Financial Statements as at March 31, 2023.

11. We further report that:

a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

b) the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows dealt with by this report are in agreement with the books of accounts and with the returns received from the branches not visited by us;

c) the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and

d) in our opinion, the Balance Sheet, the Statement of Profit and Loss Account and the Statement of Cash Flows comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

For M/s. Rodi Dabir & Co. Chartered Accountants	For M/s. S Bhandari & Co LLP Chartered Accountants	For M/s. Kirtane & Pandit LLP Chartered Accountants	For M/s. Sundaram & Srinivasan Chartered Accountants
FRN – 108846W	FRN – 000560C/ C400334	FRN – 105215W/ W100057	FRN – 004207S
CA Sudhir Dabir	CA P D Baid	CA Sandeep Welling	CA P Menakshi Sundaram
Partner	Partner	Partner	Partner
M No 039984	M No 072625	M No 044576	M No 217914
UDIN: 23039984BGZBUH5229	UDIN: 23072625BGXCSY8315	UDIN: 23044576BGXPRJ1709	UDIN: 23217914BGWPBV4256

Date: 24.04.2023
Place: Pune

M/s. Rodi Dabir & Co.
Chartered Accountants,
282, Kapish House, Mata Mandir Road,
Khare Town, Dharampeth, Nagpur-440010

M/s. S Bhandari & Co LLP
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P-7, Tilak Marg, C-Scheme,
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5th. Floor, Wing A, Gopal House,
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M/s. Sundaram & Srinivasan
Chartered Accountants,
23, CP Ramaswamy Road, Alwarpet,
Chennai-600 018

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 10 e under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the "RBI") Letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the "RBI communication")

We have audited the internal financial controls over financial reporting of Bank of Maharashtra ("the Bank") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting of the Bank's branches.

Management's Responsibility for Internal Financial Controls:

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the auditto obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over FinancialReporting

A Bank's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A Bank's internal financial controls over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of theBank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls OverFinancial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, materialmisstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the Other Matters paragraph below, the Bank has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report insofar as it relates to the operating effectiveness of internal financial controls over financial reporting of 105 branches is based on the corresponding reports of the respective branch auditors of those branches.

Our opinion is not modified in respect of this matter.

For M/s. Rodi Dabir & Co. Chartered Accountants	**For M/s. S Bhandari & Co LLP** Chartered Accountants	**For M/s. Kirtane & Pandit LLP** Chartered Accountants	**For M/s. Sundaram & Srinivasan** Chartered Accountants
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Date: 24.04.2023
Place: Pune

बँक ऑफ महाराष्ट्र
Bank of Maharashtra
भारत सरकार का उद्यम
एक परिवार एक बैंक

HEAD OFFICE: "LOKMANGAL", 1501 SHIVAJINAGAR, PUNE 411005

BALANCE SHEET AS ON 31st-Mar-2023

(Rs. in thousands)

	Schedule	As on 31st-Mar-2023 (Current Year)	As on 31st-Mar-2022 (Previous Year)
CAPITAL AND LIABILITIES			
Capital	1	6730 ,49 ,64	6730 ,49 ,64
Reserves & Surplus	2	8879 ,76 ,80	7154 ,37 ,22
Deposits	3	234082 ,68 ,37	202294 ,29 ,18
Borrowings	4	10765 ,65 ,77	7746 ,74 ,19
Other Liabilities & Provisions	5	7192 ,78 ,43	6685 ,46 ,28
TOTAL		**267651 ,39 ,01**	**230611 ,36 ,51**
ASSETS			
Cash and Balances with Reserve Bank of India	6	18507 ,72 ,06	19721 ,92 ,62
Balances with Banks, Money at call & short notice	7	21 ,19 ,01	194 ,04 ,65
Investments	8	68866 ,95 ,10	68589 ,97 ,16
Advances	9	171220 ,67 ,12	131170 ,43 ,89
Fixed Assets	10	2156 ,70 ,97	2241 ,65 ,51
Other Assets	11	6878 ,14 ,75	8693 ,32 ,68
TOTAL		**267651 ,39 ,01**	**230611 ,36 ,51**
Contingent Liabilities	12	24589 ,06 ,77	30613 ,56 ,04
Bills for Collection		6345 ,88 ,83	5819 ,51 ,14
Significant accounting policies	17		
Notes on Accounts	18		

The Schedules 1 to 18 form an integral part of the Accounts.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st-Mar-2023

(Rs. in thousands)

	Schedule	Year ended 31st-Mar-2023 (Current Year)	Year ended 31st-Mar-2022 (Previous Year)
I. INCOME			
Interest earned	13	15898 ,45 ,86	13019 ,21 ,99
Other Income	14	2280 ,27 ,07	2652 ,47 ,93
TOTAL		**18178 ,72 ,93**	**15671 ,69 ,92**
II. EXPENDITURE			
Interest expended	15	8157 ,68 ,09	6974 ,82 ,31
Operating Expenses	16	3921 ,83 ,56	3849 ,01 ,28
Provisions & contingencies		3497 ,17 ,54	3696 ,32 ,71
TOTAL		**15576 ,69 ,19**	**14520 ,16 ,30**
PROFIT/LOSS			
Net Profit for the year		2602 ,03 ,74	1151 ,53 ,62
Add: Profit brought forward		472 ,49 ,33	52 ,15 ,96
TOTAL		**3074 ,53 ,07**	**1203 ,69 ,58**
APPROPRIATIONS			
Transfer to Statutory Reserve		650 ,50 ,94	287 ,88 ,40
Transfer to Capital Reserve		12 ,29 ,48	83 ,69 ,37
Transfer to Revenue Reserve		-	-
Transfer to Special Reserve		-	-
Transfer to Investment Fluctuation Reserve		-	23 ,10 ,00
Proposed dividend (Equity)		874 ,96 ,46	336 ,52 ,48
Balance carried over to Balance Sheet		1536 ,76 ,19	472 ,49 ,33
TOTAL		**3074 ,53 ,07**	**1203 ,69 ,58**
Earning per share (Basic & Diluted) (Rupees)		3.87	1.72

SARDAR BALJIT SINGH
DIRECTOR

SHASHANK SHRIVASTAVA
DIRECTOR

RAKESHKUMAR
DIRECTOR

MANOJ K. VERMA
DIRECTOR

PRASHANT KUMAR GOYAL
DIRECTOR

ASHEESH PANDEY
EXECUTIVE DIRECTOR

A.B. VIJAYAKUMAR
EXECUTIVE DIRECTOR

A.S. RAJEEV
MANAGING DIRECTOR & CEO

KEYUR TALATI
CHIEF MANAGER, FM&A

MUDIT AGARWAL
ASST. GENERAL MANAGER, FM&A

V P SRIVASTAVA
GENERAL MANAGER & CFO

- AS PER OUR REPORT OF EVEN DATE ATTACHED -

For M/s. Rodi Dabir & Co.
FRN-108846W
Chartered Accountants
CA Sudhir Dabir
Partner
Membership No: 039984
UDIN - 23039984BGZBUH5229

For M/s. S Bhandari & Co LLP
FRN – 000560C/C400334
Chartered Accountants
CA P D Baid
Partner
Membership No: 072625
UDIN - 23072625BGXCSY8315

For M/s. Kirtane & Pandit LLP
FRN- 105215W/W100057
Chartered Accountants
CA Sandeep Welling
Partner
Membership No: 044576
UDIN - 23044576BGXPRJ1709

For M/s. Sundaram & Srinivasan
FRN- 004207S
Chartered Accountants
CA P Menakshi Sundaram
Partner
Membership No: 217914
UDIN - 23217914BGWPBV4256

Place: Pune
Date: 24.04.2023

SCHEDULE-1 CAPITAL

(₹ in thousands)

	As on 31st-Mar-2023 (Current Year)		As on 31st-Mar-2022 (Previous Year)	
Authorised Capital				
10,00,00,00,000 Equity Shares (Previous Year 10,00,00,00,000) of Rs. 10/- each		**10000 ,00 ,00**		**10000 ,00 ,00**
Issued & Subscribed				
673,04,96,447 Equity Shares (Previous Year 673,04,96,447) of Rs.10/- each				
Opening Balance	6730 ,49 ,64		6560 ,15 ,89	
Additions during the Year	-	6730 ,49 ,64	170 ,33 ,75	6730 ,49 ,64
Paid Up Capital				
a. Held by Central Government	6122 ,62 ,79		6122 ,62 ,79	
612,26,27,927 (Previous Year 612,26,27,927) Equity shares of Rs.10/- each				
b. Held by the Public & Others	607 ,86 ,85		607 ,86 ,85	
60,78,68,520 (Previous Year 60,78,68,520) Equity Shares of Rs.10/- each				
Less: Allotment money due	-	6730 ,49 ,64	-	6730 ,49 ,64
		6730 ,49 ,64		**6730 ,49 ,64**
TOTAL		**6730 ,49 ,64**		**6730 ,49 ,64**

SCHEDULE-2 RESERVES AND SURPLUS

(₹ in thousands)

	As on 31st-Mar-2023 (Current Year)		As on 31st-Mar-2022 (Previous Year)	
I. STATUTORY RESERVE				
i) Opening Balance	1775 ,08 ,50		1487 ,20 ,10	
ii) Addition during the Year	650 ,50 ,94	2425 ,59 ,44	287 ,88 ,40	1775 ,08 ,50
II. CAPITAL RESERVE				
i) Opening Balance	685 ,26 ,45		601 ,57 ,08	
ii) Addition during the Year	12 ,29 ,48		83 ,69 ,37	
iii) Deduction during the Year	-	697 ,55 ,93	-	685 ,26 ,45
III. SHARE PREMIUM				
i) Opening Balance	328 ,31 ,28		94 ,95 ,04	
ii) Addition during the Year	-		233 ,36 ,24	
iii) Deduction during the Year	-	328 ,31 ,28	-	328 ,31 ,28
IV. REVENUE AND OTHER RESERVES				
a) REVENUE RESERVE				
i) Opening Balance	1838 ,89 ,05		1710 ,25 ,48	
ii) Addition during the Year	102 ,46 ,05		128 ,63 ,57	
iii) Deduction during the Year	-	1941 ,35 ,10	-	1838 ,89 ,05
b) SPECIAL RESERVE				
i) Opening Balance	51 ,26 ,04		51 ,26 ,04	
ii) Addition during the Year	-		-	
iii) Deduction during the Year	-	51 ,26 ,04	-	51 ,26 ,04
c) REVALUATION RESERVE				
i) Opening Balance	1576 ,96 ,57		1172 ,62 ,32	
ii) Addition during the Year	-		1705 ,60 ,14	
iii) Deduction during the Year	104 ,13 ,75	1472 ,82 ,82	1301 ,25 ,89	1576 ,96 ,57
d) INVESTMENT FLUCTUATION RESERVE ACCOUNT				
i) Opening Balance	426 ,10 ,00		403 ,00 ,00	
ii) Addition during the Year	-		23 ,10 ,00	
iii) Deduction during the Year	-	426 ,10 ,00	-	426 ,10 ,00
V. BALANCE IN PROFIT AND LOSS ACCOUNT				
i) Opening balance	472 ,49 ,33		52 ,15 ,96	
ii) Addition during the Year	1064 ,26 ,86		420 ,33 ,37	
iii)Deductions during the Year	-	1536 ,76 ,19	-	472 ,49 ,33
TOTAL		**8879 ,76 ,80**		**7154 ,37 ,22**

SCHEDULE-3 DEPOSITS

(₹ in thousands)

	As on 31st-Mar-2023 (Current Year)		As on 31st-Mar-2022 (Previous Year)	
A. I. DEMAND DEPOSITS				
i) From Banks	81 ,57 ,71		107 ,03 ,26	
ii) From others	28219 ,17 ,32	28300 ,75 ,03	28071 ,50 ,97	28178 ,54 ,23
II. SAVINGS BANK DEPOSITS		96660 ,19 ,76		88856 ,62 ,14
III. TERM DEPOSITS				
i) From Banks	933 ,76 ,23		459 ,91 ,52	
ii) From others	108187 ,97 ,35	109121 ,73 ,58	84799 ,21 ,29	85259 ,12 ,81
TOTAL (I, II & III)		**234082 ,68 ,37**		**202294 ,29 ,18**
B. (i) Deposits of Branches in India		234082 ,68 ,37		202294 ,29 ,18
(ii) Deposits of Branches outside India		-		-
TOTAL		**234082 ,68 ,37**		**202294 ,29 ,18**

SCHEDULE-4 BORROWINGS

(₹ in thousands)

	As on 31st-Mar-2023 (Current Year)		As on 31st-Mar-2022 (Previous Year)	
I. BORROWINGS IN INDIA				
i) Reserve Bank Of India	500 ,00 ,00		500 ,00 ,00	
ii) Other Banks	-		-	
iii) Other Institutions and Agencies	5395 ,94 ,07		3351 ,04 ,19	
iv) Other Borrowings				
a) Innovative Perpetual Debt Instruments (IPDI)	1880 ,00 ,00		290 ,00 ,00	
b) Hybrid Debt Capital Instruments issued as Bonds	-		-	
c) Subordinated Debt Bonds	2953 ,70 ,00		3605 ,70 ,00	
d) Infra Bonds	-	10729 ,64 ,07	-	7746 ,74 ,19
II. BORROWINGS OUTSIDE INDIA		36 ,01 ,70		-
TOTAL (I & II)		**10765 ,65 ,77**		**7746 ,74 ,19**
III. SECURED BORROWINGS INCLUDED IN I & II ABOVE		4497 ,76 ,07		3694 ,69 ,19

SCHEDULE-5 OTHER LIABILITIES AND PROVISIONS

(₹ in thousands)

	As on 31st-Mar-2023 (Current Year)		As on 31st-Mar-2022 (Previous Year)	
I. Bills Payable		696 ,22 ,51		809 ,96 ,29
II. Inter-office adjustments (net)		156 ,36 ,85		749 ,26 ,05
III. Interest Accrued		407 ,45 ,79		272 ,87 ,88
IV. Others (including provisions):				
i) Provision against standard assets	1541 ,27 ,88		1635 ,62 ,85	
ii) Other liabilities (including provisions)	4391 ,45 ,40	5932 ,73 ,28	3217 ,73 ,21	4853 ,36 ,06
TOTAL		**7192 ,78 ,43**		**6685 ,46 ,28**

Rodi Dabir & Co. Nagpur Chartered Accountants

S. Bhandari & Co. LLP Jaipur Chartered Accountants

Kirtane & Pandit LLP Pune Chartered Accountants

Sundaram & Srinivasan Chennai Chartered Accountants

वि.प्र.आर ले. F.M.& A. पुणे/PUNE-5 Bank of Maharashtra

SCHEDULE - 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in thousands)

	As on 31st-Mar-2023 (Current Year)		As on 31st-Mar-2022 (Previous Year)	
I. Cash in hand (including foreign currency notes)		1094 ,91 ,54		1123 ,43 ,83
II. Balances with Reserve Bank of India				
i) In Current Accounts	10080 ,80 ,52		9898 ,48 ,79	
ii) In other Accounts	7332 ,00 ,00	17412 ,80 ,52	8700 ,00 ,00	18598 ,48 ,79
TOTAL (I & II)		**18507 ,72 ,06**		**19721 ,92 ,62**

SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(₹ in thousands)

	As on 31st-Mar-2023 (Current Year)		As on 31st-Mar-2022 (Previous Year)	
I. In India i) Balances with Banks in				
(a) Current Accounts	6 ,00 ,45		13 ,76 ,13	
(b) Other Deposit Accounts	15 ,18 ,56	21 ,19 ,01	15 ,18 ,56	28 ,94 ,69
ii) Money at call and short notice				
(a) With Banks	-		, ,	
(b) With Other Institutions	-	, ,	139 ,05 ,27	139 ,05 ,27
TOTAL (I & II)		**21 ,19 ,01**		**167 ,99 ,96**
II. Outside India Balances with Banks in				
(a) Current Accounts	-		26 ,04 ,69	
(b) Other Deposit Accounts	-		-	
(c) Money at Call & Short Notice	-		-	26 ,04 ,69
TOTAL		**-**		**26 ,04 ,69**
GRAND TOTAL (I & II)		**21 ,19 ,01**		**194 ,04 ,65**

SCHEDULE-8 INVESTMENTS

(₹ in thousands)

	As on 31st-Mar-2023 (Current Year)		As on 31st-Mar-2022 (Previous Year)	
A. I. Investments in India in				
a) Government Securities (inclusive of treasury bills & zero coupon bonds)		64252 ,98 ,01		63409 ,31 ,64
b) Other approved securities				
c) Shares		335 ,20 ,40		274 ,40 ,56
d) Debentures and Bonds		3878 ,80 ,28		4308 ,80 ,21
e) Subsidiaries and/or Joint Ventures		109 ,56 ,92		73 ,42 ,11
f) Others				
i) Units of U T I/ Mutual funds/ VCF's etc.	65 ,73 ,11		235 ,21 ,94	
ii) Certificate of Deposits	224 ,66 ,38		288 ,80 ,70	
iii) Commercial Papers	-		-	
iv) PTCs	-		-	
v) Others	-	2,903,949	-	524 ,02 ,64
TOTAL		**68866 ,95 ,10**		**68589 ,97 ,16**
II. Investments outside India		, ,		, ,
TOTAL		, ,		, ,
GRAND TOTAL (I & II)		68866 ,95 ,10		68589 ,97 ,16
B. a) Gross Investments in India	69215 ,26 ,30		69092 ,68 ,45	
Less: Depreciation on Investment	260 ,06 ,73		344 ,84 ,15	
Less: Provisions on Investment	88 ,24 ,47	68866 ,95 ,10	157 ,87 ,14	68589 ,97 ,16
Net Investment		68866 ,95 ,10		68589 ,97 ,16
b) Gross Investments outside India	-	-	-	-
TOTAL (a & b)		**68866 ,95 ,10**		**68589 ,97 ,16**

SCHEDULE-9 ADVANCES

(₹ in thousands)

	As on 31st-Mar-2023 (Current Year)		As on 31st-Mar-2022 (Previous Year)	
A. i) Bills purchased and discounted	903 ,20 ,06		679 ,62 ,70	
ii) Cash Credits, Overdrafts & Loans repayable on demand	49434 ,02 ,06		42528 ,16 ,13	
iii) Term Loans	120883 ,45 ,00	171220 ,67 ,12	87962 ,65 ,06	131170 ,43 ,89
TOTAL		**171220 ,67 ,12**		**131170 ,43 ,89**
B. i) Secured by tangible assets (includes advances against Book Debts)	139173 ,61 ,26		109090 ,23 ,49	
ii) Covered by Bank/Government Guarantees	853 ,39 ,61		866 ,87 ,40	
iii) Unsecured	31193 ,66 ,25	171220 ,67 ,12	21213 ,33 ,00	131170 ,43 ,89
TOTAL		**171220 ,67 ,12**		**131170 ,43 ,89**
C. I. Advances in India i) Priority Sector	64251 ,20 ,74		54204 ,22 ,28	
ii) Public Sector	30556 ,87 ,64		23366 ,24 ,69	
iii) Banks	729 ,76 ,39		,8 ,93	
iv) Others	75682 ,82 ,35	**171220 ,67 ,12**	53599 ,87 ,99	**131170 ,43 ,89**
II. Advances outside India	-		-	
TOTAL (C.I & C.II)		**171220 ,67 ,12**		**131170 ,43 ,89**

SCHEDULE-10 FIXED ASSETS

(₹ in thousands)

	As on 31st-Mar-2023 (Current Year)		As on 31st-Mar-2022 (Previous Year)	
I. Premises *				
1. At cost as on 31st March of the preceding Year (includes increase in the value on account of revaluation of certain premises in earlier Years)	1928 ,67 ,42		1704 ,12 ,63	
2. Addition during the Year	10 ,75 ,09		16 ,73 ,42	
3. Addition on account of revaluation during the Year			207 ,81 ,37	
	1939 ,42 ,51		1928 ,67 ,42	
4. Deduction during the Year	1 ,67 ,70			
	1937 ,74 ,81		1928 ,67 ,42	
5. Depreciation to date	314 ,49 ,11	1623 ,25 ,70	208 ,72 ,59	1719 ,94 ,83
II.Capital Work -in-progress		7 ,50 ,58		205 ,22 ,63
II. Other Fixed Assets (including furniture and fixtures)				
1. At cost as on 31st March of the preceding Year	1636 ,77 ,79		1528 ,44 ,77	
2. Addition during the Year	368 ,11 ,09		139 ,48 ,12	
	2004 ,88 ,88		1667 ,92 ,89	
3. Deduction during the Year	396 ,81 ,21		31 ,15 ,10	
	1608 ,07 ,67		1636 ,77 ,79	
4. Depreciation to date	1082 ,12 ,98	525 ,94 ,69	1320 ,29 ,74	316 ,48 ,05
TOTAL (I & II)		**2156 ,70 ,97**		**2241 ,65 ,51**

SCHEDULE-11 OTHER ASSETS

(₹ in thousands)

	As on 31st-Mar-2023 (Current Year)		As on 31st-Mar-2022 (Previous Year)	
I. Inter-office adjustments (net)		-		-
II. Interest accrued		1283 ,95 ,55		1326 ,26 ,09
III. Tax paid in advance/tax deducted at source		1838 ,21 ,16		2019 ,96 ,60
IV. Stationery and Stamps		3 ,29 ,91		3 ,22 ,66
V. Non-banking assets acquired in satisfaction of claims		-		-
VI. Others *		3752 ,68 ,13		5343 ,87 ,33
TOTAL (I, II, III, IV, V & VI)		**6878 ,14 ,75**		**8693 ,32 ,68**

* Note : Others assets include Net Deferred Tax asset of Rs. in thousands 1261,20,11 (Previous Year Net DTA Rs. in thousands 2104,04,98)

RODI DABIR & CO. NAGPUR Chartered Accountants
S. BHANDARI & CO. LLP JAIPUR Chartered Accountants
KIRTANE & PANDIT LLP PUNE Chartered Accountants
SUNDARAM & SRINIVASAN CHENNAI Chartered Accountants
वि.प्र.और ले. F.M.& A. पुणे/PUNE-5

SCHEDULE-12 CONTINGENT LIABILITIES

(₹ in thousands)

	As on 31st-Mar-2023 (Current Year)		As on 31st-Mar-2022 (Previous Year)	
I. Claims against the Bank not acknowledged as debts		1375 ,62 ,29		1375 ,40 ,50
II. Liability for partly paid investments		-		-
III. Liability on account of outstanding forward exchange contracts*		12076 ,49 ,65		19718 ,99 ,45
IV. Guarantees given on behalf of constituents				
(a) In India	8676 ,57 ,07		7475 ,87 ,39	
(b) Outside India	141 ,46 ,18	8818 ,03 ,25	146 ,43 ,93	7622 ,31 ,32
V. Acceptances,endorsements and obligations		1474 ,35 ,53		1287 ,12 ,25
VI. Other items for which Bank is contigently liable		844 ,56 ,05		609 ,72 ,52
TOTAL (I, II, III, IV, V & VI)		**24589 ,06 ,77**		**30613 ,56 ,04**

* Contingent liabilities in respect of forward exchange contracts include both sale and purchase contracts

SCHEDULE-13 INTEREST EARNED

(₹ in thousands)

	For the Year ended 31st-Mar-2023 (Current Year)		For the Year ended 31st-Mar-2022 (Previous Year)	
I. Interest/Discount on Advances/Bills		11485 ,81 ,53		8231 ,55 ,72
II. Interest on Investments	4481 ,76 ,49		4520 ,08 ,65	
Less - Amortisation of Investments	214 ,84 ,70	4266 ,91 ,79	135 ,39 ,67	4384 ,68 ,98
III. Interest on balances with Reserve Bank of India & other inter bank funds		52 ,43 ,07		90 ,69 ,88
IV. Others		93 ,29 ,47		312 ,27 ,41
TOTAL (I, II, III & IV)		**15898 ,45 ,86**		**13019 ,21 ,99**

SCHEDULE-14 OTHER INCOME

(₹ in thousands)

	For the Year ended 31st-Mar-2023 (Current Year)		For the Year ended 31st-Mar-2022 (Previous Year)	
I. Commission, exchange, and brokerage		1309 ,11 ,52		1233 ,34 ,21
II. Profit on sale of investments	130 ,15 ,81		537 ,87 ,67	
Less : Loss on sale of Investments	24 ,02 ,75	106 ,13 ,06	13 ,00 ,54	524 ,87 ,13
III. Profit on revaluation of Investments	-		-	
Less: Loss on revaluation of Investments	208 ,71 ,10	-208 ,71 ,10	97 ,81 ,63	-97 ,81 ,63
IV. Profit on sale of land, buildings and other assets	3 ,69 ,04		3 ,09 ,90	
Less : Loss on sale of land,buildings and other assets	1 ,72 ,52	1 ,96 ,52	2 ,05 ,59	1 ,04 ,31
V. Profit on Exchange Transactions	78 ,04 ,02		129 ,05 ,30	
Less: Loss on Exchange Transactions	-	78 ,04 ,02	-	129 ,05 ,30
VI. Income earned by way of dividends etc. from subsidiaries/ companies and/or Joint Ventures abroad/in India		2 ,62 ,27		2 ,05 ,51
VII. Miscellaneous Income*		991 ,10 ,78		859 ,93 ,10
TOTAL (I, II, III, IV, V, VI & VII)		**2280 ,27 ,07**		**2652 ,47 ,93**

*Misc. Income includes Recovery in W/Off Rs. In thousands 943,17,32 (642 ,12 ,70). PSLC Commission of Rs. in thousands 4,51,50 (188 ,40 ,00)

SCHEDULE-15 INTEREST EXPENDED

(₹ in thousands)

	For the Year ended 31st-Mar-2023 (Current Year)		For the Year ended 31st-Mar-2022 (Previous Year)	
I. Interest on deposits		7186 ,44 ,38		6458 ,16 ,61
II. Interest on Reserve Bank of India / inter-bank borrowings		59 ,77 ,27		30 ,91 ,39
III. Others		911 ,46 ,44		485 ,74 ,31
TOTAL (I, II & III)		**8157 ,68 ,09**		**6974 ,82 ,31**

SCHEDULE-16 OPERATING EXPENSES

(₹ in thousands)

	For the Year ended 31st-Mar-2023 (Current Year)		For the Year ended 31st-Mar-2022 (Previous Year)	
I. Payments to and provisions for employees		2058 ,27 ,89		2070 ,58 ,93
II. Rent,taxes and lighting		248 ,22 ,82		228 ,08 ,53
III. Printing and stationery		26 ,06 ,38		22 ,28 ,73
IV. Advertisement and publicity		33 ,39 ,66		29 ,84 ,02
V. Depreciation on Bank's property		262 ,47 ,67		268 ,34 ,08
VI. Directors' fees, allowances and expenses		1 ,36 ,18		52 ,02
VII. Auditors' fees and expenses		15 ,75 ,35		17 ,19 ,83
VIII. Law Charges		59 ,11 ,82		39 ,38 ,71
IX. Postage, Telegrams, Telephones, etc.		53 ,88 ,03		42 ,97 ,49
X. Repairs and maintenance		215 ,98 ,58		192 ,82 ,82
XI. Insurance		235 ,51 ,24		224 ,34 ,53
XII. Other expenditure		711 ,77 ,94		712 ,61 ,59
TOTAL (I, II, III, IV, V, VI, VII, VIII, IX, X, XI & XII)		**3921 ,83 ,56**		**3849 ,01 ,28**

RODI DABIR & CO. NAGPUR Chartered Accountants
S. BHANDARI & CO. LLP JAIPUR
KIRTANE & PANDIT LLP PUNE Chartered Accountants
SUNDARAM & SRINIVASAN CHENNAI Chartered Accountants
Bank of Maharashtra F.M. & A. PUNE

BANK OF MAHARASHTRA

Statement of Cash Flow for the Year Ended 31st March 2023

(Rs. In Thousands)

Particulars	Year Ended 31-03-2023		Year Ended 31-03-2022	
A. Cash Flow From Operating Activities:				
Income				
Interest received during the year from advances, Investments etc.	15898 ,45 ,86		13594 ,21 ,99	
Other Income	2280 ,27 ,07	18178 ,72 ,93	2652 ,47 ,93	16246 ,69 ,92
Less: Expenditure & Provisions				
Interest Paid during the year on Deposits and Borrowings	8157 ,68 ,09		6974 ,82 ,31	
Operating Expenses	3921 ,83 ,56		3849 ,01 ,28	
Provisions & Contingencies	3497 ,17 ,54	15576 ,69 ,19	4271 ,32 ,71	15095 ,16 ,30
Net Increase in Cash due to Increase of Income over Expenses		**2602 ,03 ,74**		**1151 ,53 ,62**
Add : Non Cash Items & Items Considered Separately				
Provisions & Contingencies	3497 ,17 ,54		4271 ,32 ,71	
Depreciation on Fixed Assets	262 ,47 ,67		268 ,34 ,08	
Profit/Loss on sale of Fixed Assets	-1 ,96 ,52		-1 ,04 ,31	
Interest on Bonds, PCPS and IPDI	373 ,54 ,36	4131 ,23 ,05	315 ,61 ,78	4854 ,24 ,26
		6733 ,26 ,79		6005 ,77 ,88
Less: Direct Taxes Paid (Net)		, ,		325 ,00 ,00
Cash Profit Generated From Operations (I)		**6733 ,26 ,79**		**5680 ,77 ,88**
Increase / (Decrease) of Operating Liabilities:				
Deposits	31788 ,39 ,19		28288 ,67 ,27	
Borrowings other than Bond Borrowings	2080 ,91 ,58		3217 ,99 ,07	
Other Liabilities & Provision	-3528 ,29 ,22		-4209 ,85 ,26	
Total of Increase of Operating Liabilities	**30341 ,01 ,55**		**27296 ,81 ,08**	
Less: Increase / (Decrease) of Operating Assets				
Investments	276 ,97 ,94		478 ,32 ,71	
Advances	40050 ,23 ,23		28765 ,27 ,21	
Other Assets	-1815 ,17 ,93		-3164 ,14 ,17	
Total of Increase of Operating Assets	**38512 ,03 ,24**		**26079 ,45 ,75**	
Net Increase Of Operating Liabilities Over Operating Assets (II)		**-8171 ,01 ,69**		**1217 ,35 ,33**
Cash Flow From Operating Activities (A) = (I+II)		**-1437 ,74 ,90**		**6898 ,13 ,21**
B. Cash Flow From Investing Activities				
Sale of Fixed Assets	147 ,20 ,39		7 ,07 ,92	
Purchase of Fixed Assets	-324 ,44 ,85		-309 ,05 ,16	
Net Cash Flow Form Investing Activities (B)		**-177 ,24 ,46**		**-301 ,97 ,24**
C. Cash Flow From Financing Activities:				
i) Issue/ (Redemption) of Bonds	938 ,00 ,00		290 ,00 ,00	
ii) Dividend Paid in FY 2022-23 pertains to previous year	-336 ,52 ,48			
iii) Dividend Distribution Tax				
iv) Interest on Bonds, PCPS and IPDI	-373 ,54 ,36		-315 ,61 ,78	
v) Issue of Equity Shares /(Share Aplication Money)			403 ,69 ,99	
Cash Flow From Financing Activities (C)		**227 ,93 ,16**		**378 ,08 ,21**
Total Cash Flow During The Year (A+B+C)		**-1387 ,06 ,20**		**6974 ,24 ,19**

Note : Previous year figures have been regrouped and reclassified whenever necessary.

(Rs. in Thousands)

Particulars	Year Ended 31-03-2023	Year Ended 31-03-2022
Represented By-		
Cash and Cash equivalents at the beginning of the year		
Cash & Balance with RBI	19721 ,92 ,62	12882 ,48 ,23
Balances with Banks & Money at Call & Short notice	194 ,04 ,65	59 ,24 ,85
	19915 ,97 ,27	**12941 ,73 ,08**
Cash and Cash equivalents at the end of the year		
Cash & Balances with RBI	18507 ,72 ,06	19721 ,92 ,62
Balance with banks & money at call & Short notice	21 ,19 ,01	194 ,04 ,65
	18528 ,91 ,07	**19915 ,97 ,27**
Total Cash Flow During The Year	**-1387 ,06 ,20**	**6974 ,24 ,19**

SARDAR BALJIT SINGH
DIRECTOR

SHASHANK SHRIVASTAVA
DIRECTOR

RAKESHKUMAR
DIRECTOR

MANOJ K. VERMA
DIRECTOR

PRASHANT KUMAR GOYAL
DIRECTOR

ASHEESH PANDEY
EXECUTIVE DIRECTOR

A.B. VIJAYAKUMAR
EXECUTIVE DIRECTOR

A.S. RAJEEV
MANAGING DIRECTOR & CEO

KEYUR TALATI
CHIEF MANAGER, FM&A

MUDIT AGARWAL
ASST. GEN. MANAGER, FM&A

V P SRIVASTAVA
GENERAL MANAGER & CFO

As per our report of even date attached

For M/s. Rodi Dabir & Co.
FRN-108846W
Chartered Accountants

CA Sudhir Dabir
Partner
Membership No: 039984
UDIN - 23039984BGZBUH5229

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UDIN - 23217914BGWPBV4256

Place: Pune
Date: 24.04.2023

BANK OF MAHARASHTRA
(F.Y. 2022-23)

SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES

(ANNEXED TO AND FORMING PART OF THE STANDALONE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2023)

1. Basis of Preparation of Financial Statements:

1.1 The financial statements are prepared under the historical cost conventions except as otherwise stated and conform to the Generally Accepted Accounting Principles (GAAP) which include statutory provisions, practices prevailing within the Banking Industry in India, the regulatory/ Reserve Bank of India ("RBI") guidelines, applicable Accounting Standards/ Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI).

1.2 **Use of Estimates**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of Assets and Liabilities (including contingent liabilities) as of the date of financial statements and reported income and expenses for the year under report. Management is of the view that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates. Any revisions to the accounting estimates shall be recognized prospectively unless otherwise stated.

1.3 Revenue and costs are accounted for on accrual basis except as stated in para 6.1 below.

1.4 The accounting policies with regard to Revenue Recognition, Investments and Advances are in conformity with the prudential accounting norms and guidelines issued by Reserve Bank of India from time to time.

2. Foreign Exchange Transactions:

2.1 The foreign currency transactions are translated at the weekly average closing rates for the preceding week as published by Foreign Exchange Dealers' Association of India (FEDAI). Revaluation of foreign currency assets and liabilities as on Balance Sheet date is done at the closing exchange rate published by FEDAI and the resultant profit/loss is accounted for in the Profit & Loss Account.

2.2 Outstanding Forward Foreign Exchange Contracts are stated at contracted rates and revalued/ marked to market as on quarterly basis and on Balance Sheet date at the exchange rates published by FBIL for specified maturities by discounting the same at the applicable MIFOR rate published by Financial Benchmarks India Pvt. Ltd. [FBIL] i.e. on PV01 basis. The resulting profit/loss, on revaluation, is recognized in the Profit & Loss Account in accordance with RBI / FEDAI guidelines and the effect is taken to "Other Assets" in case of gain or to "Other Liabilities" in case of loss.

2.3 Contingent Liabilities on account of Guarantees and Letters of Credit issued in foreign currency are stated in the Balance Sheet at the closing exchange rates published by FEDAI.

2.4 Credit exposure of the un-hedged foreign currency exposure, if any, of the constituents shall attract provisioning and capital requirements as per RBI guidelines.

3. Investments:

As per Reserve Bank of India guidelines, the investments are classified and valued as under:

3.1 Investments are classified in the following categories:

a. Held to Maturity (HTM)
b. Available for sale (AFS)
c. Held for trading (HFT)

3.2 All the investments are further classified in the following six baskets in conformity with the requirement of Form-A of Third Schedule to the Banking Regulation Act, 1949:

a. Government Securities
b. Other approved Securities
c. Shares
d. Debentures and Bonds
e. Subsidiaries and Joint Ventures
f. Others (Commercial Papers, Mutual Fund Units etc.)

3.3 Bank decides the category of each investment at the time of acquisition and classifies the same accordingly. Shifting of securities from one category to another, other than shifting / transfer from HFT to AFS category, is done once in a year with the approval of Board of Directors, at the least of acquisition cost / book value / market value on the date of shifting. The depreciation, if any, on such shifting is provided for and the book value of the security is adjusted accordingly. The transfer of securities from one category to another is made as per permission from or guidelines of RBI. Transfer / shifting of investments from HFT to AFS category will be executed under exceptional circumstances, like not being able to sell the securities within 90 days due to tight liquidity conditions, or extreme volatility, or market becoming unidirectional.

3.4 **REPO / Reverse REPO**

The Bank has adopted the Uniform Accounting Procedure prescribed by the RBI for accounting of market Repo and Reverse Repo transactions. Repo and Reverse Repo transactions are treated as Collateralized Borrowing / Lending Operations with an agreement to repurchase on the agreed terms. Securities sold under Repo are continued to be shown under investment and Securities purchased under Reverse Repo are not included in investment. Outstanding Repo / Term Repo is disclosed as borrowing and outstanding Reverse Repo is disclosed as lending. Costs and revenues are accounted for as interest expenditure / income, as the case may be.

3.5 Cost of investments is determined on the basis of Weighted Average Price method.

Interest paid for broken period / interest received for broken period at the time of purchase / sale of fixed income securities is treated as revenue expenditure / income.

Brokerage / incentive received / paid at the time of purchase/sale of investment is deducted / added from the amount of investment.

3.6 Valuation of investments:

a. Held to Maturity:

i. Securities under the category 'Held to Maturity' are valued at weighted average acquisition cost. Wherever the cost of security is higher than the face value, the premium is amortized over the remaining period of maturity on straight line basis. In case where the cost price is less than the face value, the difference is ignored.

ii. In case of investments in subsidiaries and joint ventures permanent diminution in value is recognized and provided for; investment in RRB is valued at carrying cost.

iii. On sale of investments in this category (a) the net profit is initially taken to profit and loss account and thereafter such profit net of applicable taxes and proportionate transfer to statutory reserve is appropriated to the 'Capital Reserve account'; and (b) the net loss is charged to the Profit & Loss Account.

b. Available for Sale:

The individual securities under this category are marked to market on a quarterly basis and on each balance sheet date. Central/ State Government securities are valued at market rates declared by FBIL. Other approved securities, debentures and bonds are valued as per the yield curve, average credit spread rating and methodology suggested by FIMMDA. Quoted shares are valued at market rates. Unquoted shares are valued at break-up value ascertained from the latest available Balance Sheet i.e. Balance Sheet of immediate preceding year and in case the latest Balance Sheet is not available, the same is valued at Re.1/- per company / scrip.

Investments in discounted instruments, viz. Treasury Bills, Certificate of Deposits, Commercial Papers, Zero Coupon Bonds are valued at carrying cost. Mutual Fund Instruments are valued at market rate or repurchase price or net asset value in that order depending on their availability. Investments in Security Receipts (SRs) /Pass Through Certificates (PTCs) issued by Asset Reconstruction Companies (ARCs) in respect of financial assets sold to ARCs are carried at lower of redemption value and net book value (i.e. book value less provision held) of the financial assets.

Based on the above valuation under each of six-sub classifications under `Available for Sale':

i. If it results in appreciation, the same is ignored.

ii. If it results in net depreciation, the same is charged to Profit & Loss account and credited to Provision for Depreciation on Investments (AFS) in the liability side.

Provided that, depreciation, if any, on equity shares allotted consequent to implementation of Strategic Debt Restructuring (SDR) shall be provided for over a maximum of 4 calendar quarters on straight line basis from the date of conversion of debt into equity. a.

iii. The book value of securities is not changed in respect of marked to market (MTM) except as required by the RBI guidelines.

iv. Profit or Loss on sale of investment in this category is accounted for in the Profit and loss account.

c. Held for Trading:

i. The individual securities under this category are held at original cost and are marked to market every month and each balance sheet date. Central/ State Government securities are valued at market rates declared by FBIL. Other approved securities, debentures and bonds are valued as per the yield curve; average credit spread rating and methodology suggested by FIMMDA. Quoted Shares are valued at market rates.

ii. Investments in discounted instruments, viz. Treasury Bills, Certificate of Deposits, Commercial Papers, Zero Coupon Bonds are valued at carrying cost. Mutual Fund Instruments are valued at market rate or repurchase price or net asset value in that order depending on their availability. Investments in SRs / PTCs issued by ARCs in respect of financial assets sold to ARCs are carried at lower of redemption value and net book value (i.e. book value less provision held), of the financial assets.

iii. Net basket-wise depreciation if any, is charged to Profit & Loss Account and credited to Provision on Depreciation on Investment (HFT) under liability. Net appreciation, if any is ignored. The book value of the securities is not changed after revaluation except as required by the RBI guidelines.

iv. Profit or loss on sale of investment in this category is accounted for in the Profit & Loss Account.

d. Classification of and provisions on investments, including on restructured investments, are made in accordance with the prudential norms prescribed by and guidelines of RBI from time to time.

e. Costs such as brokerage, fees, commission, taxes etc. incurred at the time of acquisition of securities are capitalized.

3.7 Derivatives:

Interest Rate Swaps:

i. Valuation:

a. **Hedging Swaps**: Interest Rate Swaps for hedging assets and liabilities are not marked to market.

b. **Trading Swaps**: Interest Rate Swaps for trading purpose are marked to market.

ii. Accounting of income on derivative deals:

a. **Hedging Swaps**: Income is accounted for on realization basis. Expenditure, if any, is accounted for on accrual basis, if ascertainable.

b. **Trading Swaps**: Income or expenditure is accounted for on realization basis on settlement date.

iii. Accounting of gain or loss on termination of swaps:

a. **Hedging Swaps**: Any gain or loss on the terminated swap is recognized over the shorter of (a) the remaining contractual life of the swap or (b) the remaining life of the asset/ liability.

b. **Trading Swaps:** Any gain or loss on terminated swap is recognized as income or expenditure in the year of termination.

3.8 Investment Fluctuation Reserve:

As per RBI circular number RBI/DOR/2021-22/81 DOR.MRG.42/21.04.141/2021-22 DATED AUG 25,2021 as updated till March 31,2023 Investment Fluctuation Reserve (IFR) is created to build up of adequate reserves to protect the bank against increase in yields.

Transfer to IFR is lower of the following –

a. Net profit on sale of Investments during the year or
b. Net profit for the year less mandatory appropriations, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis

4. Advances:

4.1 Advances are disclosed net of write offs, provisions made for non-performing assets, claims settled with the credit guarantee institutions, provision for diminution in fair value for restructured advances and bills rediscounted.

4.2 Classification of advances and provisions thereon are made in accordance with the prudential norms prescribed by and guidelines of RBI from time to time, except in respect of following category of advances, provision on NPAs are made higher than the rate prescribed by RBI -

Sub-Standard - 20%
Doubtful Assets One to three years - 50% on secured portion

4.3 Provision for performing assets, other than provision on standard restructured advances, is shown under the head “Other liabilities and provisions”.

4.4 In respect of advances under SDR, provision is made in accordance with RBI guidelines, within a maximum period of four quarters.

4.5 In case of financial assets sold to Asset Reconstruction Company (ARC)/ Securitization Company (SC), if the sale is at a price higher than the NBV, the surplus is retained and utilised to meet the shortfall/loss on account of sale of other financial assets to SC/ARC. If the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is to be debited to the Profit and Loss account. However, if surplus is available, such shortfall will be absorbed in the surplus. Any shortfall arising due to sale of NPA will be amortised over a period of two years if not absorbed in the surplus.
Excess provision arising out of sale of NPAs are reversed only when the cash received (by way of initial consideration only/or redemption of SRs/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision will be limited to the extent to which cash received exceeds the NBV of the asset.

5. Fixed Assets and Depreciation:

5.1 Premises and Other Fixed Assets are carried at cost less accumulated depreciation/ amortization, except for certain premises, which were revalued and stated at revalued amount.

Cost includes cost of purchase, taxes as per GST law and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability

5.2 Depreciation on fixed assets is provided for at the rates specified below, except revalued assets where, depreciation is provided over the remaining useful life of the assets on revalued amount, so as to write down value of assets to Rupee One over the residual life of the assets.

S. N.	Category of Asset	Useful Life of Assets (In Years)	Rate of Depreciation (%)	Method of depreciation
1	Building & Premises	60	1.667	SLM
2	General Items including Safe	10	10	SLM
3	Electrical – Television, Mobile Phones, Home Theater, Printer, Camera	3	33.33	SLM
4	Electrical Equipment's- Others	10	10	SLM
5	Office Machinery	5	20	SLM
6	Motor Vehicles	8	12.5	SLM
7	Safe Deposit Vaults	10	10	SLM
8	Computers & Laptops	3	33.33	SLM
9	ATM	7	14.29	SLM
10	UPS	5	20	SLM
11	BNA	7	14.29	SLM
12	Cash Re-cycler	7	14.29	SLM

SLM means Straight Line Method

5.3 In respect of assets acquired during the year, depreciation is provided on proportionate basis for the number of days the assets have been put to use during the year.

Similarly, in respect of assets sold / discarded during the year, depreciation is provided on proportionate basis till the number of days the assets had been put to use during the year.

5.4 Eligible fixed assets are revalued once in every three years. Revalued portion of fixed assets (over and above the cost of fixed assets) is depreciated on diminishing balance method over the residual life of the assets as certified by approved valuers at the time of valuation.

Revaluation reserve pertaining to lease hold lands, is amortised on straight line method over the residual life of the lease period.

Depreciation on revalued portion of fixed assets, over and above the cost is debited to Profit & Loss account. Amount of Revaluation Reserve to the extent of depreciation related to revalued portion of fixed assets over and above the cost debited to profit & loss account is transferred to Revenue Reserve from Revaluation Reserve.

5.5 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease on SLM basis in accordance with AS 19.

6. Revenue Recognition

6.1 All revenues and costs are accounted for on accrual basis except the following items, which are accounted for on cash basis:

a. Interest on Advances and Investments identified as Non-Performing Assets according to the prudential norms and guidelines issued by RBI, from time to time.
b. Income from commission viz., on Government business, Mutual Fund business, credit & debit cards issued, Annual maintenance charges for cards and Locker Rent.
c. Interest for overdue period on bills purchased and bills discounted.
d. Insurance claims.
e. Remuneration on Debenture Trustee Business.

f. Loan Processing Fees.
g. Income from Merchant Banking Operations and Underwriting Commission.
h. Transaction processing fees received on utility bill pay services through internet banking.

6.2 Pursuant to RBI guidelines, the interest payable on overdue term deposit is provided on accrual basis at rate of interest as applicable to saving account or contracted rate of interest on the matured TD, whichever is lower from 02.07.2021

7. Employees' Benefits:

Defined Contribution Plan: The contribution paid/ payable under defined contribution benefit schemes are charged to Profit & Loss Account.

Defined Benefit Plans: All eligible employees are entitled to receive benefits under the Bank's Gratuity, Pension & Privilege Leave schemes which are valued based on the principles laid down in AS -15, Employees Benefit (Revised) issued by Institute of Chartered Accountants of India. Bank's liabilities towards defined benefit schemes are determined by way of provisions and adjusted on the basis of an actuarial valuation report provided by the Actuaries appointed by the bank and made at the end of each quarter/financial year. Actuarial gains and losses are recognized in the Profit & Loss Account.

Other Employee Benefits such as Leave Fare Concession, Silver jubilee Award, resettlement allowance, and retirement benefit are provided based on Actuarial valuation.

8. Segment Reporting:

The Bank recognizes Business Segment as its Primary Segment in compliance with the RBI Guidelines and in compliance with the Accounting Standard 17 issued by ICAI.

9. Impairment of Assets:

Impairment losses if any, on fixed assets including revalued fixed assets are recognized in accordance with Accounting Standard 28- Impairment of Assets issued by the ICAI and charged to Profit & Loss Account. Assets are reviewed for Impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable.

10. Provisions, Contingent Liabilities and Contingent Assets:

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

Contingent Liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are not recognized in the financial statements since this may result in the recognition of the income that may not be realized.

11. Net Profit, Provisions and Contingencies:

The Net Profit disclosed is after making the Provisions and Contingencies which include adjustment to the value of investments, write off of bad debts, provision for taxation (including deferred tax), and provision for advances including cases identified as fraud and contingencies /others.

12. Income Tax:

The provision for tax for the year comprises liability towards current Income Tax, and Deferred Tax. The deferred tax asset/ liability is recognized, subject to the consideration of prudence, taking into account the timing differences between the taxable income and accounting income, in terms of the Accounting Standard 22 issued by ICAI. The effect of change in tax rates on deferred tax assets and liabilities is recognized in the Profit & Loss Account in the period of applicability of the change.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized and re-assessed at each reporting period based on management judgement as to whether their realization is considered as reasonably certain.

In cases of unabsorbed depreciation or carried forward loss under taxation laws, all deferred tax assets are recognized only if there is virtual certainty of realization of such assets supported by convincing evidence.

Interest income on refund of Income Tax is accounted for in the year; the order is passed by the concerned authority.

The demand raised by the Tax authorities including the interest thereon is provided for when such demand is accepted by the bank and the same is not contested before appellate authority **OR** when such demand is upheld by jurisdictional tribunal and there is no favorable judgement of other tribunal on identical issue and bank does not prefer to go before High Court **OR** when such demand is upheld by High Court.

13. Earnings per Share:

The bank reports basic and diluted earnings per equity share in accordance with the Accounting Standard (AS-20) "Earnings Per Share" issued by ICAI. Basic Earnings per share is arrived by dividing net profit after tax with the weighted average number of equity shares outstanding for the period. The diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

Diluted earnings per share reflects the potential dilution that could occur in earnings per share if securities or other contracts to issue equity share are exercised or converted during the period.

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BANK OF MAHARASHTRA
(F.Y. 2022-2023)

SCHEDULE 18: NOTES ON ACCOUNTS

(*Note: Figures in bracket relate to previous year*)

(ANNEXED TO AND FORMING PART OF THE STANDALONE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2023.)

1. Regulatory Capital

a) Composition of Regulatory Capital

(Amount in ₹ crore)

S.N.	Particulars	31.03.2023	31.03.2022
i)	Common Equity Tier 1 capital (CET 1) including CCB	14253.78	11666.61
ii)	Additional Tier 1 capital	1790.00	200.00
iii)	Tier 1 capital (i + ii)	16043.78	11866.61
iv)	Tier 2 capital	4379.98	3924.26
v)	Total capital (Tier 1+Tier 2)	20423.76	15790.87
vi)	Total Risk Weighted Assets (RWAs)	112617.60	95833.63
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	12.66%	12.17%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	14.25%	12.38%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	3.89%	4.10%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	18.14%	16.48%
xi)	Leverage Ratio	5.72%	4.91%
xii)	Percentage of the shareholding of Government of India (%)	90.97%	90.97%
xiii)	Amount of paid-up equity capital raised during the year	-	403.70
xiv)	Amount of non-equity Tier 1 capital raised during the year, *of which:* Basel III compliant Perpetual Debt Instruments (AT 1 Bond)	1590.00	290.00
xv)	Amount of Tier 2 capital raised during the year, *of which:* Basel III compliant Tier II Bond	348.00	1000.00

- The Bank has raised following bonds during the F.Y. 2022–23 as under:

Series	Type	ISIN No	Date of Issue	Tenure	Amount (₹ in Crore)	Coupon Rate (In %)	Call date
II	Basel III AT 1	INE457A08118	08.09.2022	Perpetual	710.00	8.74	08.09.2027
III	Basel III AT 1	INE457A08134	26.12.2022	Perpetual	880.00	8.74	26.12.2027
V	Basel III Tier II	INE457A08126	07.12.2022	10 Years	348.00	8.00	07.12.2027

- During the FY 2022-23, Bank has redeemed following Bond:

Type	ISIN No	Date of Issue	Tenure	Amount (₹ in Crore)	Coupon Rate (In %)	Redemption date
Subordinate Tier II	INE457A09199	31.12.2012	10 Years	1000.00	9.00	31.12.2022

b) Draw down from Reserves

In accordance with the Accounting Standard – 10 'Property, Plant & Equipment', depreciation of Rs.102.46 Crore (Rs. 128.64 Crore) for the year on revalued portion of fixed assets has been charged to Profit and Loss Account. Equivalent amount of Rs. 102.46 Crore (Rs. 128.64 Crore) has been transferred from Revaluation Reserve to Revenue Reserve.

2. Asset liability management

a) Maturity pattern of certain items of assets and liabilities as on 31.03.2023

(Amount in ₹ crore)

Particulars	1 day	2 to 7 days	8 to 14 days	15 to 30 days	31days to 3months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
Deposits	1847.03	5260.78	3487.16	7012.35	28060.52	15364.50	58071.66	38989.26	16780.10	59209.33	234082.68
Gross Advances	3691.05	2884.69	3294.03	4646.70	11446.13	9308.56	20813.17	39602.21	34106.63	45326.31	175119.49
Gross Investments	0.00	396.70	0.00	313.90	4713.53	1586.17	8891.70	13755.64	10710.11	28847.51	69215.26
Borrowings	40.23	3997.76	0.00	535.57	85.16	136.53	277.25	859.46	500.00	4333.70	10765.66
Foreign Currency Assets	65.33	1791.78	71.25	972.74	710.37	1355.98	1811.81	0.00	0.00	0.00	6779.26
Foreign Currency Liabilities	418.63	2318.07	4.33	1068.93	547.87	958.58	1449.07	68.08	20.28	0.00	6853.84

This classification of Savings Bank and Current Deposits is based on behavioral pattern approved by the Board / ALCO.

b) Liquidity coverage ratio (LCR)

Quantitative Disclosure:

(Amount in ₹ crore)

	Amount in Rs crore	Qtr. June 2022		Qtr. Sep 2022		Qtr. Dec 2022		Qtr. March 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 (HQLAs)		51117.76		44548.76		43631.75		48068.92
Cash outflows									
2	Retail deposits and deposits from small business customers, of which:	148499.50	11104.72	148839.73	11136.13	150471.90	11277.42	153024.59	11576.75
(i)	Stable deposits	74904.58	3745.23	74956.94	3747.85	75395.39	3769.77	74514.25	3725.71
(ii)	Less stable deposits	73594.91	7359.49	73882.79	7388.28	75076.51	7507.65	78510.35	7851.03
3	Unsecured wholesale funding, of which:	41200.66	20151.14	36545.52	17897.83	36470.86	17905.93	43837.81	19549.62
(i)	Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	41200.66	20151.14	36545.52	17897.83	36470.86	17905.93	43837.81	19549.62
(iii)	Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Secured wholesale funding	4121.35	0.00	13452.44	0.00	13515.32	0.00	9747.92	0.00
5	Additional requirements, of which:	7.41	7.41	0.00	0.00	0.00	0.00	0.00	0.00
(i)	*Outflows related to derivative exposures and other collateral requirements*	7.41	7.41	0.00	0.00	0.00	0.00	0.00	0.00

Amount in Rs crore		Qtr. June 2022		Qtr. Sep 2022		Qtr. Dec 2022		Qtr. March 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)
(ii)	*Outflows related to loss of funding on debt products*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	*Credit and liquidity products*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
6	Other contractual funding obligations	659.80	659.80	574.48	574.48	377.36	377.36	313.61	313.61
7	Other contingent funding obligations	37977.57	2886.81	40202.28	4571.56	41479.99	5409.29	41464.41	6001.19
8	**Total Cash Outflows**		34809.88		34179.99		34970.00		37441.18
Cash inflows									
9	Secured lending (e.g. reverse repos)	418.57	0.00	136.27	0.00	16.79	0.00	1.04	0.00
10	Inflows from fully performing exposures	6554.97	5562.74	6851.36	4369.12	5809.35	3579.59	5978.51	3676.27
11	Other cash inflows	2246.74	2006.01	972.09	852.10	1644.63	1398.20	1156.60	985.51
12	**Total Cash Inflows**		7568.74		5221.22		4977.80		4661.78
13	**Total HQLA**		51117.76		44548.76		43631.75		48068.92
14	**Total Net Cash Outflows**		27241.14		28958.77		29992.20		32779.40
15	**Liquidity Coverage Ratio (%)**		**187.65%**		**153.84%**		**145.48%**		**146.64%**

(Amount in ₹ crore)

Amount in Rs crore		Qtr. June 2021		Qtr. Sep 2021		Qtr. Dec 2021		Qtr. March 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 (HQLAs)		58305.24		58914.39		54605.34		46877.67
Cash outflows									
2	Retail deposits and deposits from small business customers, of which:	137701.90	11996.75	139269.15	12064.18	121086.36	10263.30	145334.06	10789.69
(i)	Stable deposits	35468.77	1773.44	37254.77	1862.74	36906.67	1845.33	74874.32	3743.72
(ii)	Less stable deposits	102233.13	10223.31	102014.38	10201.44	84179.69	8417.97	70459.74	7045.97
3	Unsecured wholesale funding, of which:	31871.46	15564.14	30420.35	14820.65	51407.52	17606.17	35890.54	17105.47
(i)	Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	31871.46	15564.14	30420.35	14820.65	51407.52	17606.17	35890.54	17105.47
(iii)	Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Secured wholesale funding	1455.15	0.00	2161.56	0.00	7725.80	0.00	11765.81	0.00
5	Additional requirements, of which:	4.37	4.37	1.48	1.48	22.02	22.02	48.99	48.99
(i)	*Outflows related to derivative exposures and other collateral requirements*	4.37	4.37	1.48	1.48	22.02	22.02	48.99	48.99
(ii)	*Outflows related to loss of funding on debt products*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	*Credit and liquidity products*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Other contractual funding obligations	4281.51	4281.51	1324.36	1324.36	256.67	256.67	385.14	385.14
7	Other contingent funding obligations	31889.63	2172.87	29062.80	2007.04	33938.33	2552.25	36870.90	2813.46
8	**Total Cash Outflows**		**34019.64**		**30217.71**		**30700.40**		**31142.75**
Cash inflows									
9	Secured lending (e.g. reverse repos)	3174.57	0.00	1188.65	0.00	3085.46	0.00	1894.81	0.00
10	Inflows from fully performing exposures	12634.96	11865.07	859.44	487.06	3812.47	3212.48	2915.67	2585.88
11	Other cash inflows	3462.75	3308.77	636.89	499.55	1727.39	1490.38	1635.49	1467.74
12	**Total Cash Inflows**		**15173.84**		**986.61**		**4702.86**		**4053.62**
13	**Total HQLA**		58305.24		58914.39		54605.34		46877.67
14	**Total Net Cash Outflows**		18845.78		29231.10		25997.56		27089.13
15	**Liquidity Coverage Ratio (%)**		**309.38%**		**201.55%**		**210.04%**		**173.05%**

Data is presented as simple averages of daily observations over the previous quarter (i.e. the average is calculated over a period of 90 days). The simple average are calculated on daily observations over the previous quarters. The un-weighted value of inflows and outflows are calculated as the outstanding balances of various categories or types of liabilities, off balance sheet items or contractual receivables. The weighted value of HQLA are calculated as the value after haircuts are applied. The weighted value for inflows and outflows are calculated as the value after the inflow and outflow rates are applied. Total HQLA and total net cash outflows are disclosed as the adjusted value, where the adjusted value of HQLA is the value of total HQLA after the application of both haircuts and any applicable caps on Level 2B and Level 2 assets as indicated in this Framework. The adjusted value of net cash outflows is calculated after the cap on inflows is applied, if applicable

Qualitative Disclosure:

From 01st January 2015, the bank has implemented guidelines on Liquidity Coverage Ratio (LCR) of the RBI.

The Liquidity Coverage Ratio (LCR) aims to ensure that a bank has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs for a 30 calendar day liquidity stress scenario.

The LCR is calculated by dividing the amount of High Quality Liquid Unencumbered Assets (HQLA) by the estimated net outflows over a stressed 30 calendar day period.

The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities (deposits, unsecured and secured wholesale borrowings), as well as to undrawn commitments and derivative-related exposures, netted by inflows from assets maturing within 30 days. Average LCR on a daily basis for the quarter ended 31st March 2023 is 146.64%, above RBI prescribed minimum requirement of 100%.

i) Main drivers of LCR:

The Bank on a consolidated basis, during the three months ended 31st March 2023, had maintained average HQLA (after haircut) of Rs 480689.16 million. The HQLA is primarily driven by government securities in excess of minimum SLR, government securities within mandatory SLR requirement, to the extent allowed by RBI under MSF and the facility to avail liquidity for Liquidity coverage ratio. Also, cash, excess CRR maintained with RBI are important factors for Level 1 HQLA.
Level 2 HQLAs primarily consisted of BBB- and above rated corporate bonds and commercial papers not issued by Financial entities.

ii) Intra-period changes as well as changes over time:

LCR were 146.19%,139.47% and 153.62% for the months ending January 2023, February 2023 and March 2023 as against regulatory requirement of 100%.

LCR has decreased from 216.12% for year end March 2022 to 157.49% for year end March 2023 mainly due to net decrease in HQLAs and change in liquidity scenario. Liquidity scenario has changed due to increase in ROI. HQLAs have decreased since increase in statutory reserve ratios(SLR/CRR) on account of increase in NDTL is higher than increase in SLR portfolio still it is at comfortable level.

iii) Composition of HQLAs:

- HQLAs consists of following components: **(Amount in ₹ crore)**

	Unweighted value	Weighted value
Level 1 assets	45501.25	45501.25
Level 2 A assets	1078.49	916.72
Level 2 B assets	847.65	423.82

- In composition of HQLAs, excess SLR has decreased from 36.13% for FY end 31.03.22 to 19.49% for FY end 31.03.23 and FALLCR has increased from 50% for FY end 31.03.22 to 67% for FY end 31.03.23.

- Level 2 assets which are lower in quality as compared to Level 1 assets, constitute 2.86% of total stock of HQLA against maximum mandated level of 40%.

iv) Concentration of funding sources:

A significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the bank's total liabilities.

There was no significant counterparty deposit as of 31st March 23.
Further significant borrowing is borrowings under TREPS amounting to Rs 3997.76 crore which is 1.49 % of total liabilities which is exposure to CCIL (QCCP).

Top 20 depositors (Other than Certificate of Deposit) of the Bank constitute 8.14% of our total deposits which is well within limit of 15% as per ALM Policy.

Top 10 borrowings of the bank constitute 81.54% of total borrowings.

A significant instrument/product is defined as a single instrument/ product of group of similar instruments/products which in aggregate amount to more than 1% of the bank's total liabilities. Example of funding instruments/products- wholesale deposits, certificate of deposits, long term bonds etc. Significant instrument/product as of 31st March 2023 were bulk deposits i.e. 6.00% of total liabilities, Retail term deposits i.e. 29.32 % of total liabilities, Demand deposits i.e. 46.69% of total liabilities and Certificate of deposits i.e. 5.45% of total liabilities.

v) Derivative exposures and potential collateral calls:

Derivative exposure is shown as Net Derivative cash inflows within 30 days. Inflows from derivative exposure arose due to maturing forwards.

vi) currency mismatch in the LCR;

As per the RBI guidelines while the LCR standard is required to be met on one single currency, in order to better capture potential currency mismatch the LCR in each currency needs to be monitored. Accordingly, Bank is maintaining LCR on daily basis in INR and the same is compared against the regulatory requirement. Further bank does not have exposure to any other significant currencies*, hence LCR is prepared for INR currency.

(*A significant currency is one where aggregate liabilities denominated in the currency amount to 5% or more of the bank's total liabilities).

vii) A description of the degree of centralization of liquidity management and interaction between the group's units:

The liquidity management for the bank on enterprise wide basis is the responsibility of the Board of Directors. Board of Directors has delegated its responsibilities to a Committee of the Board called as the "Risk Management Committee of Board". The committee is responsible for overseeing the inter linkages between different types of risk and its impact on liquidity.

Bank has ALM policy which provides the broad guidelines under which all the entities within the group operate in terms of liquidity and interest rate risk.

LCR is computed and monitored on daily basis by the Bank and the same is shared with Treasury/ Midoffice for liquidity management and discussed in Investment committee.

Further LCR for the latest month along with comparison of previous months is placed before ALCO on monthly basis. Moreover, LCR position along with other liquidity parameters is placed before RMC/Board on quarterly basis.

viii) **The inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile** are as under:

Details of average Outflows arising from contingent liabilities for yearend 31.03.2023 are as under:

(Amount in ₹ crore)

Particulars	**Unweighted value**	**Weighted value**
Currently undrawn committed credit and liquidity facilities provided to	**27872.58**	**4288.79**
Retail and small business clients	8849.03	442.45
non-financial corporates, sovereigns and central banks, multilateral development banks, and PSEs – Credit facilities	15749.12	1574.91
non-financial corporates, sovereigns and central banks, multilateral development banks, and PSEs – Liquidity facilities	0.00	0.00
banks	2.14	0.85
other financial institutions (including securities firms, insurance companies) – Credit facilities	1669.54	667.82
other financial institutions (including securities firms, insurance companies) – Liquidity facilities	75.91	75.91
other legal entity customers	1526.84	1526.84
Other contingent funding liabilities	**12408.44**	**428.43**
Guarantees, Letters of credit and Trade Finance	9599.77	287.99
Revocable credit and liquidity facilities	1417.18	70.86
Any other	1391.48	69.57

c) Net Stable Funding ratio (NSFR)

<u>Quantitative Disclosure</u>:

(Amount in ₹ crore)

NSFR Disclosure Template as on 31.03.2023						
		Unweighted Value by residual maturity				Weighted Value
SN	Particulars	No maturity*	< 6 months	6 m to <1 yr	>=1 yr	
	ASF Item					
1	Capital (2+3)	14253.78	0.00	0.00	6369.98	20623.76
2	Regulatory Capital	14253.78	0.00	0.00	6169.98	20423.76
3	Other capital Instrument	0.00	0.00	0.00	200.00	200.00
4	Retail deposits and deposits from small business customers: (5+6)	84787.75	28967.89	27767.11	16388.82	130643.17
5	Stable deposits	42950.23	11401.79	11101.82	7251.72	62181.15
6	Less stable deposits	41837.52	17566.10	16665.29	9137.10	68462.02
7	Wholesale funding: (8+9)	40030.85	23477.23	10024.10	4430.53	31098.65
8	Operational deposits	0.00	0.00	0.00	0.00	0.00

9	Other wholesale funding	40030.85	23477.23	10024.10	4430.53	31098.65
10	Other liabilities: (11+12)	866.41	7700.71	0.00	0.00	0.00
11	NSFR derivative liabilities		0.00	0.00	0.00	
12	All other liabilities and equity not included in the above categories	866.41	7700.71	0	0	0
13	Total ASF (1+4+7+10)					182365.58
	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)					3129.29
15	Deposits held at other financial institutions for operational purposes	6.00				3.00
16	Performing loans and securities: (17+18+19+21+23)	151.75	18439.68	6979.89	107050.78	83594.71
17	Performing loans to financial institutions secured by Level 1 HQLA	0	7332.00	0	0	0
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	3785.42	1342.76	0	1239.19
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	7321.35	5531.55	79064.01	62087.51
20	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	0	5344.59	4038.03	57716.73	42207.18
21	Performing residential mortgages, of which:	0	0.91	2.03	18514.98	12036.21
22	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	0	0.91	2.03	18514.98	12036.21
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	151.75	0.00	103.55	9471.81	8231.80
24	Other assets: (sum of rows 25 to 29)	3831.97	0.00	0.00	26409.56	25687.64
25	Physical traded commodities, including gold	0.00				0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0.00	0.00	0.00	0.00
27	NSFR derivative assets		0.00	0.00	0.00	0.00
28	NSFR derivative liabilities before deduction of variation margin posted		0.00	0.00	0.00	0.00
29	All other assets not included in the above categories	3831.97	0.00	0.00	26409.56	25687.64
30	Off-balance sheet items		92,894.65	1,647.85	0	4007.44
31	Total RSF (14+15+16+24+30)					116422.07
32	Net Stable Funding Ratio (%)					**156.64%**

(Amount in ₹ crore)

	NSFR Disclosure Template as on 31.12.2022					
		Unweighted Value by residual maturity				**Weighted Value**
SN	**Rs in crore**	**No maturity**	**< 6 months**	**6 m to <1 yr**	**>=1 yr**	
	ASF Item					
1	Capital (2+3)	12395.83	0.00	0.00	6268.99	18664.82
2	Regulatory Capital	12395.83	0.00	0.00	6068.99	18464.82
3	Other capital Instrument	0.00	0.00	0.00	200.00	200.00
4	Retail deposits and deposits from small business customers: (5+6)	85843.51	40290.18	29439.19	18177.17	159305.75
5	Stable deposits	37630.55	7653.48	7144.25	6158.98	55149.02
6	Less stable deposits	48212.96	32636.70	22294.93	12018.19	104156.74
7	Wholesale funding: (8+9)	24589.10	4643.58	3371.92	3384.60	8839.39
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	24589.10	4643.58	3371.92	3384.60	8839.39
10	Other liabilities: (11+12)	870.80	15546.64	0	0	0
11	NSFR derivative liabilities		0	0	0	
12	All other liabilities and equity not included in the above categories	870.80	15546.64	0	0	0
13	**Total ASF (1+4+7+10)**					186809.97
	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)					2682.97
15	Deposits held at other financial institutions for operational purposes	14.99				7.49
16	Performing loans and securities: (17+18+19+21+23)	83.13	16091.13	6015.79	96236.51	81518.09
17	Performing loans to financial institutions secured by Level 1 HQLA	0	6282.00	0	0	0
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	3391.38	1025.65	0	1021.53
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	6417.16	4762.72	69889.67	61222.12
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	1732.63	1285.93	18870.21	13774.92
21	Performing residential mortgages, of which:	0	0.59	2.22	16525.21	10742.79
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	0.59	2.22	16525.21	10742.79
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	83.13	0.00	225.21	9821.63	8531.65
24	Other assets: (sum of rows 25 to 29)	3794.04	0.00	0.00	25620.21	24723.25
25	Physical traded commodities, including gold	0				0
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0	0	0	0
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 not included in the above categories	3794.04	0.00	0.00	25620.21	24723.25
30	Off-balance sheet items		84,861.81	1,647.85	0	3613.13
31	Total RSF (14+15+16+24+30)					112544.93
32	Net Stable Funding Ratio (%)					**165.99%**

(Amount in ₹ crore)

	NSFR Disclosure Template as on 30.09.2022					
		Unweighted Value by residual maturity				**Weighted Value**
SN	**Rs in crore**	**No maturity**	**< 6 months**	**6 m to <1 yr**	**>=1 yr**	
	ASF Item					
1	Capital (2+3)	12181.33	0.00	0.00	3977.93	17069.26
2	Regulatory Capital	12181.33	0.00	0.00	3877.93	16969.26
3	Other capital Instrument	0.00	0.00	0.00	100.00	100.00
4	Retail deposits and deposits from small business customers: (5+6)	86383.58	30523.77	31283.96	19553.76	152408.82
5	Stable deposits	34281.67	6651.69	6424.44	5591.70	50332.064
6	Less stable deposits	52101.91	23872.08	24859.52	13962.06	102076.75
7	Wholesale funding: (8+9)	21211.30	4213.98	2346.39	1186.03	7306.52
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	21211.30	4213.98	2346.39	1186.03	7306.52
10	Other liabilities: (11+12)	839.11	20740.83	0	0	0
11	NSFR derivative liablities		0	0	0	
12	All other liabillties and equity not included in the above categories	839.11	20740.83	0	0	0
13	**Total ASF (1+4+7+10)**					176784.60
	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)					2795.72
15	Deposits held at other financial institutions for operational purposes	102.20				51.10
16	Performing loans and securities: (17+18+19+21+23)	107.2	11514.43	4666.6	84815.52	71577.01
17	Performing loans to financial institutions secured by Level 1 HQLA	0	2950.00	0	0	0
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	2078.77	714.92	0	669.27
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	6482.84	3724.29	58048.54	51310.20
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	1750.37	1005.56	15673.11	11565.48
21	Performing residential mortgages, of which:	0	2.82	2.22	16803.13	10924.55
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	2.82	2.22	16803.13	10924.55
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	107.20	0.00	225.17	9963.85	8672.98
24	Other assets: (sum of rows 25 to 29)	5475.79	0.00	0.00	21950.14	22580.93
25	Physical traded commodities, including gold	0				0
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0	0	0	0
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 not included in the above categories	5475.79	0.00	0.00	21950.14	22580.93
30	Off-balance sheet items		87,304.68	1,647.85	0	3744.49
31	Total RSF (14+15+16+24+30)					100749.24
32	Net Stable Funding Ratio (%)					**175.47%**

(Amount in ₹ crore)

	NSFR Disclosure Template as on 30.06.2022					
		Unweighted Value by residual maturity				Weighted Value
SN	Rs in crore	No maturity	< 6 months	6 m to <1 yr	>=1 yr	
	ASF Item					
1	Capital (2+3)	11805.78	0.00	0.00	4030.38	16036.16
2	Regulatory Capital	11805.78	0.00	0.00	3930.38	15936.16
3	Other capital Instrument	0.00	0.00	0.00	100.00	100.00
4	Retail deposits and deposits from small business customers: (5+6)	81726.77	27697.50	27686.56	17671.70	142439.52
5	Stable deposits	34652.84	6442.19	6325.27	5525.83	50391.43
6	Less stable deposits	47073.93	21255.32	21361.30	12145.87	92048.09
7	Wholesale funding: (8+9)	32553.20	5515.64	3574.51	1134.50	6548.79
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	32553.20	5515.64	3574.51	1134.50	6548.79
10	Other liabilities: (11+12)	850.76	18501.97	0	0	0
11	NSFR derivative liabilities		0	0	0	
12	All other liabilities and equity not included in the above categories	850.76	18501.97	0	0	0
13	**Total ASF** (1+4+7+10)					165024.46
	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)					2991.53
15	Deposits held at other financial institutions for operational purposes	102.20				51.10
16	Performing loans and securities: (17+18+19+21+23)	113.44	11296.33	8247.00	93024.61	79476.95
17	Performing loans to financial institutions secured by Level 1 HQLA	0	3478.10	0	0	17.61
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	2603.68	3642.49	0	2211.80
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	5211.92	4377.12	66609.30	57815.53
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	1407.22	1181.82	17984.51	12984.45
21	Performing residential mortgages, of which:	0	2.63	2.22	16162.08	10507.78
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	2.63	2.22	16162.08	10507.78
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	113.44	0.00	225.17	10253.22	8924.25
24	Other assets: (sum of rows 25 to 29)	5688.88	0.00	0.00	26463.91	24665.95
25	Physical traded commodities, including gold	0				0
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0	0	0	0
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 not included in the above categories	5688.88	0.00	0.00	26463.91	24665.95
30	Off-balance sheet items		71,027.20	1,647.85	0	2919.33
31	Total RSF (14+15+16+24+30)					110104.86
32	Net Stable Funding Ratio (%)					**149.88%**

* Items reported in the 'no maturity' time bucket do not have a stated maturity. These includes, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions and non-HQLA equities.

Qualitative Disclosure around NSFR:

Guidelines on NSFR has become effective from 01.10.2021.
The objective of NSFR is to ensure that bank maintains a stable funding profile in relation to the composition of its assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the probability of erosion of a bank's liquidity position due to disruptions in a bank's regular sources of funding that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR limits overreliance on short-term wholesale funding, encourages better assessment of funding risk across all on- and off-balance sheet items, and promotes funding stability.

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 by the NSFR, which extends to one year. The amount of stable funding required ("Required stable funding") (RSF) of Bank is a function of the liquidity characteristics and residual maturities of the various assets held by Bank as well as those of its off-balance sheet (OBS) exposures.

Main drivers of NSFR:

The Bank as on 31st March 2023, had maintained ASF of Rs 182365.58 cr. ASF consists of 38% from less stable non-maturity deposits and term deposits with residual maturity of less than one year provided by retail and small business customers and 34% from Stable non-maturity (demand) deposits and term deposits with residual maturity of less than one year provided by retail and small business customers.

RSF consists of 32% from "Other unencumbered 'standard' loans not included in the above categories, excluding loans to financial institutions, with a residual maturity of one year or more and with a risk weight of less than or equal to 35%" line item.

NSFR for the quarter ended 31st March 2023 is 156.64%, above RBI prescribed minimum requirement of 100%.

NSFR has decreased from 165.99% as of 31.12.22 to 156.64% as of 31.03.2023 due to increase in overall market interest rates and resultant decrease in overall liquidity in the system.

3. Investments

The Bank has classified the investment portfolio into three categories i.e. “Held to Maturity (HTM)”, “Available for Sale (AFS)”, and “Held for Trading (HFT)” and valued the investments in terms of the Reserve Bank of India (RBI) guidelines.

a) Composition of Investment Portfolio

(Amount in ₹ crore)

Particulars	**Investments in India**														**Investments outside India**		**Total Investments**	**Total Investments**
	Government Securities		**Other Approved Securities**		**Shares**		**Debentures and Bonds**		**Subsidiaries and/or joint ventures**		**Others**		**Total investments in India**					
	31.03.23	**31.03.22**	**31.03.23**	**31.03.22**	**31.03.23**	**31.03.22**	**31.03.23**	**31.03.22**	**31.03.23**	**31.03.22**	**31.03.23**	**31.03.22**	**31.03.23**	**31.03.22**	**31.03.23**	**31.03.22**	**31.03.23**	**31.03.22**
Held to Maturity																		
Gross	51192.83	46687.16	0.00	0.00	0.00	0.00	471.14	494.68	109.57	73.42	70.37	30.82	51843.90	47286.08	0.00	0.00	51843.90	47286.08
Less: Provision for nonperforming 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	0.00	0.00	0.00	0.00	0.00	0.00
Net	**51192.83**	**46687.16**	**0.00**	**0.00**	**0.00**	**0.00**	**471.14**	**494.68**	**109.57**	**73.42**	**70.37**	**30.82**	**51843.90**	**47286.08**	**0.00**	**0.00**	**51843.90**	**47286.08**
Available for Sale																		
Gross	13182.79	16902.06	0.00	0.00	388.62	442.34	3447.20	4027.84	0.00	0.00	352.74	569.05	17371.36	21941.29	0.00	0.00	17371.36	21941.29
Less: Provision for depreciation and NPI	122.64	43.51	0.00	0.00	53.42	169.65	39.54	213.72	0.00	0.00	132.72	75.83	348.31	502.71	0.00	0.00	348.31	502.71
Net	**13060.15**	**16858.55**	**0.00**	**0.00**	**335.20**	**272.69**	**3407.66**	**3814.12**	**0.00**	**0.00**	**220.03**	**493.22**	**17023.05**	**21438.58**	**0.00**	**0.00**	**17023.05**	**21438.58**
Held for Trading																		
Gross	0.00	-136.40	0.00	0.00	0.00	1.71	0.00	0.00	**0.00**	**0.00**	0.00	0.00	0.00	-134.69	0.00	0.00	0.00	-134.69
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	0.00	0.00	0.00	0.00	0.00	0.00
Net	**0.00**	**-136.40**	**0.00**	**0.00**	**0.00**	**1.71**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**-134.69**	**0.00**	**0.00**	**0.00**	**-134.69**
Total Investment	**64375.62**	**63452.82**	**0.00**	**0.00**	**388.62**	**444.05**	**3918.34**	**4522.52**	**109.57**	**73.42**	**423.11**	**599.87**	**69215.26**	**69092.68**	**0.00**	**0.00**	**69215.26**	**69092.68**
Less: Provision for nonperforming investments	0.00	0.00	0.00	0.00	0.00	114.94	23.95	213.72	0.00	0.00	0.00	16.18	23.95	344.84	0.00	0.00	23.95	344.84
Less: Provision for depreciation and NPI	122.64	43.51	0.00	0.00	53.42	54.71	15.59	0.00	0.00	0.00	132.72	59.65	324.36	157.87	0.00	0.00	324.36	157.87
Net	**64252.98**	**63409.31**	**0.00**	**0.00**	**335.20**	**274.40**	**3878.80**	**4308.80**	**109.57**	**73.42**	**290.39**	**524.04**	**68866.95**	**68589.97**	**0.00**	**0.00**	**68866.95**	**68589.97**

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Amount in ₹ crore)

Particulars	**2022-23**	**2021-22**
i) Movement of provisions held (includes depreciation) on investments		
a) Opening balance	502.71	535.05
b) Add: Provisions made during the year	723.70	187.63
c) Less: Write off / write back of excess provisions during the year	878.10	219.97
d) Closing balance	348.31	502.71
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	426.10	403.00
b) Add: Amount transferred during the year	-	23.10
c) Less: Drawdown	-	-
d) Closing balance	426.10	426.10
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.43%	2.00%

c) Sale and transfers to/from HTM category

As per RBI guidelines, an amount of **Rs.12.29 crore (Rs 83.69 Crore)** net of taxes and statutory reserves being profit on sale of investment in 'Held to Maturity' category is transferred to Capital Reserve.

The Bank has amortized **Rs. 112.94 crore during the year (Rs 123.95 Crore)** for securities classified under 'Held to Maturity' category, and the amount has been charged to Profit & Loss account by reducing value of the respective securities to that extent.

The value of the sales and transfer of securities to / from HTM category during the financial year 2022-23, excluding one-time transfer with the approval of the Board, sales to RBI under pre announced OMO auctions and as permitted by RBI does not exceed 5 percent of the book value of investments in HTM category at the beginning of financial year

i. Computation of Transfer of Profit on Sale of Investment in HTM Category to Capital Reserve

(Amount in ₹ crore)

Particulars	**2022-23**	**2021-22**
Profit on sale of HTM Securities	21.90	149.12
Loss on HTM	-	-
Net Profit on sale of HTM Securities	21.90	149.12
Less: Income Tax	5.51	37.53
Sub- Total	**16.39**	**111.59**
Less: 25.00% proportionate to Transfer to Statutory Reserves	4.10	27.90
Net Transfer to Capital reserve	**12.29**	**83.69**

ii. Computation of Transfer of Write Back on account of MTM Depreciation on Investment in AFS & HFT to Investment Reserve

(Amount in ₹ crore)

Particulars	**F.Y. 2022-23**	**F.Y. 2021-22**	**Diff. over prev. year**
MTM Depreciation AFS	260.07	103.17	156.90
MTM Depreciation HFT	-	-	-
MTM Depreciation NPI	3.40	3.63	-0.22
MTM Depreciation under SDR/S4A	60.89	51.08	9.81
Total	**324.36**	**157.88**	**166.49**

*During the current Financial Year 2022-23 there is nil drawdown from Investment Reserve Account on account of depreciation required to be made for investment held under AFS & HFT categories, since as on 31.03.2022 there is nil balance outstanding in investment reserve account.

iii. Details regarding shifting of security from HFT to AFS category and securities from AFS & HFT to HTM Category be provided for FY 2022-23 & 2021-22.

(Amount in ₹ crore)

Portfolio	**FY2022-23**	**FY2021-22**
HFT to AFS	Nil	Nil
AFS to HTM	Nil	693.03

During the year, Bank has provided depreciation on investment for diminution in value on account of shifting of investments from 'Available for Sale' category to 'Held to Maturity' category **Rs. 0 Crore (Rs. 5.28 Crore)** and from 'Held to Maturity' category to 'Available for Sale' category **Rs. 0 crore (Rs. 0.0 Crore).**

iv. Details regarding security transferred from HTM category to AFS category for FY 2022-23 & 2021-22

(Amount in ₹ crore)

Portfolio	**FY 2022-23**	**FY 2021-22**
HTM to AFS	2937.30	4906.71

d) Non-SLR investment portfolio

i) Non-performing non-SLR investments

(Amount in ₹ crore)

S. N.	**Particulars**	**FY 2022-23**	**FY 2021-22**
a)	Opening balance	446.37	446.97
b)	Additions during the year since 1st April	646.70	199.98
c)	Reductions during the above period (Including TWO)*	1064.25	200.58
d)	Closing balance	28.82	446.37
e)	Total provisions held	23.95	344.84

*Reduction on account of Technically Written off (TWO) Rs.892.05 crore and Rs.135.43 crore for FY 2022-23 for and FY 2021-22 respectively.

ii) Issuer composition of non-SLR investments

(Amount 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	493.82	508.15	457.63	507.60	0.00	0.00	0.00	0.00	0.00	0.00
b)	FIs	868.71	952.27	828.49	910.09	0.00	0.00	0.00	0.00	0.00	0.00
c)	Banks	268.69	360.36	264.89	333.81	5.00	15.00	0.00	0.00	0.00	0.00
d)	Private Corporates	1417.63	2129.97	1384.97	2111.27	163.80	826.40	0.00	0.00	0.00	0.00
e)	Subsidiaries/ Joint Ventures	209.68	173.53	209.68	173.53	0.00	0.00	0.00	0.00	100.11	100.11
f)	Others	1581.11	1515.58	1571.11	1505.58	176.03	191.00	121.03	121.03	306.82	337.79
	Sub Total	**4839.64**	**5639.86**	**4716.77**	**5541.88**	**344.83**	**1032.40**	**121.03**	**121.03**	**406.93**	**437.90**
g)	Provision held (Includes Depreciation)	225.67	459.20	227.92	460.91	24.26	312.84	0.00	0.00	0.00	0.00
	Total	**4613.97**	**5180.66**	**4488.85**	**5080.97**	**320.57**	**719.56**	**121.03**	**121.03**	**406.93**	**437.90**

e) Repo transactions (in face value terms)

(Amount 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				
Government securities				
Repo Borrowing (LAF)	NIL (NIL)	1500 (4073)	31 (7)	NIL (NIL)
Repo Borrowing (Term)	500(500)	500(500)	500(500)	500 (500)
Corporate debt securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Any other securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
ii) Securities purchased under reverse repo				
Government securities	NIL (NIL)	10194 (15619)	101 (2426)	NIL (8700)
Corporate debt securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Any other securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)

*Previous Year Figures are reported in bracket

Repo transactions other than LAF

(Amount 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				
Government securities	NIL (NIL)	3970 (4200)	512 (299)	NIL (NIL)
Corporate debt securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Any other securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
ii) Securities purchased under reverse repo				
Government securities	NIL (NIL)	236 (237)	56 (47)	NIL (139)
Corporate debt securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Any other securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)

*Previous Year Figures are reported in bracket

4. Asset quality

a) Classification of advances and provisions held

(Amount in ₹ crore)

	Standard		Non-Performing								Total	
	Total Standard Advances		Sub standard		Doubtful		Loss		Total Non-Performing Advances			
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Gross Standard Advances and NPAs												
Opening Balance	129912.59	99874.08	1985.77	1790.36	3108.10	5513.23	233.34	476.09	5327.21	7779.68	135239.81	107653.76
Add: Additions during the year									1629.72	2182.36		
Less: Reductions during the year*									2622.93	4634.83		
Closing balance	**170785.50**	**129912.59**	**1466.97**	**1985.77**	**2691.87**	**3108.10**	**175.16**	**233.34**	**4334.00**	**5327.21**	**175119.50**	**135239.81**
*Reductions in Gross NPAs due to:												
i) Upgradation									199.48	343.48	199.48	343.48
ii) Recoveries (excluding recoveries from upgraded accounts)									932.87	1173.79	932.87	1173.79
iii) Technical/ Prudential Write-offs									1311.98	2841.53	1311.98	2841.53
iv) Write-offs other than those under (iii) above									178.59	276.03	178.59	276.03
Provisions (excluding Floating Provisions)												
Opening balance of provisions held	1634.29	1337.59	1328.96	647.77	2448.75	4081.77	231.17	475.46	4008.87	5205.00	5643.16	6542.59
Add: Fresh provisions made during the year									2253.10	2710.94		
Less: Excess provision reversed/ Write-off loans									2401.35	*3907.07		
Closing balance of provisions held	**1540.11**	**1634.29**	**1100.76**	**1328.96**	**2590.34**	**2448.75**	**169.53**	**231.17**	**3860.63**	**4008.87**	**5400.74**	**5643.16**
Net NPAs												
Opening Balance			656.81	1142.59	617.59	1401.10	2.17	0.63	1276.57	2544.32	1276.57	2544.32
Add: ECGC/DICGC Settled Amount									40.85	29.22	40.85	29.22
Gross Opening Balance									1317.42	2573.54	1317.42	2573.54
Add: Fresh additions during the year									559.80	677.21	559.80	677.21
Less: Reductions during the year									1403.84	1933.33	1403.84	1933.33
Gross Closing Balance									473.38	1317.42	473.38	1317.42
Less: ECGC/DICGC Settled Amount									38.20	40.85	38.20	40.85
Net Closing Balance			366.22	656.81	63.33	617.59	5.63	2.17	435.18	1276.57	435.18	1276.57
Floating Provisions												
Opening Balance											-	-
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											18791.70	17099.71
Add: Technical/ Prudential write-offs during the year											2235.24	3477.02
Less: Recoveries made from previously technical/ prudential written-off accounts during the year											1330.23	1785.03
Closing balance											**19696.71**	**18791.70**

*Counter Cyclical buffer of Rs. 132.46 Crore utilized.

Rodi Dabir & Co. Nagpur Chartered Accountants

S. Bhandari & Co. LLP Jaipur Chartered Accountants

Kirtane & Pandit LLP Pune Chartered Accountants

G. Sundaram & Srinivasan Chennai Chartered Accountants

बैंक ऑफ महाराष्ट्र वि.प्र.और ले. F.M.& A. H.O. Pune Bank of Maharashtra

Ratios (in per cent)	F.Y. 2022-23	F.Y. 2021-22
Gross NPA to Gross Advances	2.47%	3.94%
Net NPA to Net Advances	0.25%	0.97%
Provision coverage ratio	98.28%	94.79%

b) Sector-wise Advances and Gross NPAs

(Amounts 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**						
a)	Agriculture and allied activities	23400.00	2332.00	9.97%	19701.04	2844.88	14.44%
b)	Advances to industries sector eligible as priority sector lending	9469.20	228.41	2.41%	7749.61	403.04	5.20%
c)	Services	23842.93	1045.22	4.38%	19623.39	994.78	5.07%
d)	Personal loans	10830.47	149.67	1.38%	8066.11	187.53	2.33%
	Sub-total (i)	**67542.60**	**3755.30**	**5.56%**	**55140.15**	**4430.23**	**8.03%**
ii)	**Non-priority Sector**						
a)	Agriculture and allied activities	-	-	-	-	-	-
b)	Industry	26387.26	47.00	0.18%	25439.41	454.32	1.79%
c)	Services	46517.78	372.97	0.80%	26787.05	277.09	1.03%
d)	Personal loans	34671.85	158.73	0.46%	27873.20	165.57	0.59%
	Sub-total (ii)	**107576.89**	**578.70**	**0.54%**	**80099.66**	**896.98**	**1.12%**
	Total (i + ii)	**175119.49**	**4334.00**	**2.47%**	**135239.81**	**5327.21**	**3.94%**

c) **Overseas assets, NPAs and revenue**

(Amount in ₹ crore)

Particulars	2022-23	2021-22
Total Assets	*79.61	*110.54
Total NPAs	-	-
Total Revenue	0.35	0.32

*Outstanding Balance in NOSTRO Accounts as on 31.03.2023 and 31.03.2022.

d) **Particulars of resolution plan and restructuring**

Impact of RBI Circular No RBI/2018-19/2013 DBR No BP.BC.45/21.04.048/2018-19 dated 07.06.2019 on resolution of stressed assets - Revised framework is as follows:

(Amounts 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)	Additional Provision required for loans covered under RBI circular (D)	Provision out of (D) already made by 31.03.2023
709.55	-	-	-	-

e) **Divergence in asset classification and provisioning**

In terms of the RBI circular no. DOR. ACC.REC.NO.74/21.04.018/2022-23 dated October 11, 2022, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements, wherever either or both of the following conditions are satisfied:

(a) the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period and

(b) the additional Gross NPAs identified by RBI exceed 10 per cent of the published incremental Gross NPAs for the reference period.

As the divergences are within threshold limit as specified above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for F.Y. 2022-23. However, the bank has provided for divergences pointed out by RBI in its RAR report for F.Y. 2021-22.

f) Disclosure of transfer of loan exposures

i) Details of loans not in default acquired during the year ended 31st. March 2023 through assignment are given below:

Particulars	
Aggregate amount of loans acquired (Rs in Crore)	8520.20
Weighted average residual maturity (in months)	27.29
Weighted average holding period by originator (in months)	6.36
Retention of beneficial economic interest by the originator	10.32%
Tangible security coverage	27.62%

The loans acquired are not rated as these are related to non-corporate borrowers.

ii) In the case of stressed loans transferred or acquired, the details are as under:

(Amount in ₹ crore)

Details of stressed loans transferred during the Year			
A) Detail of Non-Performing Assets Transferred			
Particulars	To ARCs	To permitted transferees	To other transferees (please specify)
No: of accounts	2	NIL	NIL
Aggregate principal outstanding of loans transferred	347.35	NIL	NIL
Weighted average residual tenor of the loans transferred	NA	NA	NA
Net book value of loans transferred (at the time of transfer)	0.00	NA	NA
Aggregate consideration	170.76	NA	NA
Additional consideration realized in respect of accounts transferred in earlier years	NIL	NA	NA
The Bank has reversed the excess provision of ₹16.89 crore to profit and loss account on sale of aforesaid loans.			
B) Detail of SMA Transferred: Nil			
C) Details of loans acquired during the year (NPA & SMA)			
Particulars	From SCBs, RRBs, UCBs, DCCBs, 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	

iii) Recovery Ratings assigned to O/s SRs as on 31.03.2023 by the credit rating agencies

(Amount in ₹ crore)

Recovery Rating Band*	Amount
RR1	-
RR2	-
RR3	-
RR4	-
RR5	-
Rating Withdrawn	-
Unrated	130.79
Total	**130.79**

*Recovery rating is as assigned by various external agencies.

g) Fraud accounts

Banks shall disclose details on the number and amount of frauds as well as the provisioning thereon as per template given below.

(Amount in ₹ crore)

Particulars	**2022-23**	**2021-22**
Number of frauds reported	105	188
Amount involved in fraud (₹ crore)	933.27	1146.19
Amount of provision made for such frauds (₹ crore) *	735.85	502.79
Amount of Un-amortised provision debited from 'other reserves' as at the end of the year (₹ crore)	-	-

*The Bank holds 100% provision i.e. of Rs. 735.85 Crore as of 31.03.2023 (Rs. 502.79 Crore as of 31.03.2022)

h) Disclosure under Resolution Framework for COVID-19-related Stress

Details of resolution plan implemented under the RBI Resolution Framework for COVID-19 related stressed assets as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 5, 2021 (Resolution Framework 2.0) at March 31, 2023 are as under

(Amount in ₹ crore)

Type of the Borrower	**Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2022 (A)**	**Of (A), aggregate debt that slipped into NPA during the half-year ending March 31, 2023**	**Of (A) amount written off during the half-year ending March 31, 2023**	**Of (A) amount paid by the borrowers during the half-year ending March 31, 2023**	**Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2023**
Personal Loan	2118.75	98.31	14.08	41.07	1863.09
Corporate Persons*	982.33	0	0	152.45	838.68
Of which MSMEs	53.52	0	0	3.02	51.92
Others	0	0	0	0	0
Total	**3101.08**	**98.31**	**14.08**	**193.52**	**2701.77**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Considering the impact of COVID-19 situation, the Bank holds COVID-19 related provision of ₹ 1200 crores as contingency provision as on 31st March 2023.

5. Exposures

a) Exposure to Real Estate Sector

(Amount in ₹ crore)

S N	Category	31.03.2023	31.03.2022
a)	*Direct exposure*	33771.02	24670.31
i	Residential Mortgages –	31129.34	23198.14
	Of which Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans eligible for inclusion in priority sector advances may be shown separately.	19504.20	13131.62
ii	Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits.)	2641.68	1472.17
iii	Investments in Mortgage Backed Securities (MBS) and other securitized exposures – a. Residential, b. Commercial Real Estate.	Nil Nil	Nil Nil
b)	*Indirect Exposure* Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	4430.00	3408.52
	Total Exposure to Real Estate Sector	**38201.02**	**28078.83**

b) Exposure to capital market

(Amount in ₹ crore)

Particulars		2022-23	2021-22
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	64.69	72.45
ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	0.11	0.19
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	0.27	4.17
vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii)	Bridge loans to companies against expected equity flows / issues;	-	-
viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
ix)	Financing to stockbrokers for margin trading;	-	-
x)	All exposures to Venture Capital Funds (both registered and unregistered)	105.39	112.71
	Total exposure to capital market	**170.46**	**189.52**

The details of Bank's Direct investment in equity shares on conversion of debt into equity as a part of strategic restructuring of debt which are exempt from Capital Market Exposure limits/regulatory ceilings/investment in para-banking activities and intra-group exposure, is as under:

(Amount in ₹ crore)

Particulars	**31.03.2023**		**31.03.2022**	
	No. of accounts	**Amount**	**No. of accounts**	**Amount**
Investment in equity shares received/allotted on account of conversion of debt into equity as which are exempt from Capital Market Exposure limits/regulatory ceilings/investment in para-banking activities and intra-group exposure	10	235.81	13	286.45

c) *Risk category-wise country exposure*

(Amount in ₹ crore)

Risk Category*	Exposure (net) as at March 31, 2023	Provision held as at March 31, 2023	Exposure (net) as at March 31, 2022	Provision held as at March 31, 2022
Insignificant	606.51	-	591.96	-
Low	170.71	-	445.28	-
Moderately Low	110.37	-	36.94	-
Moderate	30.07	-	14.02	-
Moderately High	0.99	-	21.97	-
High	28.36	-	-	-
Very High	8.81	-	-	-
Total	**955.82**	**-**	**1110.17**	**-**

*Till such time, as banks move over to internal rating systems, banks shall use the seven-category classification followed by Export Credit Guarantee Corporation of India Ltd. (ECGC) for the purpose of classification and making provisions for country risk exposures. ECGC shall provide to banks, on request, quarterly updates of their country classifications and shall also inform all banks in case of any sudden major changes in country classification in the interim period.

d) Unsecured advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken as and also the estimated value of such intangible collateral are as under.

(Amounts in ₹ crore)

Particulars	**2022-23**	**2021-22**
Total unsecured advances of the bank	31725.44	22061.78
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	3192.99	2769.42
Estimated value of such intangible securities	3185.12	3297.45

e) Factoring exposures

Factoring exposures is Nil.

f) Intra-group exposures

The details of the intra-group exposures of the bank are as under;

(Amounts in ₹ crore)

S. N.	Particulars	2022-23	2021-22
1	Total amount of intra-group exposures	750.00	750.00
2	Total amount of top-20 intra-group exposures	750.00	750.00
3	Percentage of intra-group exposures to total exposure of the bank on borrowers/ customers	0.43%	0.55%
4	Details of breach of limits on intra-group exposures and regulatory action thereon, if any	Nil	Nil

Details of Intra-Group Exposure (RBI circular no. DB OD No. BP. BC 6/21.06.102/2013-14 dated 11th. Feb 2014

(Amounts in ₹ crore)

Sr. No.	Particulars	As of 31.03.2023	As of 31.03.2022
1	Borrowings from (if any)		
a.	Maharashtra Gramin Bank (MGB)	NIL	NIL
b.	Maharashtra Executor Trustee Co (METCO)	NIL	NIL
2	Lending to (if any)		
a.	Maharashtra Gramin Bank (MGB)*	750.00	750.00
b.	Maharashtra Executor Trustee Co (METCO)	NIL	NIL
3	Investment in (if any)		
a.	Maharashtra Gramin Bank (MGB)	**241.29**	**209.53**
i.	*Equity (incl Preference shares)*	109.42	73.27
ii.	*Bonds /Debentures*	100.11	100.11
iii	*Any other – Investment in MGB pending allotment***	31.76	36.15
b.	Maharashtra Executor Trustee& Co (METCO)	**0.15**	**0.15**
i.	*Equity (incl Preference shares)*	0.15	0.15

*Not considered as exposure as per extant RBI guidelines

**The bank has contributed Rs. 31.76 Crore in FY 2022-23 towards equity capital of the Maharashtra Gramin Bank. However, allotment of equity share is pending as on 31.03.2023

g) Unhedged foreign currency exposure

(Amount in ₹ crore)

S. N.	Particulars	31.03.2023	31.03.2022
1	Additional provisioning made on account of UFCE	(0.01)	(3.75)
2	Incremental capital held on account of UFCE	3.39	8.14

Bank has put in place a policy for management of currency induced credit risk arising out of exposure to its constituents which inter-alia specifies the mechanism to ascertain Unhedged Foreign Currency Exposure (UFCE) and mitigate the same by pricing the exposure as well as incremental provisioning as under –

Method to ascertain the amount of Unhedged Foreign Currency Exposure (UFCE):
The amount of UFCE of the constituents is measured by obtaining the periodical information from the clients having exposure of Rs. 10.00 crore and above. For this purpose, items maturing or having cash flows over the period of next five years only are considered. Further, items which are effective hedges, financial hedge and / or natural hedge, of each other are set off. (Financial hedge through a derivative contract (e.g. Forward Cover) and Natural hedge may be considered when cash flows arising out of the operations of the company offset the risk arising out of the Foreign Currency Exposure. For the purpose of computing UFCE, an exposure may be considered naturally hedged if the offsetting exposure has the maturity/cash flow within the same accounting year).

Method to estimate the extent of likely loss:
The loss to the entity in case of movement in exchange rate is calculated using the annualised volatilities. For this purpose, largest annual volatility seen in the rates during the period of last ten years is taken as the movement of the rate in the adverse direction.

Method to estimate the riskiness of unhedged position and provide appropriately:
The likely loss / EBID so arrived at is taken as the base, as per which consolidated UFCE on behalf of the constituents is calculated, based on the model specified by the Bank. Such exposure is subjected to additional provisioning and also incremental capital requirement.
Further, the pricing to such constituents is accordingly re-priced based on the risk profile of the borrower by loading an appropriate premium to cover the UFCE.

6. Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits

(Amount in ₹ crore)

Particulars	31.03.2023	31.03.2022
Total deposits of the twenty largest depositors	27622.20	19643.06
Percentage of deposits of twenty largest depositors to total deposits of the bank	11.80%	9.71%

b) Concentration of advances

(Amount in ₹ crore)

Particulars	31.03.2023	31.03.2022
Total advances to the twenty largest borrowers	30729.74	27146.76
Percentage of advances to twenty largest borrowers to total advances of the bank	13.74%	15.20%

c) Concentration of exposures

(Amount in ₹ crore)

Particulars	31.03.2023	31.03.2022
Total exposure to the twenty largest borrowers/customers	30754.74	27329.48
Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/ customers	12.97%	14.17%

d) Concentration of NPAs

(Amount in ₹ crore)

Particulars	31.03.2023	31.03.2022
Total Exposure to the top twenty NPA accounts	623.34	1214.78
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	14.38%	22.80%

7. Derivatives

a) Forward rate agreement / Interest rate swap

(Amount in ₹ crore)

Items	**31.03.2023**	**31.03.2022**
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 (+) To receive / (-) To pay	Nil	Nil

Bank has policy guidelines in place for IRS/ FRA's. The approved ceiling for IRS / FRAs in terms of notional principal is Rs 2000.00 crore. As on 31st March 2023, the Bank had no outstanding swaps.

Example of concentration could be exposures to particular industries or swaps with highly geared companies.

If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the bank would receive or pay to terminate the swap agreements as on the balance sheet date. For a trading swap the fair value would be its mark to market value.

b) Exchange traded interest rate derivatives

(Amount in ₹ crore)

S.N.	**Particulars**	**2022-23**	**2021-22**
1	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise) a) 5.63% GS2026	18.55	20.00
2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March (instrument-wise)	Nil	Nil
3	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil
4	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

Qualitative disclosures

i) Derivative policy is approved by the Board, which includes measurement of credit & market risk.
ii) Policy for hedging and processes for monitoring the same are in place.
iii) The hedged transactions are undertaken for Balance Sheet management. Proper system for reporting & monitoring of risks is in place.
iv) Risk Management of derivative operations is headed by a Top Management Executive who reports to Central Office. The swaps are tracked on regular basis.
v) Accounting Policy for recording hedge and non-hedge transactions is in place, which includes recognition of income, valuation of outstanding contracts and credit risk mitigation as given in para 3.7 (ii) of Schedule 17, viz., Significant Accounting Policies.
vi) The Bank has made requisite provision on credit exposure of derivative contracts computed as per current exposure method & as per RBI guidelines.

Quantitative disclosures

(Amount in ₹ crore)

S. N.	**Particular**	**2022-23**		**2021-22**	
		Currency Derivatives	**Interest Rate Derivatives**	**Currency Derivatives**	**Interest Rate Derivatives**
(i)	Derivatives (Notional Principal Amount)	12076.49	NIL	19718.99	NIL
	a) For hedging	4636.60	NIL	7304.71	NIL
	b) For trading	7439.89	NIL	12414.28	NIL
(ii)	Marked to Market Positions*				
	a) Asset (+)	50.90	NIL	45.03	NIL
	b) Liability (-)	-	NIL	-	NIL
(iii)	Credit Exposure[$]	292.43	NIL	333.99	NIL
(iv)	Likely impact of one percentage change in interest rate (100*PV01)				
	a) on hedging derivatives	0.0244	NIL	0	NIL
	b) on trading derivatives	0.0122	NIL	0	NIL
(v)	Maximum and Minimum of 100*PV01 observed during the year				
	a) on hedging	Max: 0.052 Min: 0.024	NIL	Max: 0.04 Min: 0.013	NIL
	b) on trading	Max:0.062 Min:0.0001	Max:0.0213 Min:0.0104	Max:0.14 Min:0.029	Max:0.0109 Min:0.0108

*The net position shall be shown either under asset or liability, as the case may be, for each type of derivatives

d) Standard provision on derivative exposure

(Amount in ₹ crore)

Sr. No.	**Particulars**	**Credit Exposure***	**Provision as applicable to standard advances as on 31.03.2023**
1	Interest rate derivative	NIL	NIL
2	Foreign exchange derivative	292.43	1.17
3	Gold contract	NIL	NIL
4	Credit default swaps	NIL	NIL
	Total	**292.43**	**1.17**

*Credit Exposure calculated as per RWA guidelines of Basel III

e) Credit Default Swaps (CDS)

The Bank has no Credit Default Swaps during the year 2022-23 or as on March 31, 2023 is NIL.

Rodi Dabir & Co. Nagpur
S. Bhandari & Co. LLP Jaipur
Kirtane & Pandit LLP Pune
Sundaram & Srinivasan Chennai

8. Disclosures relating to securitization

(Amount in ₹ crore)

S. N.			Particulars	31-03-2023 (No./ Amount)	31-03-2022 (No./ Amount)
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	
2.			Total amount of securitized assets as per books of the SPEs		
3.			Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a)		Off-balance sheet exposures		
			First loss		
			Others		
	b)		On-balance sheet exposures		
			First Loss		
			Others		
4.			Amount of exposures to securitization transactions other than MRR		
	a)		Off Balance Sheet Exposures		
		i)	Exposure to own securitizations		
			First Loss		
			Others		
		ii)	Exposure to third party securitizations		
			First Loss		
			Others		
	b)		On Balance Sheet Exposures		
		i)	Exposure to own securitizations		
			First Loss		
			Others		
		ii)	Exposure to third party securitizations		
			First Loss		
			Others		
5			Sale consideration received for the securitized asserts and gain/loss on sale on account of securitization		
6			From and quantum (outstanding value) of services provided by way of credit enhancement, liquidity support, post – securitization asset servicing etc.		
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. -Amount paid -Repayment received -Outstanding amount		
8			Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc		
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.		
10			Investor complaints* -Directly/Indirectly received and; -Complaints outstanding		

9. Off balance sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	**Overseas**
Nil	Nil

10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

(Amount in ₹ crore)

Particulars	2022-23	2021-22
Opening balance of amount transferred to DEAF	610.27	500.85
Add: Amount transferred to DEAF during the year	239.25	111.99
Less: Amount reimbursed by DEAF towards claims	4.39	2.57
Closing balance of amount transferred to DEAF	**845.13**	**610.27**

11. Disclosure of complaints

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

S. N.		Particulars	2022-23	2021-22
	Complaints received by the bank from its customers			
1.		Number of complaints pending at beginning of the year	06	19
2.		Number of complaints received during the year	5609	3236
3.		Number of complaints disposed during the year	5578	3249
	3.1	Of which, number of complaints rejected by the bank	0	0
4.		Number of complaints pending at the end of the year	37	06
	Maintainable complaints received by the bank from Office of Ombudsman			
5.		Number of maintainable complaints received by the bank from Office of Ombudsman	1473	1063
	5.1.	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	502	961
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	970	53
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	1	02
6.		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

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 spending beyond 30 days
1	2	3	4	5	6
F. Y. 2022-23					
1-ATM/Debit Cards	2	1154	68	9	0
2-Internet/Mobile /Electronic Bkg	3	2300	53	13	0
3-Account opening /difficulty in operation of account	0	1094	85	6	0
4- Loans and Advances	0	564	83	8	0
5.Pension and facilities for senior citizens/differently abled	0	65	282	0	0
Others	1	432	243	1	0
Total	**6**	**5609**	**73**	**37**	**0**
F. Y. 2021-22					
1-ATM/Debit Cards	6	688	-57	2	0
2-Internet/Mobile /Electronic Bkg	12	1506	26	3	0
3-Account opening /difficulty in operation of account	1	591	7	0	0
4- Loans and Advances	0	308	38	0	0
5.Pension and facilities for senior citizens/differently abled	0	17	-73	0	0
Others	0	126	-	1	0
Total	**19**	**3236**	**-14**	**6**	**0**

12. Disclosure of penalties imposed by the Reserve Bank of India

During the Current Financial year following Penalties have been imposed:

(Amount in ₹ crore)

S. N.	Particulars/nature of penalties	Amount
1	Penalty under Payment & Settlement Systems Act, 2007	NIL
2	Penalty under section 46(4) of the Banking Regulation Act,1949	NIL
3	Government Securities Act, 2006 (for bouncing of SGL)	NIL
4	Penalty levied by RBI on currency chests	1.09
5	Others levied by RBI	0.11

There is no default in reverse repo transaction from bank side during the financial year.

12A. Provision for Wage Revision

Pending settlement of Bipartite agreement on wage revision (due from November 01, 2022) ₹98.78 Crores has been provided for on estimated basis during the year ended, March 31, 2023 towards wage revision

13. Disclosure on remuneration

(Amount in ₹ crore)

S. N.	Name	Designation	Remuneration	
			2022-23	2021-22
1.	Shri A S Rajeev	MD & CEO (from 01.12.2018 to till date)	0.48	0.34
2.	Shri Hemant Kumar Tamta	Executive Director (till 30.12.2021)	-	0.22
3.	Shri A. B. Vijayakumar	Executive Director (from 10.03.2021 to till date)	0.37	0.36
4.	Shri Asheesh Pandey	Executive Director (from 31.12.2021 to till date)	0.32	0.07
5.	Shri V P Srivastava	Chief Financial Officer (CFO) from 03.05.2021)	0.32	0.24
6.	Shri Prashant R. Khatawkar	Chief Financial Officer (CFO) (till 02.05.2021)	-	0.02
		Total	**1.44**	**1.25**

Note: The disclosure of CFO as key management personnel has been made as advised by RBI in its risk assessment report for the year 2018-19.

14. Other Disclosures

a) Business Ratios

Particular	2022-23	2021-22
Interest Income as a percentage to Working Funds	6.70%	6.26%
Non-interest income as a percentage to Working Funds	0.96%	1.27%
Cost of Deposits	3.70%	3.70%
Net Interest Margin	3.56%	3.15%
Operating Profit as a percentage to Working Funds	2.57%	2.33%
Return on Assets	1.10%	0.55%
Business (deposits plus advances) per employee (in ₹ crore) excluding inter bank deposits	31.45	26.49
Profit per employee (in ₹ Crore)	0.20	0.09

b) Bancassurance business

The fee/brokerage/commission etc. income earned under Bancassurance and other third party products is Rs.36.71 Crore (Rs. 30.38 crore). The details of Bancassurance income is as under:

(Amount in ₹ crore)

S. N.	Nature of Income	2022-23	2021-22
1	For selling life insurance policies	18.45	15.48
2	For selling non-life insurance policies	17.24	12.82
3	For selling other insurance (like Agriculture & Others)	0.08	0.20
	Total	**35.77**	**28.50**

c) Marketing and distribution

Details of fees/remuneration received in respect of marketing and distribution function (excluding bancassurance business) undertaken

(Amount in ₹ crore)

S. N.	Nature of Income	31.03.2023	31.03.2022
1	For Payment Gateway & Others	0.94	1.88

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)
The amount of PSLCs (category-wise) sold and purchased during the year are as under:

(Amount in ₹ crore)

S. N.	Category of PSLCs	Sold/ Purchased	Type	Amount	Commission/ Premium
1	PSLC-Micro Enterprises	Sold	PSLC-Micro Enterprises	500.00	2.15
2	PSLC- General	Sold	PSLC- General	-	-
3	PSLC-Agriculture	Sold	PSLC-Agriculture	200.00	2.00
	Total			**700.00**	**4.15**

e) Provisions and contingencies shown under the head Expenditure in Profit and Loss Account

(Amount in ₹ crore)

S. N.	***Particulars***	**31.03.2023**	**31.03.2022**
1	Provision towards NPA	2253.10	2578.48
2	Provisions for Standard Advances	-	296.69
3	Provision for Non Performing Investment	476.64	103.35
4	Provision for restructured Investment	27.10	-
5	Provisions for Restructured Advances	-	5.27
6	Provision for other Assets – Nominal	1.41	1.26
7	Provision for fraud (other than advances)	5.69	-
8	Provision for income tax (Incl- Reversal of DTA)	842.85	808.88
9	Other Provisions	20.14	57.07
10	Provision for contingent liability	0.75	0.06
	Sub-total (A)	**3627.68**	**3851.06**
	Less: Write back /adjustments		
1	Write back of Provision for restructured Advances	19.65	-
2	Write back of Provision for fraud (other than advances)	-	11.42
3	Write back of Provisions for TIBD- provision for FITL/interest/SR TIBD	16.66	134.74
4	Write back of provision for un-hedged foreign currency exposure	0.01	3.75
5	Write back of Income Tax (Incl Reversal of DTL)	-	4.82
6	Write back of provision for Standard Advances	94.18	-
	Sub Total (B)	**130.50**	**154.73**
	Total	**3497.18**	**3696.33**

f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

1. The Proforma Financial Statement (PFS) are being submitted to RBI on Half yearly basis (from FY 2021-22).
2. Bank has appointed a consultant for vetting the Proforma Financial Statement (PFS) before putting to Board for approval & submission to RBI.
3. In addition to vetting, Consultant has also been given assignment to conduct training for employees of the Bank in respect of IndAS.

g) Payment of DICGC Insurance Premium

(Amount in ₹ crore)

S. N.	Particulars	FY 2022-23	FY 2021-22
i)	Payment of DICGC Insurance Premium (Incl GST)	243.43	233.74
ii)	Arrears in payment of DICGC premium	-	-

h) Disclosure on amortization of expenditure on account of enhancement in family pension of employees of banks

The additional liability on account of enhancement in family pension in line with Government guidelines, works out to Rs. 217.70 Crore as per Actuarial valuation. The Bank has fully recognized the said liability and charged to the Profit & Loss Account during the FY 2021-22.

i) Letter of Comfort (LOCs) issued by Bank for the purpose of Trade Credit Facility to corporate.

During the current year, 83 Trade credits amounting to Rs. 91.43 crores were sanctioned by the Bank and No Letters of Comfort issued by the branches in favor of various other Banks for arranging trade credit to corporate clients.

As on 31st Mar 2023, 22 Trade Credits amounting to Rs 20.66 crores are outstanding as against 43 Trade Credits amounting to Rs 73.78 crores for the year ended 31st March, 2022.

15) Fixed Assets:

i. In accordance with the As-10 "Property, Plant and Equipment" depreciation of Rs. 102.46 Crore (Rs. 128.64 crore) for the year on revalued portion of fixed assets has been charged to Profit and Loss Account. Equivalent amount of Rs.102.46 crore (Rs.128.64 crore) has been transferred from Revaluation Reserve to Revenue Reserve.

ii. Certain premises of banks are stated at revalued amount. The gross amount of such revaluation included in premises at the end of the year is Rs. 1575.28 crore and net of depreciation the revaluation amounts to Rs.1472.82 crore

iii. There are cases pending for leased premises where no contingent liability is recognized as the Bank is defending all these cases filed by landlords of Branch premises due to expiration of lease deeds. Out of these, Bank accounts for its liability to around Rs. 0.14 crore. In all other cases where landlords have filed the claim, the amount cannot be ascertained unless the court crystalizes quantum of claims.

iv. Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Capital work in progress amounting to Rs. 2.00 Crore includes construction of building.

16) Accounting Standards:

The Bank has complied with the Accounting Standards issued by The Institute of Chartered Accountants of India (ICAI) to the extent applicable as under:

Accounting Standard 3- Cash Flow Statement: The bank prepares cash flow statement in line with requirements of AS-3 using indirect method.

Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies: As prior period items of income/expenditure are not material, the same have been charged/accounted for in respective heads of accounts during the year.

Accounting Standard 9 – Revenue Recognition: As per Accounting Policy No. 6.2, given in Schedule -17 – Significant Accounting Policies, the interest payable on overdue term deposit is provided on accrual basis at rate of interest as applicable to saving account or contracted rate of interest on the matured TD, whichever is lower from 02.07.2021. With effect from April 01, 2022, Commission income on account of Letter of Credit, Bank Guarantee and sale of Priority Sector Lending Certificate (PSLC) is recognized on accrual basis as against cash basis followed in the preceding year. This change in accounting policy has resulted in decrease of other income and net profit before tax by ₹ 78.38 crore during the Financial Year ended March 31, 2023 (₹ 15.63 crore for quarter ended March 31, 2023).

Accounting Standard 11 – Effect of Changes in Foreign Exchange Rates: Net income on account of exchange differences credited to Profit and Loss account for the year is Rs. 78.04 crore (Rs.129.05 crore).

Accounting Standard (AS) 15 (Revised 2005) - "Employee Benefits"

A. Defined Contribution Plans

(Amount in ₹ crore)

Particulars	31.03.2023	31.03.2022
a. Provident Fund	39.44	45.58
b. Contribution to Staff Welfare –Welfare Fund Contingency	15.00	15.00
c. Contribution to New Pension Scheme	87.43	62.03

B. Defined Benefit Plans:

a) **Pension Plan-** This is a post-employment benefit, which is 50% of final pay for a maximum of 33 years of pensionable service. This is a funded scheme.

b) **Gratuity Plan-** This is a post-employment benefit and is payable as higher of Gratuity as per Company's Rules and Gratuity under Payment of Gratuity Act 1972 as amended. This is a funded scheme.

c) **Leave Encashment/ Compensated Absences-**This is a post-employment benefit and is payable for a maximum limit of 240 days of accumulated leave based on final pay. This is a funded scheme.

I. Change in the Present value of Defined Benefit Obligations:

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
1	Opening Present Value of Defined Benefit Obligation	6925.37	6449.25	532.15	577.54	329.46	298.29
2	Interest Cost	493.62	428.27	36.71	37.39	23.26	19.74
3	Current Service Cost	300.66	325.73	34.95	33.26	75.61	71.58
4	Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00
5	Benefits Paid	(634.79)	(627.17)	(86.82)	(123.72)	(39.58)	(51.98)
6	Actuarial (Gains)/Losses for the year	(87.51)	349.29	0.27	7.68	(7.80)	(8.17)
7	Closing Present Value of Defined Benefit Obligation	**6997.34**	**6925.37**	**517.25**	**532.15**	**380.94**	**329.46**

II. Change in the Fair Value of Plan Assets:

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.23	31.03.22	31.03.23	31.03.22	31.03.23	31.03.22
1	Opening fair value of plan assets	6875.12	6201.15	556.67	503.99	0.00	NA
2	Expected return on plan assets	513.57	432.84	41.81	36.54	0.00	
3	Contributions made	227.51	841.22	0.00	112.00	270.11	
4	Benefits paid	(634.79)	(627.17)	(86.82)	(123.72)	(39.58)	
5	Actuarial gains/losses	(32.12)	27.08	7.69	27.86	10.54	
6	Closing fair value of plan assets	**6949.29**	**6875.12**	**519.35**	**556.67**	**241.07**	

III. Amount recognized in the Balance Sheet:

(Amount in ₹ crore)

S N	Particulars	FUNDED DEFINED BENEFIT OBLIGATIONS					
		PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT*	
		31.03.23	31.03.22	31.03.23	31.03.22	31.03.23	31.03.22
1	**Present Value of Defined Benefit Obligations**	6997.34	6925.37	517.25	532.15	380.94	329.46
2	**Fair Value of Plan Assets**	(6949.29)	(6875.12)	(519.35)	(556.67)	(241.07)	0.00
3	**Net liability to be recognized**	48.05	50.25	(2.10)	(24.51)	139.87	329.46
4	**Other amount recognized in the Balance Sheet**	0.00	0.00	0.00	0.00	0.00	0.00
5	**Net liability recognized in the Balance Sheet**	48.05	50.25	(2.10)	(24.51)	139.87	329.46

*From current financial year, bank has created Leave Encashment Trust.

IV. Amount recognized in Profit and Loss Account:

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
1	Current Service Cost	300.66	325.73	34.95	33.26	75.61	71.58
2	Interest Cost	493.62	428.27	36.71	37.39	23.26	19.74
3	Expected Return on Plan Assets	(513.57)	(432.84)	(41.81)	(36.54)	0.00	0.00
4	Actuarial (Gains)/Losses for the year	(55.39)	322.21	(7.43)	(20.18)	(18.34)	(8.17)
5	Past Service Cost	0.00	0.00	0.00	0.00	0	0.00
6	**Expense to be recognized**	225.31	643.37	22.42	13.93	80.52	83.16
7	Additional provision made / (write back) during the year	0.00	0.00	0.00	0.00	0	0.00
8	**Net expense recognized in Profit & Loss Account and included in Staff Cost**	225.31	643.37	22.42	13.93	80.52	83.16

Rodi Dabir & Co. Nagpur S. Bhandari & Co. LLP Jaipur Kirtane & Pandit LLP Pune Sundaram & Srinivasan Chennai

V. Reconciliation in the Net Liability recognized in the Balance Sheet

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
1	Opening Net Liability	50.25	248.09	(24.51)	73.57	329.46	298.29
2	Expense recognized	225.31	643.37	22.42	13.93	80.52	83.16
3	Contributions/ Benefits paid	(227.51)	(841.22)	0.00	(112.00)	(270.11)	(51.98)
4	**Closing Net Liability**	48.05	50.25	(2.10)	(24.51)	139.87	329.46

VI. Actual Return on Plan Assets

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
1	Expected return on plan assets	513.57	432.84	41.81	36.54	0.00	NA
2	Actuarial gain (loss) on plan assets	(32.12)	27.08	7.69	27.86	10.54	
3	**Actual return on plan assets**	481.45	459.92	49.50	64.40	10.54	

VII. Principal Actuarial Assumptions (expressed as weighted averages)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
1	Discount rate	7.47%	6.98%	7.51%	7.25%	7.51%	7.25%
2	Expected return on plan assets	7.47%	6.98%	7.51%	7.25%	7.51%	NA
3	Expected rate of salary increases	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%

C. Other Long Term Benefits:

(Amount in ₹ crore)

S N	Particulars	Recognized in Profit & Loss Account	
		31.03.2023	31.03.2022
1	Resettlement Allowance	0.00	0.00
2	Leave Fare Concession	13.26	12.35
3	Silver Jubilee Award	0.12	0.04
	Total	**13.38**	**12.39**

Accounting Standard 17- Segment Reporting: Bank has identified its primary reportable segments as under:

Part A: Business segments (Amount in ₹ crore)

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
Particulars	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue	4321.98	5094.00	6580.57	4537.40	7019.35	5438.13	258.83	602.17	18178.73	15671.70
Result	(102.37)	1398.46	2068.22	399.01	1389.49	(201.06)	89.54	359.19	3444.88	1955.60
Unallocated expenses									-	-
Operating profit									6099.21	4847.87
Taxes including deferred taxes									842.85	804.06
Extraordinary profit/ loss	-	-	-	-	-	-	-	-	-	-
Net profit									2602.03	1151.54
Other Information:										
Segment assets	77388.47	78679.17	108655.64	87029.25	65763.90	47398.10	12743.97	13380.83	264551.98	226487.35
Unallocated assets									3099.41	4124.02
Total assets									267651.39	230611.37
Segment liabilities	76214.14	77470.27	101218.75	81883.93	61172.95	44519.17	12403.95	12103.87	251009.79	215977.23
Unallocated liabilities									1031.33	749.26
Capital & Other Reserves									15610.27	13884.88
Total liabilities									267651.39	230611.37

RBI's Master Direction on Financial Statements –Presentation and Disclosures, requires to sub divide "Retail Banking" into (a) Digital Banking (as defined in RBI circular or Establishment of Digital Banking Units dated April 07, 2022) and (b) Other Retail Banking segment. Accordingly, the segmental results for retail banking segment for Q-4 2023 is subdivided as below:

(Amount in ₹ crore)

S.N.	Particulars	Segment Revenue	Segment Results	Segment Assets	Segment Liabilities
	Retail Banking	7019.35	1389.49	65763.90	61172.95
I	Digital Banking	0.01	(0.51)	1.30	1.81
Ii	Other Retails Banking	7019.34	1390.00	65762.61	61171.14

a) Treasury segment includes Investment, balances with Banks outside India, Interest accrued on investments and related income there from.

b) Corporate/Wholesale Banking Segments include all advances to trusts, partnership firms, companies, statutory bodies and individuals etc. which are not included in Retail Banking Segments.

c) Retail Banking Segments include exposure to entity/concern where
   i. Total average annual turnover less than Rs. 50.00 crore and
   ii. Aggregate exposure to one counter party does not exceed 0.2% of the overall retail portfolio of the Bank and
   iii. The maximum aggregated retail exposure to one counterpart is up to Rs. 5.00 crore.

d) Other Banking Operations segment includes all other banking transaction not covered under segments, specified above.

e) The interest income is allocated on the basis of actual interest received from wholesale banking operations. The total interest received less interest of wholesale banking is taken to retail banking operations

f) Expenses not directly attributable are allocated on the basis of Interest income earned by the wholesale banking / retail banking segment. Expenses of treasury operations are as per the details available from treasury operations

g) Capital employed for each segment has been allocated proportionate to the assets of the respective segment.

Part B: Geographical Segment

Since the operations of the Bank are within India only, Geographical Segment is not applicable.

Accounting Standard 18 – Related party disclosures

The details in this regard are asunder:

Name of the Related Parties and their relationship:

(a) Subsidiary of the Bank –The Maharashtra Executor & Trustee Co. Pvt. Limited
(b) Associate of the Bank – Maharashtra Gramin Bank
*(c) Key Management Personnel- **Details given in point no. 13 above***

Transactions with Related parties:

No disclosure is required in respect of related parties, which are "State Controlled Enterprises" as per paragraph no 9 of Accounting Standard (AS 18). Further in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

Accounting Standard 19 - Leases

Finance Leases: Lease under which the Bank assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at fair value of the asset or present value of the lease payments (after due amortization), whichever is lower.

Operating Leases: Bank has no non-cancellable Operating Leases during Financial Year. Hence additional disclosure under AS-19 is not applicable. The Lease payments under operating leases are recognized as an expense on straight line basis in Profit and Loss over the lease term. Amount of lease payments recognized in the Profit and Loss Account for operating leases amount to Rs.184.68 crore for the year 2022-23 (Previous year Rs. 171.47 crore).

Accounting Standard 20- Earnings per Share

Particulars	**31.03.2023**	**31.03.2022**
Basic E.P.S.	Rs. 3.87	Rs. 1.72
Diluted E.P.S.	Rs. 3.87	Rs. 1.72
Calculation of Basic /Diluted EPS.		
a) Net Profit after Tax (in Crore)	2602.03	1151.54
b) Weighted Average number of Equity Shares (in Crore)	673.05	668.06
c) Basic/ Diluted Earnings per share [(a) divided by (b)]	Rs. 3.87	Rs. 1.72
d) Nominal Value per Share	Rs. 10.00	Rs. 10.00

Accounting Standard 21 – Consolidated Financial Statements: The financial results of the Associate viz. Maharashtra Gramin Bank and subsidiary viz. Maharashtra Executor & Trustee Company Private Limited have been consolidated with the parent bank in compliance with Accounting Standard 23 and Accounting Standard 21 respectively.

Accounting Standard 22 – Accounting for Taxes on Income: Based on the review by the bank and on reasonable certainty of availability of future taxable income against which timing differences arising on account of provision for accumulated losses, Bad & Doubtful Debts (NPA), employee benefits etc. can be realized, the bank has accounted for taxes on income in compliance with AS 22. Accordingly, Deferred Tax Assets and Deferred Tax Liabilities are as under:

(**Amount in ₹ crore**)

Particulars	**31.03.2023**	**31.03.2022**
Deferred Tax Assets		
1) On account of Accumulated Losses	NIL	432.68
2) On account of provisions for Employees benefits	23.68	106.02
3) Other Provisions where DTA is created	1250.42	1577.77
Sub-Total (A)	**1274.10**	**2116.47**
Deferred Tax Liability		
1) On account of Special Reserve u/s 36(1) (viii)	12.90	12.42
Sub-Total (B)	**12.90**	**12.42**
Net Deferred Tax Asset (A-B)	**1261.20**	**2104.05**

As the bank has opted for lower tax rate permitted under section 115 BAA of the Income Tax Act 1961 from AY 2021-22, the provisions of section 115JB of the Income Tax Act are not applicable to the bank.

Accounting Standard -24- Discontinuing Operations: The Bank, during the financial year 2022-23, has not discontinued any of its business activities/ operations which resulted in discharging of liabilities and realization of the assets and no decision has been finalized to discontinue a business activity in its entirety which will have the above effects.

Accounting Standard 26—Accounting for Intangible Assets:

Computer Software – other than internally generated:

Useful life - 3 years.
Amortization Rate - 33.33 %
Amortization Method - Straight line at cost

(**Amount in ₹ crore**)

Particulars	**31.03.2023**	**31.03.2022**
Software at the beginning of the year	27.62	33.24
Software acquired during the year	125.93	11.01
Amortization during the year	43.03	16.63
Net carrying amount at the end of the year	110.52	27.62

Accounting Standard 28- Impairment of Assets: Assets are reviewed for impairment at the end of the year whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of an asset to be held and used is measured by a comparison for the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset. If such an asset is considered to be impaired, the impairment to be recognized and is measured by the amount by which the carrying amount of the asset exceeds the recoverable amount of the asset. However, in the opinion of the Bank's Management, there is no indication of material impairment to the assets during the year to which Accounting Standard 28 - "Impairment of Assets" applies.

Accounting Standard 29- Provisions, Contingent Liabilities and Contingent Assets Claim against the bank not acknowledged as debt on year end

(**Amount in ₹ crore**)

Category	**2022 – 23**	**2021 – 22**
Balance Outstanding	1375.62	1375.41
Provision Held	2.66	2.05

Total Contingent liabilities (as per Schedule 12) include expired Guarantees amount Rs.1157.12 crore (P.Y. Rs. 898.43 crore), which has not been cancelled because of pending completion formalities.

17) The Board has proposed dividend @13% i.e. Rs. 1.30 paise per equity share (Face Value of Rs. 10/- per share) for the Financial Year 2022-23 in Board Meeting dated April, 24 2023 subject to requisite approval from Shareholders.

18) Previous year's figures have been regrouped / reclassified wherever considered necessary to make them comparable with current year's figure.

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Chartered Accountants,
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Jaipur - 302 005

M/s. Kirtane & Pandit LLP
Chartered Accountants,
5th. Floor, Wing A, Gopal House,
Kothrud, Pune- 411 038

M/s. Sundaram & Srinivasan
Chartered Accountants,
23, CP Ramaswamy Road,
Alwarpet, Chennai-600 018

Independent Auditors' Report

To,
The President of India and Members of "BANK OF MAHARASHTRA"
Report on Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of Bank of Maharashtra (the "Bank") which comprise the Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and Notes to the Consolidated Financial Statements including summary of Significant Accounting Policies and other explanatory information, in which following are incorporated –

   a. Audited Standalone Financial Statements of the Bank;
   b. Audited Financial Statements of one Subsidiary,
   c. Audited financial statements / financial information of 1 Regional Rural Bank (Associate),

   The Bank together with its Subsidiary are referred to as the "Group".

   In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the reports of other auditors on separate financial statements of subsidiary and associate, the aforesaid consolidated financial statements give the information required by the Banking Regulation Act, 1949 (the 'Act') in the manner so required for bank and are in conformity with accounting principles generally accepted in India and:

   a. in case of Consolidated Balance Sheet, read with the notes thereon, gives true and fair view of the state of affairs of the Group as at 31st March, 2023;
   b. the Consolidated Profit and Loss Account, read with the notes thereon, shows a true balance of profit for the year ended 31st March, 2023 and
   c. the Consolidated Cash Flow Statement, gives a true and fair view of the cash flows for the year ended 31st March, 2023.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the Consolidated financial statements prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI") from time to time 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

3. We draw attention to Note No. 4(h) in Schedule 18 of the Standalone Financial Statements where Bank continues to hold COVID-19 related provision of Rs. 1200 Crore as contingency provision as on 31st March 2023.

   Our Opinion is not modified in respect of this matter.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matters	How our Audit procedures addressed the Key Audit Matters
1.	**Classification of Advances, Provisioning and other relevant compliance of RBI Guidelines:** (Refer Note No. 5 of Schedule 17 of Significant Accounting Policy to the Consolidated Financial Statements) The Group's portfolio comprises of Net Advances of 171220.67 Crores as at March 31, 2023 comprising of wholesale and retail banking. As required by IRAC Norms, guidelines issued by RBI and other circulars, notification and directives issued by RBI, the Bank has classified Advances and has made appropriate provisions in accordance with such guidelines. Income from Advances constitutes 63.17% of Total Income. The provision in respect of Non-Performing Asset is Rs. 2253.10 Crores which constitutes 14.46% of the total expenditure. The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate the IRAC Norms, are not properly followed. The Bank has significant Credit Risk Exposure to a large number of borrowers	We have tested the design and operating effectiveness of the Key controls of the system, application, process over approval, recording, monitoring, and recovery of loans, overdue and stressed accounts, identification of NPA, Provision for NPA including verification of valuation reports of experts for primary and collateral securities based on the understanding of the prudential guidelines and overall organisational IT framework of the Bank and its communication through various circulars and reports. We have evaluated the Internal Controls over sanctioning, monitoring the process and account for system overrides or bypasses to controls of advances, supervisory framework such as Internal Audit, Credit Audit, Concurrent Audit, Systems Audit, as well as Internal Check, effectiveness of such framework as per the policies and procedures of the bank and in compliance with prudential guidelines. We have tested samples of Performing Assets and assessed the application of IRAC Norms, as prescribed by RBI, individually to ensure compliance of the same. Also reviewed approval of sanctions against Bank's credit Policy and performance of Credit Assessments and controls. Examined early warning signal reports, other exceptional reports generated by the Bank for

	across a wide range of borrowers, products, industries and there is a high degree of complexity, uncertainty, judgement involved in recoverability of Advances, estimation of provisions thereon and identification of accounts to be written off. If such prudential guidelines are not followed by the Bank the profit for the year and the net advances position will be materially mis-stated. Hence, we consider this as a Key Audit Matter.	the purpose of identifying potential NPA and steps taken for monitoring of such accounts including red flagged accounts to overcome assessed risks and ensure effective implementation of risk management and related controls. We have adopted a framework of carrying out detailed verification of corporate wholesale (including Consortium, Pool Buyout and other large borrowers) by way of review of collateral documents including valuation reports, due diligence report, servicing Agreement, deed of assignment, JLA and External Credit rating reports to assess and focus on larger exposures of the Bank and mitigating the areas of emerging risk. We have discussed with the Senior Management and performed our own assessment including internal and external macroeconomic factors and testing the timelines and the accuracy of risk assessment and risk grading against the Bank's lending policies, IRAC Norms and in accordance with Government Policies. We have examined the Retail advances portfolio of the Bank on sampling basis to ensure effective monitoring and implementation of IRAC norms including income recognition, provisioning for such loans. The Bank has adopted Loan Life Cycle Management System for retail loans which effectively monitors, controls, the retail portfolio of the Bank and is tested for its effective implementation and performance. We have also tested the completeness and accuracy of the data from the underlying source systems, tested the automated calculation and evaluated the bank's oversight of the portfolio. We have reviewed the Bank's process for granting moratorium and restructuring to borrowers as per the Regulatory Package announced by RBI. We tested the completeness and accuracy of data used for computing general provisions in line with regulatory package issued by RBI. Also, we have relied on the compilation of the data of the restructured accounts at Head office based on the schedules audited by the statutory branch auditors. We have examined the adequacy and appropriateness of disclosures against the relevant RBI requirements relating to NPA and applicable Accounting Standards required to be

		made in accordance with Banking Regulation Act and RBI Circulars. We have also placed reliance on the Audit reports of the other Statutory Branch Auditors, with whom we have made specific communications.
2.	**Classification and Valuation of Investments:** (Refer Note No. 4 of Schedule 17 of Significant Accounting policies to the Consolidated Financial Statements) Investments are classified into Held for Trading (HFT), Available for Sale (AFS) and Held to Maturity (HTM) categories at the time of purchase. Investments intended to be held till maturity are classified as HTM Investments. Classification of Investments, valuation and provisioning thereof are based on RBI guidelines. Compliance of Investment Portfolio as per guidelines issued by RBI is mandatory and involves management judgement in determining the value of bonds, debentures and other securities based on the policy and the model adopted by the Bank. Impact of Impairment assessment is having overall significance to the financial results of the Bank. Interest Income from Investment of the Bank comprises 23.47% of the total income. In view of these significant points including assessment of non performing Investments and provisions we have identified this aspect as a Key Audit Matter.	We have tested the design, implementation and operating effectiveness of management's key internal controls of the Bank towards classification, valuation process, independent price verification, including the Bank's review and approval of the estimates and assumptions used for the valuation including key authorisation and data input controls. We have examined the investment agreement / term sheet entered into during the current year, on a sample basis, to understand the relevant investment terms and identify any conditions that were relevant to the valuation of financial instruments. Our Audit approach towards Investment Portfolio of the bank is based on compliance and requirements of RBI circulars and directives in relation to valuation, classification, identification of Non Performing Investments, Provision for Investments and relevant policies and procedures adopted by the Bank including effective implementation of Internal control system and related process. We tested accuracy and completeness of adoption of RBI guidelines and directions by reperforming valuations for each category of the securities. Various sampling techniques were adopted to ensure coverage of risk weighted Investments based on the nature of security and were tested for its carrying value in the Financial Statements of the Bank. We have verified the non performing investments of the bank by the method of independent verification of provisions and depreciation in accordance with RBI guidelines and confirmed the compliance of such guidelines. We have reviewed the application / conversion of interest / principal towards a separate List of Investments and checking whether these Investments are classified as NPI. The samples selected for the same covers the majority categories of Investments to cover the material impact on the income of the Bank.

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Sundaram & Srinivasan Chartered Accountants New No: 4, Old No 23, CPR Road, Chennai 600 018.

S Bhandari & Co LLP Jaipur Chartered Accountants

Rodi Dabir & Co. Chartered Accountants FRN: 108846W

		We have verified Investment portfolio of AFS and HFT on sample basis and performed various substantive analytical procedures in determination of Income, gain / loss on sale and tracked the controls implemented by the Bank through credit / debit in the profit and loss account. We have tested the portfolio of HTM and made detailed verification of transaction of purchase / sale of such HTM and controls implemented by the TIBD in recognizing the profit / loss to profit and loss account and subsequent appropriation to Capital Reserve Account. We have examined the adequacy and appropriateness of depreciation and Impairment of each category of Investment and recomputed the provision to be maintained in accordance with the RBI Guidelines and ensured that adequate disclosures have been made in Notes to Accounts.
3.	**Information Technology Systems and Control Framework:** The Bank's key business objective is determined evaluated, controlled, monitored, implemented through complex IT architecture to support high volume of business operation by automation and application which are significant towards Banking business and plays a major role as a backbone in achieving the Business Objective. The Bank's financial accounting process in respect of recognition of Income, classification of Assets through IRAC Norms and evaluating the performance of the Bank and producing the desired output through various application and other IT general controls to ensure the required business Output and helps us to arrive at the Audit conclusion to ensure quality performance Financial & Accounting Processes.	Information Technology forms an integral part of operating requirements of the Bank by way of various applications, general, software controls and requires understanding of various systems and procedures in evaluating the Risk based and business centric requirements of the Bank. We have reviewed the various IT policies and procedures including user management, change management, system security, incident management, physical and environment security, standard operating procedures, Segregation of duty, BCP, DRP, service level agreements, security policies to ensure these are in line with business requirements of the Bank and to comply with government and RBI regulations. We have adopted various techniques such as enquiry, review of documentation, record, reports, observation, and re performance of various application controls by taking adequate samples of instances for our test. We have also tested validation checks using negative testing technique.
	We have identified various application and control framework in implementing various	We have tested various compensating controls and performed alternate procedures which were necessary and gathered a comprehensive understanding of IT applications landscape implemented by the Bank. It was followed by

	products and schemes which covers majority of Bank's business.and hence we consider Information Technology Systems and Control as a Key Audit Matter.	process understanding mapping of application to the same and understanding financial risk posed by people, process and technology. We have also assessed areas including password policies, security configuration, system interface controls over changes to applications and databases and that business users and controls to ensure that developers and production support did not have access to change applications, the operating systems or databases in the production environment to ensure proper segregation of duties is in place as per the SOP. We have tested certain critical aspects of cyber security on network security management mechanism, operational security of key information infrastructure, data and client information management, monitoring and emergency management. through certain data drill conducted by the Management and scrutinised by us and comparing the required results. We have also assessed the requirement of the implementation of Business Continuity Plan initiated by the Bank due to impact of COVID - 19 pandemic and ensured sustainability and growth under COVID -19 circumstances. We have verified the testing report carried out by the Management on risk of implementation of security control in a more holistic, comprehensive way, ensuring that all business decisions are based on proper Risk assessment and management considering the overall effect of uncertainties on the Bank's Objective.
4.	**Provisions and Contingent Liability:** Assessment of Provisions and Contingent Liability in respect of certain litigations on various claims filed by other parties not acknowledged as debt (Note No. 11 of Schedule 17 and Note No. 14 of Schedule 18) There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgement, past experience, and advice from legal and independent experts wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact	We have obtained an understanding of Internal Controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances. Understanding the current status of the litigations / tax assessments. Examining recent orders and communications received from various tax authorities / judicial forums and follow up actions thereon; Evaluated the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of experts. Review and analysis of evaluation of the

	the Bank's reported profit and state of affairs presented in Balance Sheet. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to outcome of these matters which requires application of judgement in interpretation of Law.	contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues. Verified the disclosures related to significant litigations and taxation matters. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgements / interpretation of law involved.

Information other than the Consolidated Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors is responsible for other information. The other information comprises the information other than Consolidated Financial Statements and our Auditors' Report thereon and the Pillar III disclosure under the Basel III disclosures.

   Our opinion on the Consolidated Financial Statements does not cover the other information and Pillar III disclosures under Basel III Disclosures and we do not express any form of assurance conclusion thereon.

   In connection with our Audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

   When we read the Other Information and based on the work we perform, if we conclude that there is material misstatement therein, we are required to report that fact to 'Those charged with Governance'.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Bank's Board of Directors is responsible with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group and its associate in accordance with the accounting principles generally accepted in India and in accordance with the Accounting Standard 21- "Consolidated Financial Statements", and Accounting Standard 23 - "Accounting for Investment in Associates in Consolidated Financial Statements", issued by Institute of Chartered Accountants of India, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. The respective Board of Directors of the entities included in the group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate's and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Bank, as aforesaid .

   In preparing the Consolidated Financial Statements, the respective management of the entities included in the Group and its associate are responsible for assessing the ability of the Group and its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group and of the associate are responsible for overseeing the Financial Reporting process of the Group and its associate.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

   As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of Internal Control relevant to the Audit in order to design Audit procedures that are appropriate in the circumstances.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and its associate's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
   - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Group and its associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the audit of the Financial Statements of such entity included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors are responsible for direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of Consolidated Financial Statements 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 effect of identified misstatements in the Consolidated Financial Statements.

We communicate with Those charged with governance of the Bank included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

8. We did not audit the Financial Statements / information of 576 branches included in the Consolidated Financial Statements of the Bank whose Financial Statements / financial information reflect total advances of Rs. 63295.49 Crores as at 31st March, 2023 and total revenue of Rs. 5151.98 Crores for the year ended on that date, as considered in the Consolidated Financial Statements. These branches cover 32.49% of advances, 44.35% of deposits and 39.64% of Non-performing assets as at March 31, 2023 and 28.34% revenue of the Bank for the year ended March 31, 2023. The Financial Statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

   Further we did not audit the Financial Statements of 1627 branches included in the Consolidated Financial Statements of the Bank whose Financial Statements reflect total advances of Rs. 44699.35 Crores as at 31st March, 2023 and total revenue of Rs. 4101.56 Crores for the year ended on that date as considered in the Consolidated Financial Statements. These have been drawn by the management.

   Also, we did not audit the Financial Statements of the subsidiary company whose Financial Statement / financial information reflects total assets of Rs. 21.71 Crores as at 31st March, 2023, Total revenue of Rs.2.30 Crores and net profit after Tax of Rs.0.76 crore for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of Net Profit after tax of Rs.2.21 Crores for the year ended 31st March, 2023 as considered in the Consolidated Financial Statements, in respect of one associate, whose Financial Statements / financial information have not been audited by us. The Financial Statements/financial information of the subsidiary company and associate have been audited by the other auditor, whose reports and statements have been furnished to us by the management of the Bank. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report, in so far it relates to the aforesaid subsidiary and associate, is based solely on the report of such auditor.

KIRTANE & PANDIT LLP
PUNE
Chartered Accountants

SUNDARAM & SRINIVASAN
New No:4, Old No.23, CPR Road, Chennai 600 018.
CHARTERED ACCOUNTANTS

S BHANDARI & CO LLP
JAIPUR
Chartered Accountants

RODI DABIR & CO.
FRN: 108846W
CHARTERED ACCOUNTANTS

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

9. The Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;

   Subject to the limitations of the audit indicated in paragraphs 6 to 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also to the limitations of disclosure required therein, we report that:

   a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
   b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
   c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

10. As required by letter no. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

    a) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

    b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.

    c) As the bank and its associate are not registered under the Companies Act, 2013 the disqualifications from being a director of the bank under the sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank. However, in case of subsidiary (a company), on the basis of the written representations received from the directors as on 31st March, 2023, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.

    d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.

    e) As per para 1.14 of the "Technical guide on Audit of Internal Financial Controls in case of Public Sector Banks" issued by ICAI, the reporting requirement introduced by RBI regarding Internal Financial Reporting will apply to the Standalone financial statements of public sector bank. Accordingly, reporting is not done on the Group's Internal Financial Control over financial reporting with reference to Consolidated financial statements

Kirtane & Pandit LLP, Pune, Chartered Accountants

Sundaram & Srinivasan, Chartered Accountants, New No:4, Old No:23, CPR Road, Chennai 600 018.

S Bhandari & Co LLP, Jaipur, Chartered Accountants

Rodi Dabir & Co., FRN: 108846W, Chartered Accountants

11. We further report that:

a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

b) the Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the books of accounts and with the returns received from the branches not visited by us;

c) the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and

d) in our opinion, the Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Statement of Cash Flows comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

For M/s. Rodi Dabir & Co.	**For M/s. S Bhandari & Co LLP**	**For M/s. Kirtane & Pandit LLP**	**For M/s. Sundaram & Srinivasan**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN – 108846W	FRN – 000560C/ C400334	FRN – 105215W/ W100057	FRN – 004207S
CA Sudhir Dabir	CA P D Baid	CA Sandeep Welling	CA P Menakshi Sundaram
Partner	Partner	Partner	Partner
M No 039984	M No 072625	M No 044576	M No 217914
UDIN: 23039984BGZBUI9128	UDIN: 23072625BGXCSZ8543	UDIN: 23044576BGXPRK4877	UDIN: 23217914BGWPBW4334

Date: 24.04.2023
Place: Pune

बैंक ऑफ महाराष्ट्र
Bank of Maharashtra
भारत सरकार का उद्यम
एक परिवार एक बैंक

HEAD OFFICE: "LOKMANGAL", 1501 SHIVAJINAGAR, PUNE 411005

CONSOLIDATED BALANCE SHEET AS ON 31st Mar 2023

Rs. in Thousands

	Schedule	As on 31st Mar 2023 (Current Year)	As on 31st Mar 2022 (Previous Year)
CAPITAL AND LIABILITIES			
Capital	1	6730 ,49 ,64	6730 ,49 ,64
Reserves & Surplus	2	9059 ,73 ,71	7331 ,37 ,62
Minority Interest	2A	-	-
Deposits	3	234064 ,10 ,36	202275 ,25 ,42
Borrowings	4	10765 ,65 ,77	7746 ,74 ,19
Other Liabilities & Provisions	5	7207 ,17 ,40	6699 ,59 ,47
TOTAL		**267827 ,16 ,88**	**230783 ,46 ,34**
ASSETS			
Cash and Balances with Reserve Bank of India	6	18507 ,72 ,24	19721 ,92 ,92
Balances with Banks, Money at call & short notice	7	21 ,22 ,81	194 ,08 ,74
Investments	8	69042 ,03 ,19	68761 ,56 ,32
Advances	9	171220 ,67 ,12	131170 ,43 ,89
Fixed Assets	10	2156 ,73 ,96	2241 ,66 ,01
Other Assets	11	6878 ,77 ,56	8693 ,78 ,46
TOTAL		**267827 ,16 ,88**	**230783 ,46 ,34**
Contingent Liabilities	12	24589 ,12 ,14	30613 ,56 ,04
Bills for Collection		6342 ,09 ,09	5819 ,51 ,14
Significant accounting policies	17		
Notes on Accounts	18		

The Schedules 1 to 18 form an integral part of the Accounts.

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st Mar 2023

Rs. in Thousands

	Schedule	Year ended 31st Mar 2023 (Current Year)	Year ended 31st Mar 2022 (Previous Year)
I. INCOME			
Interest earned	13	15898 ,59 ,54	13019 ,30 ,87
Share of earnings/ loss in Associates		2 ,20 ,81	1 ,79 ,24
Other Income	14	2280 ,93 ,50	2652 ,85 ,90
TOTAL		**18181 ,73 ,85**	**15673 ,96 ,01**
II. EXPENDITURE			
Interest expended	15	8156 ,78 ,78	6973 ,96 ,05
Operating Expenses	16	3922 ,46 ,35	3850 ,03 ,39
Provisions & contingencies		3497 ,48 ,47	3696 ,53 ,64
TOTAL		**15576 ,73 ,60**	**14520 ,53 ,08**
PROFIT/LOSS			
Consolidated Net Profit for the year		2605 ,00 ,25	1153 ,42 ,93
Add: Profit brought forward		590 ,18 ,33	167 ,95 ,65
TOTAL		**3195 ,18 ,58**	**1321 ,38 ,58**
APPROPRIATIONS			
Transfer to Statutory Reserve		650 ,50 ,94	287 ,88 ,40
Transfer to Capital Reserve		12 ,29 ,48	83 ,69 ,37
Transfer to Revenue Reserve		-	-
Transfer to Special Reserve		-	-
Transfer to Investment Fluctuation Reserve		-	23 ,10 ,00
Proposed dividend (Equity)		874 ,96 ,46	336 ,52 ,48
Balance carried over to Balance Sheet		1657 ,41 ,70	590 ,18 ,33
TOTAL		**3195 ,18 ,58**	**1321 ,38 ,58**
Earning per share (Basic & Diluted) (Rupees)		3.87	1.73

SARDAR BALJIT SINGH
DIRECTOR

SHASHANK SHRIVASTAVA
DIRECTOR

RAKESHKUMAR
DIRECTOR

MANOJ K. VERMA
DIRECTOR

PRASHANT KUMAR GOYAL
DIRECTOR

ASHEESH PANDEY
EXECUTIVE DIRECTOR

A.B. VIJAYAKUMAR
EXECUTIVE DIRECTOR

A.S. RAJEEV
MANAGING DIRECTOR & CEO

KEYUR TALATI
CHIEF MANAGER, FM&A

MUDIT AGARWAL
ASST. GENERAL MANAGER, FM&A

V P SRIVASTAVA
GENERAL MANAGER & CFO

- AS PER OUR REPORT OF EVEN DATE ATTACHED -

Place: Pune
Date: 24.04.2023

For M/s. Rodi Dabir & Co.
FRN-108846W
Chartered Accountants
CA Sudhir Dabir
Partner
Membership No: 039984
UDIN - 23039984BGZBUI9128

For M/s. S Bhandari & Co LLP
FRN – 000560C/C400334
Chartered Accountants
CA P D Baid
Partner
Membership No: 072625
UDIN - 23072625BGXCSZ8543

For M/s. Kirtane & Pandit LLP
FRN- 105215W/W100057
Chartered Accountants
CA Sandeep Welling
Partner
Membership No: 044576
UDIN - 23044576BGXPRK4877

For M/s. Sundaram & Srinivasan
FRN- 004207S
Chartered Accountants
CA P Menakshi Sundaram
Partner
Membership No: 217914
UDIN - 23217914BGWPBW4334

SCHEDULE-1 CAPITAL

₹ In Thousands

	As on 31st Mar 2023 (Current Year)		As on 31st Mar 2022 (Previous Year)	
Authorised Capital				
10,00,00,00,000 Equity Shares (Previous Year 10,00,00,00,000) of Rs. 10/- each		**100,000,000**		**100,000,000**
Issued & Subscribed				
673,04,96,447 Equity Shares (PreviousYear 673,04,96,447) of Rs.10/- each				
Opening Balance	67,304,964		65,601,589	
Additions during the year	-	67,304,964	1,703,375	67,304,964
Paid Up Capital				
a. Held by Central Government	61,226,279		61,226,279	
612,26,27,927 (Previous Year 612,26,27,927) Equity shares of Rs.10/- each				
b. Held by the Public & Others	6,078,685		6,078,685	
60,78,68,520 (Previous Year 60,78,68,520) Equity Shares of Rs.10/- each				
Less: Allotment money due	-	67,304,964	-	67,304,964
		67,304,964		67,304,964
TOTAL		**67,304,964**		**67,304,964**

SCHEDULE-2 RESERVES AND SURPLUS

₹ In Thousands

	As on 31st Mar 2023 (Current Year)		As on 31st Mar 2022 (Previous Year)	
I. STATUTORY RESERVE				
Opening Balance	17,948,069		15,069,229	
Addition during the year	6,505,094	24,453,163	2,878,840	17,948,069
II. CAPITAL RESERVE				
i) Opening Balance	6,852,644		6,015,707	
ii) Addition during the year	122,948		836,937	
iii) Deduction during the year	-	6,975,592	-	6,852,644
III. SHARE PREMIUM				
i) Opening Balance	3,283,128		949,504	
ii) Addition during the year	-	3,283,128	2,333,624	3,283,128
IV. REVENUE AND OTHER RESERVES				
a) REVENUE RESERVE				
i) Opening Balance	18,784,827		17,498,470	
ii) Addition during the year	1,024,605		1,286,357	
iii) Deduction during the year	-	19,809,432	-	18,784,827
b) SPECIAL RESERVE				
i) Opening Balance	512,604		512,604	
ii) Deduction during the year	-	512,604	-	512,604
c) REVALUATION RESERVE				
i) Opening Balance	15,769,657		11,726,232	
ii) Addition during the year	-		17,056,014	
iii) Deduction during the year	1,041,375	14,728,282	13,012,589	15,769,657
d) INVESTMENT RESERVE ACCOUNT				
i) Opening Balance	4,261,000		4,030,000	
ii) Addition during the year	-		231,000	
iii) Deduction during the year	-	4,261,000	-	4,261,000
V. BALANCE IN PROFIT & LOSS ACCOUNT				
Balance of Profit /Loss	16,574,170	16,574,170	5,901,833	5,901,833
TOTAL (I, II, III, IV & V)		**90,597,371**		**73,313,762**

SCHEDULE-2A MINORITY INTEREST

₹ In Thousands

	As on 31st Mar 2023	As on 31st Mar 2022
	(Current Year)	(Previous Year)
MINORITY INTEREST	Nil	Nil

SCHEDULE-3 DEPOSITS

₹ In Thousands

	As on 31st Mar 2023 (Current Year)		As on 31st Mar 2022 (Previous Year)	
A. I. DEMAND DEPOSITS				
i) From Banks	81 ,57 ,71		107 ,03 ,26	
ii) From others	28218 ,81 ,52	28300 ,39 ,23	28070 ,00 ,08	28177 ,03 ,34
II. SAVINGS BANK DEPOSITS		96659 ,91 ,93		88856 ,24 ,34
III. TERM DEPOSITS				
i) From Banks	933 ,76 ,23		459 ,91 ,52	
ii) From others	108170 ,02 ,97	109103 ,79 ,20	84782 ,06 ,22	85241 ,97 ,74
TOTAL (I, II & III)		**234064 ,10 ,36**		**202275 ,25 ,42**
B. i) Deposits of subsidiaries in India including foreign offices, if any		-		-
ii) Deposits of subsidiaries outside India including Indian offices, if any		-		-
iii) Deposits of Parent		234064 ,10 ,36		202275 ,25 ,42
TOTAL (I, II & III)		**234064 ,10 ,36**		**202275 ,25 ,42**
C. i) Deposits of parent in India		234064 ,10 ,36		202275 ,25 ,42
ii) Deposits of subsidiaries in India		-		-
iii) Total Deposits in India (i + ii)		234064 ,10 ,36		202275 ,25 ,42
iv) Deposits of parent outside India		-		-
v) Deposits of subsidiaries outside India		-		-
vi) Total Deposits outside India (iv + v)		-		-
TOTAL (C iii + C vi)		**234064 ,10 ,36**		**202275 ,25 ,42**

SCHEDULE-4 BORROWINGS

₹ In Thousands

	As on 31st Mar 2023 (Current Year)		As on 31st Mar 2022 (Previous Year)	
I. BORROWINGS IN INDIA				
i) Reserve Bank Of India	500 ,00 ,00		500 ,00 ,00	
ii) Other Banks	-		-	
iii) Other Institutions and Agencies	5395 ,94 ,07		3351 ,04 ,19	
iv) Debentures	-		-	
v) Other Borrowings				
a) Innovative Perpetual Debt Instruments (IPDI)	1880 ,00 ,00		290 ,00 ,00	
b) Hybrid Debt Capital Instruments issued as Bonds	-		-	
c) Subordinated Debt Bonds	2953 ,70 ,00		3605 ,70 ,00	
d) Infra Bonds	-	10729 ,64 ,07	-	7746 ,74 ,19
II. BORROWINGS OUTSIDE INDIA		36 ,01 ,70		-
TOTAL (I & II)		**10765 ,65 ,77**		**7746 ,74 ,19**
III. SECURED BORROWINGS INCLUDED IN I & II ABOVE		4497 ,76 ,07		3694 ,69 ,19

SCHEDULE-5 OTHER LIABILITIES AND PROVISIONS

₹ In Thousands

	As on 31st Mar 2023 (Current Year)		As on 31st Mar 2022 (Previous Year)	
I. Bills Payable		696 ,22 ,51		809 ,96 ,29
II. Inter-office adjustments (net)				
a. Parent Company		156 ,36 ,85		749 ,26 ,05
b. Subsidiary		-		-
III. Inter group adjustment (net)		-		-
IV. Interest Accrued		407 ,29 ,19		272 ,75 ,75
V. Others (including provisions):				
a) Provision against standard assets	1541 ,27 ,88		1635 ,62 ,85	
b) Other liabilities (including provisions)	4406 ,00 ,97	5947 ,28 ,85	3231 ,98 ,53	4867 ,61 ,38
TOTAL		**7207 ,17 ,40**		**6699 ,59 ,47**

RODI DABIR & CO. NAGPUR Chartered Accountants

S. BHANDARI & CO. LLP JAIPUR Chartered Accountants

KIRTANE & PANDIT LLP PUNE Chartered Accountants

SUNDARAM & SRINIVASAN CHENNAI Chartered Accountants

BANK OF MAHARASHTRA F.M.& A. PUNE-5

SCHEDULE - 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA

₹ In Thousands

	As on 31st Mar 2023 (Current Year)		As on 31st Mar 2022 (Previous Year)	
I. Cash in hand (including foreign currency notes)		1094 ,91 ,72		1123 ,44 ,13
II. Balances with Reserve Bank of India				
i) In Current Accounts	10080 ,80 ,52		9898 ,48 ,79	
ii) In other Accounts	7332 ,00 ,00	17412 ,80 ,52	8700 ,00 ,00	18598 ,48 ,79
TOTAL (I & II)		**18507 ,72 ,24**		**19721 ,92 ,92**

SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

₹ In Thousands

	As on 31st Mar 2023 (Current Year)		As on 31st Mar 2022 (Previous Year)	
I. In India				
i) Balances with Banks in				
(a) Current Accounts	6 ,04 ,25		13 ,80 ,22	
(b) Other Deposit Accounts	15 ,18 ,56	21 ,22 ,81	15 ,18 ,56	28 ,98 ,78
ii) Money at call and short notice				
(a) With Banks	-		-	
(b) With Other Institutions	-	-	139 ,05 ,27	139 ,05 ,27
TOTAL (i & ii)		**21 ,22 ,81**		**168 ,04 ,05**
II. Outside India				
i) Balances with Banks in				
(a) Current Accounts	-		26 ,04 ,69	
(b) Other Deposit Accounts	-		-	
(c) Money at Call & Short Notice	-	-	-	26 ,04 ,69
TOTAL		**-**		**26 ,04 ,69**
GRAND TOTAL (I & II)		**21 ,22 ,81**		**194 ,08 ,74**

SCHEDULE-8 INVESTMENTS

₹ In Thousands

	As on 31st Mar 2023 (Current Year)		As on 31st Mar 2022 (Previous Year)	
I. Investments in India in				
a) Government Securities (inclusive of treasury bills & zero coupon bonds)		64255 ,24 ,89		63410 ,30 ,39
b) Other approved securities		-		-
c) Shares		335 ,20 ,40		274 ,40 ,56
d) Debentures and Bonds		3878 ,80 ,28		4308 ,80 ,21
e) Investment in Associates *(Including Goodwill of ₹ 231822, previous year ₹ 231822)*		282 ,38 ,13		244 ,02 ,52
f) Others				
i) Units of U T I/ Mutual funds	65 ,73 ,11		235 ,21 ,94	
ii) Certificate of Deposits	224 ,66 ,38		288 ,80 ,70	
iii) Commercial Papers	-		-	
iv) PTCs	-		-	
v) Others	-	290 ,39 ,49	-	524 ,02 ,64
TOTAL		**69042 ,03 ,19**		**68761 ,56 ,32**
II. Investments outside India				
i) Government Securities (including local authorities)		-		-
ii) Investment in Associates		-		-
iii) Other Investments (to be specified)		-		-
TOTAL		-		-
GRAND TOTAL (I & II)		69042 ,03 ,19		68761 ,56 ,32
III Investments in India				
i) Gross Value of Investments		69390 ,34 ,39		69264 ,27 ,61
ii) Aggregate of Provisions for Depreciation		348 ,31 ,20		502 ,71 ,29
iii) Net Investment (i-ii)		69042 ,03 ,19		68761 ,56 ,32
Details of Investments:				
I. Investment in Associates		282 ,38 ,13		244 ,02 ,52
II. Other Investments		68759 ,65 ,06		68517 ,53 ,80
TOTAL (I & II)		**69042 ,03 ,19**		**68761 ,56 ,32**

SCHEDULE-9 ADVANCES

₹ In Thousands

	As on 31st Mar 2023 (Current Year)		As on 31st Mar 2022 (Previous Year)	
A. i) Bills purchased and discounted	903 ,20 ,06		679 ,62 ,70	
ii) Cash Credits, Overdrafts & Loans repayable on demand	49434 ,02 ,06		42528 ,16 ,13	
iii) Term Loans	120883 ,45 ,00		87962 ,65 ,06	
iv) Lease Receivable	-	171220 ,67 ,12	-	131170 ,43 ,89
TOTAL		**171220 ,67 ,12**		**131170 ,43 ,89**
B. i) Secured by tangible assets (includes advances against Book Debts)	139173 ,61 ,26		109090 ,23 ,49	
ii) Covered by Bank/Government Guarantees	853 ,39 ,61		866 ,87 ,40	
iii) Unsecured	31193 ,66 ,25	171220 ,67 ,12	21213 ,33 ,00	131170 ,43 ,89
TOTAL		**171220 ,67 ,12**		**131170 ,43 ,89**
C. I. Advances in India				
i) Priority Sector	64251 ,20 ,74		54204 ,22 ,28	
ii) Public Sector	30556 ,87 ,64		23366 ,24 ,69	
iii) Banks	729 ,76 ,39		,8 ,93	
iv) Others	75682 ,82 ,35	**171220 ,67 ,12**	53599 ,87 ,99	**131170 ,43 ,89**
II. Advances outside India				
i) Due from banks	-		-	
ii) Due from others	-		-	
a) Bills purchased and discounted	-		-	
b) Syndicated Loans	-		-	
b) Others	-	-	-	-
TOTAL (C.I & C.II)		**171220 ,67 ,12**		**131170 ,43 ,89**

SCHEDULE-10 FIXED ASSETS

₹ In Thousands

	As on 31st Mar 2023 (Current Year)		As on 31st Mar 2022 (Previous Year)	
I. Premises *				
1. At cost as on 31st March of the preceding year (includes increase in the value on account of revaluation of certain premises in earlier years)	1928 ,67 ,42		1704 ,12 ,63	
2. Addition during the Period	10 ,75 ,09		16 ,73 ,42	
3. Addition on account of revaluation during the year	-		207 ,81 ,37	
	1939 ,42 ,51		1928 ,67 ,42	
4. Deductions during the year	1 ,67 ,70		, ,	
	1937 ,74 ,81		1928 ,67 ,42	
5. Depreciation to date	314 ,49 ,11	1623 ,25 ,70	208 ,72 ,59	1719 ,94 ,83
II. Capital Work in progress		7 ,50 ,58		205 ,22 ,63
III. Other Fixed Assets (including furniture and fixtures)				
1. At cost as on 31st March of the preceding year	1636 ,80 ,78		1528 ,45 ,27	
2. Addition during the Period	368 ,11 ,09		139 ,48 ,12	
	2004 ,91 ,87		1667 ,93 ,39	
3. Deduction during the Period	396 ,81 ,21		31 ,15 ,10	
	1608 ,10 ,66		1636 ,78 ,29	
4. Depreciation to date	1082 ,12 ,98	525 ,97 ,68	1320 ,29 ,74	316 ,48 ,55
TOTAL (I & II)		**2156 ,73 ,96**		**2241 ,66 ,01**

SCHEDULE-11 OTHER ASSETS

₹ In Thousands

	As on 31st Mar 2023 (Current Year)		As on 31st Mar 2022 (Previous Year)	
I. Inter-office adjustments (net)				
a. Parent Company		-		-
b. Subsidiary Companies		-		-
II. Interest accrued		1284 ,00 ,04		1326 ,31 ,50
III. Tax paid in advance/tax deducted at source		1838 ,41 ,33		2020 ,17 ,43
IV. Stationery and Stamps		3 ,29 ,92		3 ,22 ,66
V. Non-banking assets acquired in satisfaction of claims		-		-
VI. Others *(incl RIDF)		3753 ,06 ,27		5344 ,06 ,87
TOTAL (I, II, III, IV, V & VI)		**6878 ,77 ,56**		**8693 ,78 ,46**

** Note : Others assets include Net Deferred Tax asset of Rs. in thousands 1261,28,54 (Previous Year Net DTA Rs. in thousands 2104,17,44)*

Rodi Dabir & Co. Chartered Accountants Nagpur

S. Bhandari & Co. LLP Chartered Accountants Jaipur

Kirtane & Pandit LLP Chartered Accountants Pune

Sundaram & Srinivasan Chartered Accountants Chennai

Bank of Maharashtra Pune-5

SCHEDULE-12 CONTINGENT LIABILITIES

₹ In Thousands

	As on 31st Mar 2023 (Current Year)		As on 31st Mar 2022 (Previous Year)	
I. Claims against the Bank not acknowledged as debts		1375 ,67 ,66		1375 ,40 ,50
II. Liability for partly paid investments		-		-
III. Liability on account of outstanding forward exchange contracts*		12076 ,49 ,65		19718 ,99 ,45
IV. Guarantees given on behalf of constituents				
(a) In India	8676 ,57 ,07		7475 ,87 ,39	
(b) Outside India	141 ,46 ,18	8818 ,03 ,25	146 ,43 ,93	7622 ,31 ,32
V. Acceptances,endorsements and obligations		1474 ,35 ,53		1287 ,12 ,25
VI. Other items for which Bank is contingently liable		844 ,56 ,05		609 ,72 ,52
TOTAL (I, II, III, IV, V & VI)		**24589 ,12 ,14**		**30613 ,56 ,04**

* Contingent liabilities in respect of forward exchange contracts include both sale and purchase contracts

SCHEDULE-13 INTEREST EARNED

₹ In Thousands

	For the Year ended 31st Mar 2023 (Current Year)		For the Year ended 31st Mar 2022 (Previous Year)	
I. Interest/Discount on Advances/Bills		11485 ,81 ,53		8231 ,55 ,72
II. Interest on Investments	4481 ,89 ,99		4520 ,16 ,46	
Less - Amortisation of Investments	214 ,84 ,70	4267 ,05 ,29	135 ,39 ,67	4384 ,76 ,79
III. Interest on balances with Reserve Bank of India & other inter bank funds		52 ,43 ,07		90 ,69 ,88
IV. Others (incl RIDF)		93 ,29 ,65		312 ,28 ,48
TOTAL (I, II, III & IV)		**15898 ,59 ,54**		**13019 ,30 ,87**

SCHEDULE-14 OTHER INCOME

₹ In Thousands

	For the Year ended 31st Mar 2023 (Current Year)		For the Year ended 31st Mar 2022 (Previous Year)	
I. Commission, exchange, and brokerage		1309 ,11 ,52		1233 ,34 ,21
II. Profit on sale of investments	130 ,15 ,81		537 ,87 ,67	
Less : Loss on sale of Investments	24 ,02 ,75	106 ,13 ,06	13 ,00 ,54	524 ,87 ,13
III. Profit on revaluation of Investments	-		-	
Less: Loss on revaluation of Investments	208 ,71 ,10	-208 ,71 ,10	97 ,81 ,63	-97 ,81 ,63
IV. Profit on sale of land, buildings and other assets	3 ,69 ,04		3 ,09 ,90	
Less : Loss on sale of land, buildings and other assets	1 ,72 ,52	1 ,96 ,52	2 ,05 ,59	1 ,04 ,31
V. Profit on Exchange Transactions	78 ,04 ,02		129 ,05 ,30	
Less: Loss on Exchange Transactions	-	78 ,04 ,02	-	129 ,05 ,30
VI. Income earned by way of dividends etc. from subsidiaries/ companies and/or Joint Ventures abroad/in India		2 ,62 ,27		2 ,05 ,51
VII. Miscellaneous Income*		991 ,77 ,21		860 ,31 ,07
TOTAL (I, II, III, IV, V, VI & VII)		**2280 ,93 ,50**		**2652 ,85 ,90**

*Misc. Income includes Recovery in W/Off Rs. In thousands 943,17,32 (642 ,12 ,70), PSLC Commission of Rs. in thousands 4,51,50 (188 ,40 ,00)

SCHEDULE-15 INTEREST EXPENDED

₹ In Thousands

	For the Year ended 31st Mar 2023 (Current Year)		For the Year ended 31st Mar 2022 (Previous Year)	
I. Interest on deposits		7185 ,55 ,07		6457 ,30 ,35
II. Interest on Reserve Bank of India / inter-bank borrowings		59 ,77 ,27		30 ,91 ,39
III. Others		911 ,46 ,44		485 ,74 ,31
TOTAL (I, II & III)		**8156 ,78 ,78**		**6973 ,96 ,05**

SCHEDULE-16 OPERATING EXPENSES

₹ In Thousands

	For the Year ended 31st Mar 2023 (Current Year)		For the Year ended 31st Mar 2022 (Previous Year)	
I. Payments to and provisions for employees		2058 ,12 ,34		2071 ,36 ,31
II. Rent, taxes and lighting		248 ,22 ,82		228 ,08 ,53
III. Printing and stationery		26 ,08 ,09		22 ,29 ,74
IV. Advertisement and publicity		33 ,39 ,86		29 ,84 ,14
V. Depreciation on Bank's property		262 ,48 ,88		268 ,34 ,13
VI. Directors' fees, allowances and expenses		1 ,36 ,18		52 ,02
VII. Auditors' fees and expenses (incl. branch auditors' fees and expenses)		15 ,76 ,07		17 ,20 ,35
VIII. Law Charges		59 ,13 ,08		39 ,39 ,52
IX. Postage, Telegrams, Telephones, etc.		53 ,88 ,61		42 ,98 ,27
X. Repairs and maintenance		215 ,98 ,73		192 ,82 ,91
XI. Insurance		235 ,51 ,24		224 ,34 ,53
XII. Other expenditure		712 ,50 ,45		712 ,82 ,94
TOTAL (I, II, III, IV, V, VI, VII, VIII, IX, X, XI & XII)		**3922 ,46 ,35**		**3850 ,03 ,39**

BANK OF MAHARASHTRA

Statement of Consolidated Cash Flow for the Year Ended 31st March 2023

(Rs. In Thousands)

Particulars	Year Ended 31-03-2023		Year Ended 31-03-2022	
A. Cash Flow From Operating Activities:				
Income				
Interest received during the year from advances, Investments etc.	15898 ,59 ,54		13594 ,30 ,87	
Share of earnings/ loss in Associates	2 ,20 ,81		1 ,79 ,24	
Other Income	2280 ,93 ,50	18181 ,73 ,85	2652 ,85 ,90	16248 ,96 ,01
Less: Expenditure & Provisions				
Interest Paid during the year on Deposits and Borrowings	8156 ,78 ,78		6973 ,96 ,05	
Operating Expenses	3922 ,46 ,35		3850 ,03 ,39	
Provisions & Contingencies	3497 ,48 ,47	15576 ,73 ,60	4271 ,53 ,64	15095 ,53 ,08
Net Increase In Cash due to Increase of Income over Expenses		**2605 ,00 ,25**		**1153 ,42 ,93**
Add : Non Cash Items & Items Considered Separately				
Provisions & Contingencies	3497 ,48 ,47		4271 ,53 ,64	
Depreciation on Fixed Assets	262 ,48 ,88		268 ,34 ,13	
Profit/Loss on sale of Fixed Assets	-1 ,96 ,52		-1 ,04 ,31	
Share of Earnings/Loss in associates	-2 ,20 ,81		-1 ,79 ,24	
Interest on Bonds, PCPS and IPDI	373 ,54 ,36	4129 ,34 ,38	315 ,61 ,78	4852 ,66 ,00
		6734 ,34 ,63		6006 ,08 ,93
Less: Direct Taxes Paid (Net)		, ,		325 ,00 ,00
Cash Profit Generated From Operations (I)		**6734 ,34 ,63**		**5681 ,08 ,93**
Increase / (Decrease) of Operating Liabilities:				
Deposits	31788 ,84 ,94		28285 ,95 ,75	
Borrowings other than Bond Borrowings	2080 ,91 ,58		3217 ,99 ,07	
Other Liabilities & Provision	-3528 ,34 ,09		-4207 ,23 ,99	
Total of Increase of Operating Liabilities	**30341 ,42 ,43**		**27296 ,70 ,83**	
Less: Increase / (Decrease) of Operating Assets				
Investments	280 ,46 ,87		480 ,11 ,94	
Advances	40050 ,23 ,23		28765 ,27 ,21	
Other Assets	-1815 ,00 ,90		-3163 ,93 ,22	
Total of Increase of Operating Assets	**38515 ,69 ,20**		**26081 ,45 ,93**	
Net Increase Of Operating Liabilities Over Operating Assets (II)		**-8174 ,26 ,77**		**1215 ,24 ,90**
Cash Flow From Operating Activities (A) = (I+II)		**-1439 ,92 ,14**		**6896 ,33 ,83**
B. Cash Flow From Investing Activities				
Sale of Fixed Assets	147 ,16 ,41		7 ,07 ,92	
Purchase of Fixed Assets	-324 ,44 ,85		-309 ,05 ,17	
Share of Earnings/Loss in associates	2 ,20 ,81		1 ,79 ,24	
Net Cash Flow Form Investing Activities (B)		**-175 ,07 ,63**		**-300 ,18 ,00**
C. Cash Flow From Financing Activities:				
i) Issue/ (Redemption) of Bonds	938 ,00 ,00		290 ,00 ,00	
ii) Dividend Paid in FY 2022-23 pertains to previous year	-336 ,52 ,48			
iii) Dividend Distribution Tax	, ,		, ,	
iv) Interest on Bonds, PCPS and IPDI	-373 ,54 ,36		-315 ,61 ,78	
v) Issue of Equity Shares /(Share Apllication Money)			403 ,69 ,99	
Cash Flow From Financing Activities (C)		**227 ,93 ,16**		**378 ,08 ,21**
Total Cash Flow During The Year (A+B+C)		**-1387 ,06 ,61**		**6974 ,23 ,66**

Note : Previous year figures have been regrouped and reclassified whenever necessary.

(Rs. In Thousands)

Particulars	Year Ended 31-03-2023	Year Ended 31-03-2022
Represented By-		
Cash and Cash equivalents at the beginning of the year		
Cash & Balance with RBI	19721 ,92 ,92	12882 ,48 ,44
Balances with Banks & Money at Call & Short notice	194 ,08 ,74	59 ,29 ,56
	19916 ,01 ,66	**12941 ,78 ,00**
Cash and Cash equivalents at the end of the year		
Cash & Balances with RBI	18507 ,72 ,24	19721 ,92 ,92
Balance with banks & money at call & Short notice	21 ,22 ,81	194 ,08 ,74
	18528 ,95 ,05	**19916 ,01 ,66**
Total Cash Flow During The Year	**-1387 ,06 ,61**	**6974 ,23 ,66**

SARDAR BALJIT SINGH **DIRECTOR**	**SHASHANK SHRIVASTAVA** **DIRECTOR**	**RAKESHKUMAR** **DIRECTOR**	**MANOJ K. VERMA** **DIRECTOR**
PRASHANT KUMAR GOYAL **DIRECTOR**	**ASHEESH PANDEY** **EXECUTIVE DIRECTOR**	**A.B. VIJAYAKUMAR** **EXECUTIVE DIRECTOR**	**A.S. RAJEEV** **MANAGING DIRECTOR & CEO**
KEYUR TALATI **CHIEF MANAGER, FM&A**	**MUDIT AGARWAL** **ASST. GEN. MANAGER, FM&A**	**V P SRIVASTAVA** **GENERAL MANAGER & CFO**	

As per our report of even date attached

For M/s. Rodi Dabir & Co. FRN-108846W Chartered Accountants	**For M/s. S Bhandari & Co LLP** FRN – 000560C/C400334 Chartered Accountants	**For M/s. Kirtane & Pandit LLP** FRN- 105215W/W100057 Chartered Accountants	**For M/s. Sundaram & Srini** FRN- 004207S Chartered Accountants
CA Sudhir Dabir Partner Membership No: 039984 **UDIN - 23039984BGZBUI9128**	**CA P D Baid** Partner Membership No: 072625 **UDIN - 23072625BGXCSZ8543**	**CA Sandeep Welling** Partner Membership No: 044576 **UDIN - 23044576BGXPRK4877**	**CA P Menakshi Sundaram** Partner Membership No: 217914 **UDIN - 23217914BGWPBW4334**

Place: Pune
Date: 24.04.2023

BANK OF MAHARASHTRA
(F.Y. 2022-23)

SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES

(ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2023)

1. Basis of Preparation of Financial Statements:

1.1 The financial statements are prepared under the historical cost conventions except as otherwise stated and conform to the Generally Accepted Accounting Principles (GAAP) which include statutory provisions, practices prevailing within the Banking Industry in India, the regulatory/ Reserve Bank of India ("RBI") guidelines, applicable Accounting Standards/ Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI).

1.2 **Use of Estimates**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of Assets and Liabilities (including contingent liabilities) as of the date of financial statements and reported income and expenses for the period under report. Management is of the view that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates. Any revisions to the accounting estimates shall be recognized prospectively unless otherwise stated.

1.3 The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 – "Consolidated Financial Statements" and Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India.

1.4 Revenue and costs are accounted for on accrual basis except as stated in para 7.1 below.

1.5 The accounting policies with regard to Revenue Recognition, Investments and Advances in relation to Banking Business are in conformity with the prudential norms issued by the Reserve Bank of India from time to time.

1.6 The financial statements of the subsidiary and associate considered in preparation of Consolidated Financial Statement are drawn up to 31st March 2023.

2. Principles of Consolidation:

A. **Parent Entity**: The Financial Statements are consolidated for Bank of Maharashtra, the parent entity and its subsidiary along with associated enterprise as follows.

B. **Related Entity**:
The following subsidiary has been consolidated as per Accounting Standard 21 – "Consolidated Financial Statement".

Name of the company	Country / Residence	Relationship	Ownership Interest
The Maharashtra Executor & Trustee Co. Pvt. Ltd. (hereafter referred to as "METCO")	India	Wholly Owned Subsidiary	100%

The following associate enterprise has been accounted for under the Equity Method as per Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated Financial Statements"

Name of the company	Country / Residence	Relationship	Ownership Interest
Maharashtra Gramin Bank (sponsored by Bank of Maharashtra)	India	Associate Enterprise	35%

C. **Basis of Preparation of Consolidated Financial Statements & its impact**

The Consolidated Financial Statements of the Group have been prepared on the basis of : -

i. Audited financial statement of Bank of Maharashtra.

ii. Line by line aggregation of each item of asset/ liability/ income/ expense of the subsidiary with the respective item of the Parent, and after eliminating all material intra-group balances/transactions in accordance with Accounting Standard 21 – "Consolidated Financial Statements" issued by ICAI.

iii. Accounting for investment in 'Associates' under the 'Equity Method' as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI. The excess of carrying cost of bank's investment in associate is recognized in the financial statements as goodwill.

iv. The difference between cost to the group of its investment in the subsidiary entities and the group's portion of the equity of the subsidiaries is recognized in the financial statements as goodwill / capital reserve.

v. The subsidiary has used accounting policies other than those adopted by the Bank in certain cases for like transactions & events in similar circumstances. No adjustments have been made to the financial statements of the subsidiary, when they are used in preparing the consolidated financial statements. However, the proportion of the items in the consolidated financial statements to which the different accounting policies are applied by the subsidiary is insignificant.

vi. The financial statements of the subsidiary have been regrouped with that of the parent bank, wherever necessary.

3. Foreign Exchange Transactions:

3.1 The foreign currency transactions are translated at the weekly average closing rates for the preceding week as published by Foreign Exchange Dealers' Association of India (FEDAI). Revaluation of foreign currency assets and liabilities as on Balance Sheet date is done at the closing exchange rate published by FEDAI and the resultant profit/loss is accounted for in the Profit & Loss Account.

3.2 Outstanding Forward Foreign Exchange Contracts are stated at contracted rates and revalued/ marked to market as on quarterly basis and on Balance Sheet date at the exchange rates published by FBIL for specified maturities by discounting the same at the applicable MIFOR rate published by Financial Benchmarks India Pvt. Ltd. [FBIL] i.e. on PV01 basis. The resulting profit/loss, on revaluation, is recognized in the Profit & Loss Account in accordance with RBI / FEDAI guidelines and the effect is taken to "Other Assets" in case of gain or to "Other Liabilities" in case of loss.

3.3 Contingent Liabilities on account of Guarantees and Letters of Credit issued in foreign currency are stated in the Balance Sheet at the closing exchange rates published by FEDAI.

3.4 Credit exposure of the un-hedged foreign currency exposure, if any, of the constituents shall attract provisioning and capital requirements as per RBI guidelines.

4. Investments:

As per Reserve Bank of India guidelines, the investments are classified and valued as under:

4.1 Investments are classified in the following categories:

a. Held to Maturity (HTM)
b. Available for sale (AFS)
c. Held for trading (HFT)

4.2 All the investments are further classified in the following six baskets in conformity with the requirement of Form-A of Third Schedule to the Banking Regulation Act, 1949:

a. Government Securities
b. Other approved Securities
c. Shares
d. Debentures and Bonds
e. Subsidiaries and Joint Ventures
f. Others (Commercial Papers, Mutual Fund Units etc.)

4.3 Bank decides the category of each investment at the time of acquisition and classifies the same accordingly. Shifting of securities from one category to another, other than shifting / transfer from HFT to AFS category, is done once in a year with the approval of Board of Directors, at the least of acquisition cost / book value / market value on the date of shifting. The depreciation, if any, on such shifting is provided for and the book value of the security is adjusted accordingly. The transfer of securities from one category to another is made as per permission from or guidelines of RBI. Transfer / shifting of investments from HFT to AFS category will be executed under exceptional circumstances, like not being able to sell the securities within 90 days due to tight liquidity conditions, or extreme volatility, or market becoming unidirectional.

4.4 **REPO / Reverse REPO**

The Bank has adopted the Uniform Accounting Procedure prescribed by the RBI for accounting of market Repo and Reverse Repo transactions. Repo and Reverse Repo transactions are treated as Collateralized Borrowing / Lending Operations with an agreement to repurchase on the agreed terms. Securities sold under Repo are continued to be shown under investment and Securities purchased under Reverse Repo are not included in investment. Outstanding Repo / Term Repo is disclosed as borrowing and outstanding Reverse Repo is disclosed as lending. Costs and revenues are accounted for as interest expenditure / income, as the case may be.

4.5 Cost of investments is determined on the basis of Weighted Average Price method.

Interest paid for broken period / interest received for broken period at the time of purchase / sale of fixed income securities is treated as revenue expenditure / income.

Brokerage / incentive received / paid at the time of purchase/sale of investment is deducted / added from the amount of investment.

4.6 Valuation of investments:

a. Held to Maturity:

i. Securities under the category 'Held to Maturity' are valued at weighted average acquisition cost. Wherever the cost of security is higher than the face value, the premium is amortized over the remaining period of maturity on straight line basis. In case of investments, where the cost price is less than the face value, the difference is ignored.

ii. In case of investments in subsidiaries and joint ventures permanent diminution in value is recognized and provided for; investment in RRB is valued at carrying cost.

iii. On sale of investments in this category (a) the net profit is initially taken to profit and loss account and thereafter such profit net of applicable taxes and proportionate transfer to statutory reserve is appropriated to the 'Capital Reserve account'; and (b) the net loss is charged to the Profit & Loss Account.

b. Available for Sale:

The individual securities under this category are marked to market on a quarterly basis and on each balance sheet date. Central/ State Government securities are valued at market rates declared by FBIL. Other approved securities, debentures and bonds are valued as per the yield curve, average credit spread rating and methodology suggested by FIMMDA. Quoted shares are valued at market rates. Unquoted shares are valued at break-up value ascertained from the latest available Balance Sheet i.e. Balance Sheet of immediate preceding year and in case the latest Balance Sheet is not available, the same is valued at Re.1/- per company / scrip.

Investments in discounted instruments, viz. Treasury Bills, Certificate of Deposits, Commercial Papers, Zero Coupon Bonds are valued at carrying cost. Mutual Fund Instruments are valued at market rate or repurchase price or net asset value in that order depending on their availability. Investments in Security Receipts (SRs) /Pass Through Certificates (PTCs) issued by Asset Reconstruction Companies (ARCs) in respect of financial assets sold to ARCs are carried at lower of redemption value and net book value (i.e. book value less provision held) of the financial assets.

Based on the above valuation under each of six-sub classifications under `Available for Sale':

i. If it results in appreciation, the same is ignored.

ii. If it results in net depreciation, the same is charged to Profit & Loss account and credited to Provision for Depreciation on Investments (AFS) in the liability side.

Provided that, depreciation, if any, on equity shares allotted consequent to implementation of Strategic Debt Restructuring (SDR) shall be provided for over a maximum of 4 calendar quarters on straight line basis from the date of conversion of debt into equity.

iii. The book value of securities is not changed in respect of marked to market (MTM) except as required by the RBI guidelines.

iv. Profit or Loss on sale of investment in this category is accounted for in the Profit and loss account.

c. Held for Trading:

i. The individual securities under this category are held at original cost and are marked to market every month and each balance sheet date. Central/ State Government securities are valued at market rates declared by FIBL. Other approved securities, debentures and bonds are valued as per the yield curve; average credit spread rating and methodology suggested by FIMMDA. Quoted Shares are valued at market rates.

ii. Investments in discounted instruments, viz. Treasury Bills, Certificate of Deposits, Commercial Papers, Zero Coupon Bonds are valued at carrying cost. Mutual Fund Instruments are valued at market rate or repurchase price or net asset value in that order depending on their availability. Investments in SRs / PTCs issued by ARCs in respect of financial assets sold to ARCs are carried at lower of redemption value and net book value (i.e. book value less provision held), of the financial assets.

iii. Net basket-wise depreciation if any, is charged to Profit & Loss Account and credited to Provision on Depreciation on Investment (HFT) under liability. Net appreciation, if any is ignored. The book value of the securities is not changed after revaluation except as required by the RBI guidelines.

iv. Profit or loss on sale of investment in this category is accounted for in the Profit & Loss Account.

d. Classification of and provisions on investments, including on restructured investments, are made in accordance with the prudential norms prescribed by and guidelines of RBI from time to time.

e. Costs such as brokerage, fees, commission, taxes etc. incurred at the time of acquisition of securities are capitalized

4.7 Derivatives:

Interest Rate Swaps:

i. Valuation:

a. **Hedging Swaps**: Interest Rate Swaps for hedging assets and liabilities are not marked to market.

b. **Trading Swaps**: Interest Rate Swaps for trading purpose are marked to market.

ii. Accounting of income on derivative deals:

a. **Hedging Swaps:** Income is accounted for on realization basis. Expenditure, if any, is accounted for on accrual basis, if ascertainable.

b. **Trading Swaps:** Income or expenditure is accounted for on realization basis on settlement date.

iii. Accounting of gain or loss on termination of swaps:

a. **Hedging Swaps:** Any gain or loss on the terminated swap is recognized over the shorter of (a) the remaining contractual life of the swap or (b) the remaining life of the asset/ liability.

b. **Trading Swaps:** Any gain or loss on terminated swap is recognized as income or expenditure in the year of termination.

4.8 Investment Fluctuation Reserve:

As per RBI circular number RBI/DOR/2021-22/81 DOR.MRG.42/21.04.141/2021-22 DATED AUG 25,2021 as updated till March 31,2023 Investment Fluctuation Reserve (IFR) is created to build up of adequate reserves to protect the bank against increase in yields.

Transfer to IFR is lower of the following –

a. Net profit on sale of Investments during the year or

b. Net profit for the year less mandatory appropriations, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis

5. Advances:

5.1 Advances shown are net of write offs, provisions made for non-performing assets, claims settled with the credit guarantee institutions, provision for diminution in fair value for restructured advances and bills rediscounted.

5.2 Classification of advances and provisions thereon are made in accordance with the prudential norms prescribed by and guidelines of RBI from time to time, except in respect of following category of advances, provision on NPAs are made higher than the rate prescribed by RBI -

Sub-Standard - 20%
Doubtful Assets One to three years - 50% on secured portion

5.3 Provision for performing assets, other than provision on standard restructured advances, is shown under the head "Other liabilities and provisions".

5.4 In respect of advances under SDR, provision is made in accordance with RBI guidelines, within a maximum period of four quarters.

5.5 In case of financial assets sold to Asset Reconstruction Company (ARC)/ Securitization Company (SC), if the sale is at a price higher than the NBV, the surplus is retained and utilised to meet the shortfall/loss on account of sale of other financial assets to SC/ARC. If the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is to be debited to the Profit and Loss account. However, if surplus is available, such shortfall will be absorbed in the surplus. Any shortfall arising due to sale of NPA will be amortised over a period of two years if not absorbed in the surplus.

Excess provision arising out of sale of NPAs are reversed only when the cash received (by way of initial consideration only/or redemption of SRS/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision will be limited to the extent to which cash received exceeds the NBV of the asset.

6. Fixed Assets and Depreciation:

6.1 Premises and Other Fixed Assets are carried at cost less accumulated depreciation/ amortization, except for certain premises, which were revalued and stated at revalued amount.

Cost includes cost of purchase, taxes as per GST law and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability

6.2 Depreciation on fixed assets is provided for at the rates specified below, except revalued assets where, depreciation is provided over the remaining useful life of the assets on revalued amount, so as to write down value of assets to Rupee One over the residual life of the assets.

S.N.	Category of Asset	Useful Life of Assets (Years)	Rate of Depreciation (%)	Method of depreciation
1	Building & Premises	60	1.667	SLM
2	General Items including Safe	10	10	SLM
3	Electrical – Television, Mobile Phones, Home Theater, Printer, Camera	3	33.33	SLM
4	Electrical Equipment's- Others	10	10	SLM
5	Office Machinery	5	20	SLM
6	Motor Vehicles	8	12.50	SLM
7	Safe Deposit Vaults	10	10	SLM
8	Computers & Laptops	3	33.33	SLM
9	ATM	7	14.29	SLM
10	UPS	5	20	SLM
11	BNA	7	14.29	SLM
12	Cash Re-cycler	7	14.29	SLM

SLM means Straight Line Method

6.3 In respect of assets acquired during the year, depreciation is provided on proportionate basis for the number of days the assets have been put to use during the year. Similarly, in respect of assets sold / discarded during the year, depreciation is provided on proportionate basis till the number of days the assets had been put to use during the year.

6.4 Eligible fixed assets are revalued once in every three years. Revalued portion of fixed assets (over and above the cost of fixed assets) is depreciated on diminishing balance method over the residual life of the assets as certified by approved valuers at the time of valuation.

Revaluation reserve pertaining to lease hold lands, is amortised on straight line method over the residual life of the lease period.

Depreciation on revalued portion of fixed assets, over and above the cost is debited to Profit & Loss account. Amount of Revaluation Reserve to the extent of depreciation related to revalued portion of fixed assets over and above the cost debited to profit & loss account is transferred to Revenue Reserve from Revaluation Reserve.

6.5 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease on SLM basis in accordance with AS 19.

In case of the subsidiary:

6.7 In the case of METCO, fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost includes all expenditure necessary to bring the asset to its working conditions for its intended use. Assets sold are reduced from the fixed assets and after taking effect of depreciation, profit / loss has been calculated. Depreciation is provided on the written down value basis applying new standards as per Companies Act 2013, on the basis of useful life of assets.

7. Revenue Recognition

7.1 All revenues and costs are accounted for on accrual basis except the following items, which are accounted for on cash basis:-

a. Interest on Advances and Investments identified as Non-Performing Assets according to the prudential norms issued by Reserve Bank of India, from time to time.

b. Income from commission viz on Government business, Mutual Fund business, credit & debit cards issued, Annual Maintenance Charges for cards and Locker Rent.

c. Interest for overdue period on bills purchased and bills discounted.

d. Insurance claims.

e. Remuneration on Debenture Trustee Business.

f. Processing Fees.

g. Income from Merchant Banking Operations and Underwriting Commission.

h. Transaction processing fees received on utility bill pay services through internet banking.

7.2 Pursuant to RBI guidelines, the interest payable on overdue term deposit is provided on accrual basis at rate of interest as applicable to saving account or contracted rate of interest on the matured TD, whichever is lower from 02.07.2021.

8. Employees' Benefits:

Defined Contribution Plan: The contribution paid/ payable under defined contribution benefit schemes are charged to Profit & Loss Account.

Defined Benefit Plans: All eligible employees are entitled to receive benefits under the Bank's Gratuity, Pension & Privilege Leave schemes which are valued based on the principles laid down in AS -15, Employees Benefit (Revised) issued by Institute of Chartered Accountants of India. Bank's liabilities towards defined benefit schemes are determined by way of provisions and adjusted on the basis of an actuarial valuation report provided by the Actuaries appointed by the bank and made at the end of each quarter/financial year. Actuarial gains and losses are recognized in the Profit & Loss Account.

Other Employee Benefits such as Leave Fare Concession, Silver jubilee Award, resettlement allowance, and retirement benefit are provided based on Actuarial valuation.

9. Segment Reporting:

The Bank recognizes Business Segment as its Primary Segment in compliance with the RBI Guidelines and in compliance with the Accounting Standard 17 issued by ICAI.

Rodi Dabir & Co. Nagpur Chartered Accountants

S. Bhandari & Co. LLP Nagpur Chartered Accountants

Kirtane & Pandit LLP Pune Chartered Accountants

Sundaram & Srinivasan Chennai Chartered Accountants

Bank of Maharashtra F.M.&A/Pune

10. Impairment of Assets

Impairment losses if any, on fixed assets including revalued fixed assets are recognized in accordance with Accounting Standard 28- Impairment of Assets issued by the ICAI and charged to Profit & Loss Account. Assets are reviewed for Impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable.

11. Provisions, Contingent Liabilities and Contingent Assets:

As per the Accounting Standard 29-"Provisions, Contingent Liabilities and Contingent Assets" issued by ICAI, the Bank recognizes provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation for which 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 the income that may not be realized.

12. Net Profit, Provisions and Contingencies:

The Net Profit disclosed is after making the Provisions and Contingencies which include adjustment to the value of investments, write off of bad debts, provision for taxation (including deferred tax), and provision for advances including cases identified as fraud and contingencies /others.

13. Income tax:

The provision for tax for the year comprises liability towards current Income Tax, and Deferred Tax. The deferred tax asset/ liability is recognized, subject to the consideration of prudence, taking into account the timing differences between the taxable income and accounting income, in terms of the Accounting Standard 22 issued by ICAI. The effect of change in tax rates on deferred tax assets and liabilities is recognized in the Profit & Loss Account in the period of applicability of the change.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized and re-assessed at each reporting period based on management judgement as to whether their realization is considered as reasonable certain.

In cases of unabsorbed depreciation or carried forward loss under taxation laws, all deferred tax assets are recognized only if there is virtual certainty of realization of such assets supported by convincing evidence.

Interest income on refund of Income Tax is accounted for in the year; the order is passed by the concerned authority.

The demand raised by the Tax authorities including the interest thereon is provided for when such demand is accepted by the bank and the same is not contested before appellate authority **OR** when such demand is upheld by jurisdictional tribunal and there is no favorable judgement of other tribunal on identical issue and bank does not prefer to go before High Court **OR** when such demand is upheld by High Court.

14. Earnings Per Share

The bank reports basic and diluted earnings per equity share in accordance with the Accounting Standard (AS-20) "Earnings Per Share" issued by ICAI. Basic Earnings per share is arrived by dividing net profit after tax by the weighted average number of equity shares outstanding for the period. The diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

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Rodi Dabir & Co. Nagpur Chartered Accountants

Bhandari & Co. LLP Jaipur Chartered Accountants

Kirtane & Pandit LLP Pune Chartered Accountants

Sundaram & Srinivasan Chennai Chartered Accountants

Bank of Maharashtra M. & A. D. Pune

BANK OF MAHARASHTRA
(F.Y. 2022-2023)

SCHEDULE 18: NOTES ON ACCOUNTS

(*Note: Figures in bracket relate to previous year*)

(ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2023.)

1. **Investments:**

The Bank has classified the investment portfolio into three categories i.e. "Held to Maturity", "Available for Sale" and "Held for Trading" and valued the investments in terms of the Reserve Bank of India guidelines.

The Bank has made an appropriation of Rs. 0.00 crores (Rs. 23.10 crores) to Investment Fluctuation Reserve (IFR) out of profit of current year

2. The Bank has complied with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable as under:

2.1 Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies.

As prior period items of income/expenditure are not material, the same have been charged/accounted for in respective heads of accounts.

2.2 Accounting Standard 9 – Revenue Recognition

As per Accounting Policy No. 7.2, given in Schedule -17 – Significant Accounting Policies, the interest payable on overdue term deposit is provided on accrual basis at rate of interest as applicable to saving account or contracted rate of interest on the matured TD, whichever is lower from 02.07.2021.

With effect from April 01, 2022, the income on account of Commission on issuance of Letter of Credit, Bank Guarantee and commission on sale of Priority Sector Lending Certificate (PSLC) is recognized on accrual basis as against cash basis followed in the preceding year. This change in accounting policy has resulted in decrease of other income and net profit before tax by ₹ 78.38 crore during the Financial Year ended March 31, 2023 (₹ 15.63 crore for quarter ended March 31, 2023).

3. **Fixed Assets**

i. In accordance with the As-10 "Property, Plant and Equipment" depreciation of Rs. 102.46 Crore (Rs. 128.64 crore) for the year on revalued portion of fixed assets has been charged to Profit and Loss Account. Equivalent amount of Rs.102.46 crore (Rs.128.64 crore) has been transferred from Revaluation Reserve to Revenue Reserve.

ii. Certain premises of banks are stated at revalued amount. The gross amount of such revaluation included in premises at the end of the year is Rs. 1575.28 crore and net of depreciation the revaluation amounts to Rs.1472.82 crore.

iii. There are cases pending for leased premises where no contingent liability is recognized as the Bank is defending all these cases filed by landlords of Branch premises due to expiration of lease deeds. Out of these, Bank accounts for its liability to around Rs. 0.14 crore. In all other cases where landlords have claimed profits, the amount cannot be ascertained unless the court crystalizes quantum of profits.

iv. Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Capital work in progress amounting to Rs. 2.00 Crore includes construction of building.

4. **Accounting Standard (AS) 15 (Revised 2005)- "Employee Benefits" (Parent Bank)**

A. **Defined Contribution Plans:** **(Amount in ₹ crore)**

Particulars	31.03.2023	31.03.2022
a. Provident Fund	39.47	45.63
b. Contribution to Staff Welfare –Welfare Fund Contingency	15.00	15.00
c. Contribution to New Pension Scheme	87.43	62.03

B. **Defined Benefit Plans:**

a) **Pension Plan-** This is a post-employment benefit, which is 50% of final pay for a maximum of 33 years of pensionable service. This is a funded scheme.

b) **Gratuity Plan-** This is a post-employment benefit and is payable as higher of Gratuity as per Company's Rules and Gratuity under Payment of Gratuity Act 1972 as amended. This is a funded scheme.

c) **Leave Encashment/ Compensated Absences-**This is a post-employment benefit and is payable for a maximum limit of 240 days of accumulated leave based on final pay. This is a funded scheme.

I. Change in the Present value of Defined Benefit Obligations:

(Amount in ₹ crore)

SN	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
1	Opening Present Value of Defined Benefit Obligation	6925.37	6449.25	533.19	578.29	329.86	298.29
2	Interest Cost	493.62	428.27	36.76	37.43	23.28	19.74
3	Current Service Cost	300.66	325.73	34.97	33.28	75.62	71.98
4	Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00
5	Benefits Paid	(634.79)	(627.17)	(87.07)	(123.72)	(39.72)	(51.98)
6	Actuarial (Gains)/Losses for the year	(87.51)	349.29	0.01	7.91	(7.78)	(8.17)
7	Closing Present Value of Defined Benefit Obligation	**6997.34**	**6925.37**	**517.85**	**533.19**	**381.25**	**329.86**

II. Change in the Fair Value of Plan Assets:

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		*LEAVE ENCASHMENT	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
1	Opening fair value of plan assets	6875.12	6201.15	557.62	504.82	0.00	NA
2	Expected return on plan assets	513.57	432.84	41.87	36.58	0.00	
3	Contributions made	227.51	841.22	0.07	112.06	270.11	
4	Benefits paid	(634.79)	(627.17)	(87.07)	(123.72)	(39.58)	
5	Actuarial gains/losses	(32.12)	27.08	7.67	27.88	10.54	
6	Closing fair value of plan assets	**6949.29**	**6875.12**	**520.16**	**557.62**	**241.07**	

*From current financial year, bank has created Leave Encashment Trust.

III. Amount recognized in the Balance Sheet:

(Amount in ₹ crore)

S N	Particulars	FUNDED DEFINED BENEFIT OBLIGATIONS					
		PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
1	**Present Value of Defined Benefit Obligations**	6997.34	6925.37	517.85	533.19	381.25	329.86
2	**Fair Value of Plan Assets**	(6949.29)	(6875.12)	(520.16)	(557.62)	(241.07)	0.00
3	**Net liability to be recognized**	48.05	50.25	(2.31)	(24.42)	140.18	329.86
4	**Other amount recognized in the Balance Sheet**	0.00	0.00	0.00	0.00	0.00	0.00
5	**Net liability recognized in the Balance Sheet**	**48.05**	**50.25**	**(2.31)**	**(24.42)**	**140.18**	**329.86**

IV. Amount recognized in Profit and Loss Account:

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
1	Current Service Cost	300.66	325.73	34.97	33.28	75.62	71.98
2	Interest Cost	493.62	428.27	36.76	37.43	23.28	19.74
3	Expected Return on Plan Assets	(513.57)	(432.84)	(41.87)	(36.58)	0.00	0.00
4	Actuarial (Gains)/Losses for the year	(55.39)	322.21	(7.67)	(19.97)	(18.32)	(8.17)
5	Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00
6	**Expense to be recognized**	**225.31**	**643.37**	**22.19**	**14.16**	80.57	83.56
7	Additional provision made / (write back) during the year	0.00	0.00	0.00	0.00	0.00	0.00
8	**Net expense recognized in Profit & Loss Account and included in Staff Cost**	**225.31**	**643.37**	**22.19**	**14.16**	**80.57**	**83.56**

V. Reconciliation in the Net Liability recognized in the Balance Sheet

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
1	Opening Net Liability	50.25	248.09	(24.42)	73.48	329.86	298.29
2	Expense recognized	225.31	643.37	22.19	14.16	80.57	83.56
3	Contributions/ Benefits paid	(227.51)	(841.22)	(0.07)	(112.06)	(270.25)	(51.98)
4	**Closing Net Liability**	**48.07**	**50.25**	**(2.31)**	**(24.42)**	**140.18**	**329.86**

VI. Actual Return on Plan Assets

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
1	Expected return on plan assets	513.57	432.84	41.87	36.58	0.00	NA
2	Actuarial gain (loss) on plan assets	(32.12)	27.08	7.67	27.88	10.54	
3	**Actual return on plan assets**	481.45	459.92	49.54	64.46	10.54	

VII. Principal Actuarial Assumptions (expressed as weighted averages)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
1	Discount rate	7.47%	6.98%	7.51%	7.25%	7.51%	7.25%
2	Expected return on plan assets	7.47%	6.98%	7.51%	7.25%	7.51%	NA
3	Expected rate of salary increases	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%

C. Other Long Term Benefits:

(Amount in ₹ crore)

S N	Particulars	Recognized in Profit & Loss Account	
		31.03.2023	31.03.2022
1	Resettlement Allowance	0.00	0.00
2	Leave Fare Concession	13.26	12.35
3	Silver Jubilee Award	0.12	0.04
	Total	**13.38**	**12.39**

The additional liability on account of enhancement in family pension in line with Government guidelines, works out to Rs. 217.70 Crore as per Actuarial valuation. The Bank has fully recognized the said liability and charged to the Profit & Loss Account during the FY 2021-22.

5) Accounting Standard 17- Segment Reporting: Bank has identified its primary reportable segments as under:

Part A: Business segments (Amount in ₹ crore)

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
Particulars	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue	4321.98	5094.00	6580.57	4537.40	7019.35	5438.13	259.84	604.43	18181.74	15673.96
Result	(102.37)	1398.46	2068.65	399.40	1389.95	(200.59)	91.93	360.43	3448.16	1957.70
Unallocated expenses									-	-
Operating profit									6100.28	4848.17
Taxes including deferred taxes									843.16	804.27
Share in profit of Associates	-	-	-	-	-	-	-	-	2.21	1.79
Extraordinary profit/ loss	-	-	-	-	-	-	-	-	-	-
Net profit									2605.00	1153.43
Other Information:										
Segment assets	77388.47	78679.17	108655.64	87029.25	65763.90	47398.10	12919.75	13552.92	264727.76	226659.44
Unallocated assets									3099.41	4124.02
Total assets									267827.17	230783.46
Segment liabilities	76214.14	77470.27	101218.75	81883.93	61172.95	44519.17	12399.765	12098.97	251005.60	215972.33
Unallocated liabilities									1031.33	749.26
Capital & Other Reserves									15790.23	14061.86
Total liabilities									267827.17	230783.46

RBI's Master Direction on Financial Statements –Presentation and Disclosures, requires to sub divide "Retail Banking" into (a) Digital Banking (as defined in RBI circular or Establishment of Digital Banking Units dated April 07, 2022) and (b) Other Retail Banking segment. Accordingly, the segmental results for retail banking segment for Q-4 2023 is subdivided as below:

(Amount in ₹ crore)

S.N.	Particulars	Segment Revenue	Segment Results	Segment Assets	Segment Liabilities
	Retail Banking	7019.35	1389.95	65763.90	61172.95
I	Digital Banking	0.01	(0.51)	1.30	1.81
II	Other Retails Banking	7019.34	1390.46	65762.61	61171.14

a) Treasury segment includes Investment, balances with Banks outside India, Interest accrued on investments and related income there from.

b) Corporate/Wholesale Banking Segments include all advances to trusts, partnership firms, companies, statutory bodies and individuals etc. which are not included in Retail Banking Segments.

c) Retail Banking Segments include exposure to entity/concern where
   - i. Total average annual turnover less than Rs. 50.00 crore and
   - ii. Aggregate exposure to one counter party does not exceed 0.2% of the overall retail portfolio of the Bank and
   - iii. The maximum aggregated retail exposure to one counterpart is up to Rs. 5.00 crore.

d) Other Banking Operations segment includes all other banking transaction not covered under segments, specified above.

e) The interest income is allocated on the basis of actual interest received from wholesale banking operations. The total interest received less interest of wholesale banking is taken to retail banking operations

f) Expenses not directly attributable are allocated on the basis of Interest income earned by the wholesale banking / retail banking segment. Expenses of treasury operations are as per the details available from treasury operations

g) Capital employed for each segment has been allocated proportionate to the assets of the respective segment.

Part B: Geographical Segment

Since the operations of the Bank are within India only, Geographical Segment is not applicable.

6) Accounting Standard 18 – Related party disclosures

The details in this regard are asunder:

Name of the Related Parties and their relationship:

(a) Subsidiary of the Bank –The Maharashtra Executor & Trustee Co. Pvt. Limited
(b) Associate of the Bank – Maharashtra Gramin Bank
(c) Key Management Personnel-

(Amount in ₹ crore)

S. N.	Name	Designation	Remuneration	
			2022-23	2021-22
1.	Shri A S Rajeev	MD & CEO (from 01.12.2018 to till date)	0.48	0.34
2.	Shri Hemant Kumar Tamta	Executive Director (till 30.12.2021)	-	0.22
3.	Shri A. B. Vijayakumar	Executive Director (from 10.03.2021 to till date)	0.37	0.36
4.	Shri Asheesh Pandey	Executive Director (from 31.12.2021 to till date)	0.32	0.07
5.	Shri V P Srivastava	Chief Financial Officer (CFO) from 03.05.2021)	0.32	0.24
6.	Shri Prashant R. Khatawkar	Chief Financial Officer (CFO) (till 02.05.2021)	-	0.02
		Total	**1.49**	**1.25**

Note: The disclosure of CFO as key management personnel has been made as advised by RBI in its risk assessment report for the year 2018-19.

Transactions with Related parties:
No disclosure is required in respect of related parties, which are "State Controlled Enterprises" as per paragraph no 9 of Accounting Standard (AS 18). Further in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

7) Accounting Standard 19 - Leases

Finance Leases: Lease under which the Bank assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at fair value of the asset or present value of the lease payments (after due amortization), whichever is lower.

Operating Leases: Bank has no non-cancellable Operating Leases during Financial Year. Hence additional disclosure under AS-19 is not applicable. The Lease payments under operating leases are recognized as an expense on straight line basis in Profit and Loss over the lease term. Amount of lease payments recognized in the Profit and Loss Account for operating leases amount to Rs.184.68 crore for the year 2022-23 (Previous year Rs. 171.47 crore).

8) Accounting Standard 20- Earnings per Share

Particulars	31.03.2023	31.03.2022
Basic E.P.S.	3.87	1.73
Diluted E.P.S.	3.87	1.73
Calculation of Basic /Diluted EPS.		
a) Net Profit after Tax (in Crore)	2605.00	1153.43
b) Weighted Average number of Equity Shares (in Crore)	673.05	668.06
c) Basic/ Diluted Earnings per share [(a) divided by (b)]	Rs. 3.87	Rs. 1.73
d) Nominal Value per Share	Rs. 10.00	Rs. 10.00

9) Accounting Standard 21 – Consolidated Financial Statements: The financial results of the Associate viz. Maharashtra Gramin Bank and subsidiary viz. Maharashtra Executor & Trustee Company Private Limited have been consolidated with the parent bank in compliance with Accounting Standard 23 and Accounting Standard 21 respectively.

10) Accounting Standard 22 – Accounting for Taxes on Income: Based on the review by the bank and on reasonable certainty of availability of future taxable income against which timing differences arising on account of provision for accumulated losses, Bad & Doubtful Debts (NPA), employee benefits etc. can be realized, the bank has accounted for taxes on income in compliance with AS 22. Accordingly, Deferred Tax Assets and Deferred Tax Liabilities are as under:

(Amount in ₹ crore)

Particulars	31.03.2023	31.03.2022
Deferred Tax Assets		
1) On account of Accumulated Losses	NIL	432.68
2) On account of provisions for Employees benefits	23.68	106.02
3) Other Provisions where DTA is created	1250.38	1577.89
Sub-Total (A)	**1274.06**	**2116.59**
Deferred Tax Liability		
1) On account of Special Reserve u/s 36(1) (viii)	12.90	12.42
Sub-Total (B)	**12.90**	**12.42**
Net Deferred Tax Asset (A-B)	**1261.16**	**2104.17**

As the bank has opted for lower tax rate permitted under section 115 BAA of the Income Tax Act 1961 from AY 2021-22, the provisions of section 115JB of the Income Tax Act are not applicable to the bank.

11) Accounting Standard -24- Discontinuing Operations: The Bank, during the financial year 2022-23, has not discontinued any of its business activities/ operations which resulted in discharging of liabilities and realization of the assets and no decision has been finalized to discontinue a business activity in its entirety which will have the above effects.

12) Accounting Standard 26—Accounting for Intangible Assets:

Computer Software – other than internally generated:
Useful life - 3 years.
Amortization Rate - 33.33 %
Amortization Method - Straight line at cost

(Amount in ₹ crore)

Particulars	31.03.2023	31.03.2022
Software at the beginning of the year	27.62	33.24
Software acquired during the year	125.97	11.01
Amortization during the year	43.04	16.63
Net carrying amount at the end of the year	110.55	27.62

13) Accounting Standard 28- Impairment of Assets: Assets are reviewed for impairment at the end of the year whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of an asset to be held and used is measured by a comparison for the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset. If such an asset is considered to be impaired, the impairment to be recognized and is measured by the amount by which the carrying amount of the asset exceeds the recoverable amount of the asset. However, in the opinion of the Bank's Management, there is no indication of material impairment to the assets during the year to which Accounting Standard 28 - "Impairment of Assets" applies.

14) Accounting Standard 29- Provisions, Contingent Liabilities and Contingent Assets Claim against the bank not acknowledged as debt on year end

(Amount in ₹ crore)

Category	2022 – 23	2021 – 22
Balance Outstanding	1375.62	1375.41
Provision Held	2.66	2.05

Total Contingent liabilities (as per Schedule 12) include expired Guarantees amount Rs.1157.12 crore (P.Y. Rs. 898.43 crore), which has not been cancelled because of pending completion formalities.

15) The Board of the Bank has proposed dividend @ 13% i.e. of Rs. 1.30 paise per equity share (Face Value of Rs. 10/- per share) for the Financial Year 2022-23 in Board Meeting dated April, 24 2023 subject to requisite approval from Shareholders.

16) Previous year's figures have been regrouped / reclassified wherever considered necessary to make them comparable with current year's figure.

M/s. Batliboi & Purohit
204, National Insurance Building,
2nd Floor, D. N. Road,
Fort, Mumbai - 400 001.

M/s. Abarna & Ananthan
521, 3rd Main 6th Block,
2nd Phase BSK 3rd Stage,
Bengaluru - 560 085.

M/s. Rodi Dabir & Co.
Chartered Accountants,
282, Kapish House, Mata Mandir Road,
Khare Town, Dharampeth, Nagpur – 440 010.

M/s. S Bhandari & Co.
Chartered Accountants,
P-7, TilakMarg, C-Scheme,
Jaipur - 302 005.

Revised Independent Auditors' Report

To,

The President of India and Members of "BANK OF MAHARASHTRA"

Report on Audit of the Standalone Financial Statements (Revised)

Opinion

1. We have audited the accompanying standalone financial statements revised of Bank of Maharashtra, which comprise the Revised Balance Sheet as at 31st March 2022, the Revised Profit and Loss Account and the Revised Statement of Cash Flows for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date of the Head Office, 40 Zonal Offices and 20 branches and 1 Treasury and International Banking Division audited by us, and 778 branches audited by Statutory Branch Auditors of the Bank. The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows are the returns from 1239 branches which have not been subjected to audit. These unaudited branches account for 14.52% of advances, 32.61% of deposits, 9.09% of interest income and 37.31% of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements revised give the information required by the Banking Regulation Act, 1949 in the manner so required for the bank and are in conformity with accounting principles generally accepted in India and:

a. the Revised Balance Sheet, read with the notes thereon gives a true and fair view of the state of affairs of the Bank as at 31st March, 2022;
b. the Revised Profit and Loss Account, read with the notes thereon shows a true balance of profit for the year ended 31st March, 2022 and
c. the Revised Cash Flow Statement gives a true and fair view of the cash flows for the year ended 31st March, 2022.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the ICAI. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the ICAI, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI") from time to time 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

3. A) We draw attention to Note no. 4(h) in Schedule 18 of the Financial Statements which explains the extent to which COVID-19 pandemic will impact the Bank's operations and financial results are dependent on future developments, which are highly uncertain. The Bank is continuously monitoring the economic conditions and any impact on the Bank's Operations and financial results is uncertain.

   B) We draw attention to Note no. 17 in Schedule 18 of the Financial Statements wherein the Board of the Bank has proposed dividend of Rs. 0.50 paise per equity share (Face Value of Rs. 10/- per share) for the Financial Year 2021-22 vide its Board Meeting dated May, 25 2022 subject to requisite approval from Shareholders. Consequent to proposed dividend, the Financial Statements have been revised as required by the statute. Our Audit procedures are restricted solely to the amendment to the Financial Statements in accordance with SA 560 issued by the ICAI.

Our Opinion is not modified in respect of this matter.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matters	How our Audit procedures addressed the Key Audit Matters
1.	**Classification of Advances, Provisioning and other relevant compliance of RBI Guidelines:** (Refer Note No. 4 of Schedule 17 of Significant Accounting Policies to the Standalone Financial Statements) The Bank's portfolio comprises of Net Advances of 131170.44 Crores as at 31st March, 2022 comprising of wholesale and retail banking. As required by IRAC	We have tested the design and operating effectiveness of the Key controls of the system, application, process over approval, recording, monitoring, and recovery of loans, overdue and stressed accounts, identification of NPA, Provision for NPA including verification of valuation reports of experts for primary and collateral securities based on the understanding of the prudential guidelines and overall organisational IT framework of the Bank and its

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ABARNA & ANANTHAN BANGALORE Chartered Accountants

MODI DABIR & CO. NAGPUR Chartered Accountants

S. BHANDARI & CO. JAIPUR Chartered Accountants

	Norms, guidelines issued by RBI and other circulars, notification and directives issued by RBI, the Bank has classified Advances and has made appropriate provisions in accordance with such guidelines. Income from Advances constitutes 52.52% of Total Income. The provision in respect of Non-Performing Asset is Rs. 2578.48 Crores which constitutes 17.76% of the total expenditure. The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate the IRAC Norms, are not properly followed. The Bank has significant Credit Risk Exposure to a large number of borrowers across a wide range of borrowers, products, industries and there is a high degree of complexity, uncertainty, judgement involved in recoverability of Advances, estimation of provisions thereon and identification of accounts to be written off. If such prudential guidelines are not followed by the Bank the profit for the year and the net advances position will be materially mis-stated. Hence, we consider this as a Key Audit Matter.	communication through various circulars and reports. We have evaluated the Internal Controls over sanctioning, monitoring the process and account for system overrides or bypasses to controls of advances, supervisory framework such as Internal Audit, Credit Audit, Concurrent Audit, Systems Audit, as well as Internal Check, effectiveness of such framework as per the policies and procedures of the bank and in compliance with prudential guidelines. We have tested samples of Performing Assets and assessed the application of IRAC Norms, as prescribed by RBI, individually to ensure compliance of the same. Also reviewed approval of sanctions against Bank's credit Policy and performance of Credit Assessments and controls. Examined early warning signal reports, other exceptional reports generated by the Bank for the purpose of identifying potential NPA and steps taken for monitoring of such accounts including red flagged accounts to overcome assessed risks and ensure effective implementation of risk management and related controls. We have adopted a framework of carrying out detailed verification of corporate wholesale (including Consortium, Pool Buyout and other large borrowers) by way of review of collateral documents including valuation reports, due diligence report, servicing Agreement, deed of assignment, JLA and External Credit rating reports to assess and focus on larger exposures of the Bank and mitigating the areas of emerging risk. We have discussed with the Senior Management and performed our own assessment including internal and external macroeconomic factors and testing the timelines and the accuracy of risk assessment and risk grading against the Bank's lending policies, IRAC Norms and in accordance with Government Policies. We have examined the Retail advances portfolio of the Bank on sampling basis to ensure effective monitoring and implementation of IRAC norms including income recognition, provisioning for such loans. The Bank has adopted Loan Life Cycle Management System for retail loans which effectively monitors,

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		controls, the retail portfolio of the Bank and is tested for its effective implementation and performance. We have also tested the completeness and accuracy of the data from the underlying source systems, tested the automated calculation and evaluated the bank's oversight of the portfolio. We have reviewed the Bank's process for granting moratorium and restructuring to borrowers as per the Regulatory Package announced by RBI. We tested the completeness and accuracy of data used for computing general provisions in line with regulatory package issued by RBI. With respect to additional provision made by the Bank on account of the impact of COVID 19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we primarily relied on those assumptions and estimates, which are subject matter of periodic review by the Bank. Also we have relied on the compilation of the data of the restructured accounts at Head office based on the schedules audited by the statutory branch auditors. We have examined the adequacy and appropriateness of disclosures against the relevant RBI requirements relating to NPA and applicable Accounting Standards required to be made in accordance with Banking Regulation Act and RBI Circulars. We have also placed reliance on the Audit reports of the other Statutory Branch Auditors, with whom we have made specific communications.
2.	**Classification and Valuation of Investments:** (Refer Note No. 3 of Schedule 17 of Significant Accounting policies to the Standalone Financial Statements) Investments are classified into Held for Trading (HFT), Available for Sale (AFS) and Held to Maturity (HTM) categories at the time of purchase. Investments intended to be held till maturity are classified as HTM Investments. Classification of Investments, valuation and provisioning thereof are based on RBI guidelines.	We have tested the design, implementation and operating effectiveness of management's key internal controls of the Bank towards classification, valuation process, independent price verification, including the Bank's review and approval of the estimates and assumptions used for the valuation including key authorisation and data input controls. We have examined the investment agreement / term sheet entered into during the current year, on a sample basis, to understand the relevant investment terms and identify any conditions that were relevant to the valuation of financial instruments.

	Compliance of Investment Portfolio as per guidelines issued by RBI is mandatory and involves management judgement in determining the value of bonds, debentures and other securities based on the policy and the model adopted by the Bank. Impact of Impairment assessment is having overall significance to the financial results of the Bank. Interest Income from Investment of the Bank comprises 27.98%% of the total income in view of these significant points including assessment of non performing Investments and provisions we have identified this aspect as a Key Audit Matter.	Our Audit approach towards Investment Portfolio of the bank is based on compliance and requirements of RBI circulars and directives in relation to valuation, classification, identification of Non Performing Investments, Provision for Investments and relevant policies and procedures adopted by the Bank including effective implementation of Internal control system and related process. We tested accuracy and completeness of adoption of RBI guidelines and directions by reperforming valuations for each category of the securities. Various sampling techniques were adopted to ensure coverage of risk weighted Investments based on the nature of security and were tested for its carrying value in the Financial Statements of the Bank. We have verified the non performing investments of the bank by the method of independent verification of provisions and depreciation in accordance with RBI guidelines and confirmed the compliance of such guidelines. We have reviewed the application / conversion of interest / principal towards a separate List of Investments and checking whether these Investments are classified as NPI. The samples selected for the same covers the majority categories of Investments to cover the material impact on the income of the Bank. We have verified Investment portfolio of AFS and HFT on sample basis and performed various substantive analytical procedures in determination of Income, gain / loss on sale and tracked the controls implemented by the Bank through credit / debit in the profit and loss account. We have tested the portfolio of HTM and made detailed verification of transaction of purchase / sale of such HTM and controls implemented by the TIBD in recognizing the profit / loss to profit and loss account and subsequent appropriation to Capital Reserve Account. We have examined the adequacy and appropriateness of depreciation and Impairment of each category of Investment and recomputed the provision to be maintained in accordance with the RBI Guidelines and ensured that adequate disclosures have been made in Notes to Accounts.

3.	**Information Technology Systems and Control Framework:** The Bank's key business objective is determined evaluated, controlled, monitored, implemented through complex IT architecture to support high volume of business operation by automation and application which are significant towards Banking business and plays a major role as a backbone in achieving the Business Objective. The Bank's financial accounting process in respect of recognition of Income, classification of Assets through IRAC Norms and evaluating the performance of the Bank and producing the desired output through various application and other IT general controls to ensure the required business Output and helps us to arrive at the Audit conclusion to ensure quality performance Financial & Accounting Processes. We have identified various application and control framework in implementing various products and schemes which covers majority of Bank's business and hence we consider Information Technology Systems and Control as a Key Audit Matter.	Information Technology forms an integral part of operating requirements of the Bank by way of various applications, general, software controls and requires understanding of various systems and procedures in evaluating the Risk based and business centric requirements of the Bank. We have reviewed the various IT policies and procedures including user management, change management, system security, incident management, physical and environment security, standard operating procedures, Segregation of duty, BCP, DRP, service level agreements, security policies to ensure these are in line with business requirements of the Bank and to comply with government and RBI regulations. We have adopted various techniques such as enquiry, review of documentation, record, reports, observation, and re performance of various application controls by taking adequate samples of instances for our test. We have also tested validation checks using negative testing technique. We have tested various compensating controls and performed alternate procedures which were necessary and gathered a comprehensive understanding of IT applications landscape implemented by the Bank. It was followed by process understanding mapping of application to the same and understanding financial risk posed by people, process and technology. We have also assessed areas including password policies, security configuration, system interface controls over changes to applications and databases and that business users and controls to ensure that developers and production support did not have access to change applications, the operating systems or databases in the production environment to ensure proper segregation of duties is in place as per the SOP. We have tested certain critical aspects of cyber security on network security management mechanism, operational security of key information infrastructure, data and client information management, monitoring and emergency management. through certain data drill conducted by the Management and scrutinised by us and comparing the required results.

		We have also assessed the requirement of the implementation of Business Continuity Plan initiated by the Bank due to impact of COVID - 19 pandemic and ensured sustainability and growth under COVID -19 circumstances. We have verified the testing report carried out by the Management on risk of implementation of security control in a more holistic, comprehensive way, ensuring that all business decisions are based on proper Risk assessment and management considering the overall effect of uncertainties on the Bank's Objective.
4.	**Provisions and Contingent Liability:** Assessment of Provisions and Contingent Liability in respect of certain litigations on various claims filed by other parties not acknowledged as debt (Note No. 10 of Schedule 17 and Note No. 16 of Schedule 18) There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgement, past experience, and advice from legal and independent experts wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in Balance Sheet. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to outcome of these matters which requires application of judgement in interpretation of Law.	We have obtained an understanding of Internal Controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances. Understanding the current status of the litigations / tax assessments. Examining recent orders and communications received from various tax authorities / judicial forums and follow up actions thereon; Evaluated the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of experts. Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues. Verified the disclosures related to significant litigations and taxation matters. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgements / interpretation of law involved.
5.	**Modified Audit Procedures carried out in light of COVID-19 outbreak:** In view of the COVID-19 pandemic, lockdown and travel restrictions imposed by Central / State Government / Local Authorities at some of the branches and Zones during the period of our audit, the Bank too facilitated carrying out audit remotely. In some cases, audit could not be conducted by visiting the premises of some of the Branches and Zonal offices of the bank. As some of the auditors could not obtain audit evidence in person / physically and personal interactions with the officials at the Branches and Zonal offices,	Due to the COVID-19 Pandemic, we carried out modified audit procedures to obtain reasonable assurance to form an audit opinion. To carry out modified audit procedure, the Bank has made available to us a customized intranet portals hosted on Bank's network enabling us to access reports and documents we sought necessary for the purpose of Audit. Our modified audit procedure included; 1. Conducted verification of necessary records / documents / CBS and other application software electronically through remote access / emails in respect of some of the Branches /

	accordingly our Audit procedures were modified to carry out the Audit remotely. We have identified such modified Audit Procedure as Key Audit Matter.	zones of the Bank wherever physical access was prohibited due to COVID-19. 2. Obtained and carried out verification of scanned copies of documents, deeds, certificates, and other related records. 3. Made enquiries to obtain necessary audit evidence through video conferencing, dialogues, and discussions over phone calls / conference calls, emails, and similar communication channels. Resolved our audit observations telephonically / through email instead of a face-to-face interaction with the designated officials.

Information other than the Standalone Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors are responsible for other information. The other information comprises the information other than Standalone Financial Statements and our Auditors' Report thereon and the Pillar III disclosure under the Basel III disclosure.

   Our opinion on the Standalone Financial Statements does not cover the other information and Pillar 3 disclosure under the Basel III Disclosure we do not express any form of assurance / conclusion thereon

   In connection with our Audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Other Information, if we conclude that there is material misstatement therein, we are required to communicate the matters to 'Those charged with Governance'.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The Bank's Board of Directors is responsible with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting

records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors are also responsible for overseeing the Bank's Financial Reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

   As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of Internal Control relevant to the Audit in order to design Audit procedures that are appropriate in the circumstances.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of Standalone Financial Statements 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 effect of identified misstatements in the Standalone Financial Statements.

We communicate with Those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

8. We did not audit the financial statements / information of 778 branches included in the Standalone Financial Statements of the Bank whose Financial Statements / Financial Information reflect total advances of Rs. 60536.11 crores as at March 31, 2022 and total revenue of Rs. 4778.90 crores for the year ended on that date, as considered in the Standalone Financial Statements. The Financial Statements / Information of these branches have been audited by the Statutory Branch Auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such Statutory Branch Auditors. Further we did not audit the Financial Statements of 1239 branches included in the Standalone Financial Statements of the Bank whose Financial Statements reflect total advances of Rs. 19043.09 Crores as at March 31, 2022 and total revenue of Rs. 1630.65 Crores for the year ended on that date as considered in the Standalone Financial Statements have been drawn by the management.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;

10. Subject to the limitations of the audit indicated in paragraphs 6 to 9 above and as required by sub section 3 of section 30 of the Banking Regulation Act, 1949, and subject also to the limitations of disclosure required therein, we report that:

a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory.

b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

11. As required by letter no. DOS.ARG.No.6270/08.91.001/2019- 20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

a) In our opinion, the aforesaid Revised Standalone Financial Statements comply with the Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.

c) On the basis of the written representations received from the directors as on March 31, 2022, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.

d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.

e) Our audit report on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting is given in Annexure A to this report. Our report expresses an unmodified opinion on the Bank's internal financial controls over financial reporting as at March 31, 2022.

12. We further report that:

a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

b) the Revised Balance Sheet, the Revised Profit and Loss Account and the Revised Statement of Cash Flows dealt with by this report are in agreement with the books of accounts and with the returns received from the branches not visited by us;

c) the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and

d) in our opinion, the Revised Balance Sheet, the Revised Profit and Loss Account and the Revised Statement of Cash Flows comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

For M/s. Batliboi & Purohit Chartered Accountants	For M/s Abarna & Ananthan Chartered Accountants	For M/s. Rodi Dabir & Co. Chartered Accountants	For M/s. S Bhandari & Co. Chartered Accountants
FRN-101048W	FRN- 000003S	FRN – 108846W	FRN – 000560C
CA Raman Hangekar	CA Clement Gratian Pinto	CA Aashish Badge	CA Pramiti Pareek
Partner	Partner	Partner	Partner
M No 030615	M No 023238	M No 121073	M No 417124
UDIN: 22030615AJNXLE6110	UDIN: 22023238AJNWWE2412	UDIN: 22121073AJNYEO7811	UDIN: 22417124AJNXPD4889

Date: 25.05.2022
Place: Pune

ANNEXURE "A" TO THE REVISED INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 11 e under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the "RBI") Letter DOS.ARG.No.6270/08.91.001/2019-20 dated **March 17, 2020 (as amended) (the "RBI communication")**

We have audited the internal financial controls over financial reporting of Bank of Maharashtra ("the Bank") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting of the Bank's branches.

Management's Responsibility for Internal Financial Controls:

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over FinancialReporting

A Bank's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
A Bank's internal financial controls over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of theBank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls OverFinancial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, materialmisstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the Other Matters paragraph below, the Bank has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report insofar as it relates to the operating effectiveness of internal financial controls over financial reporting of 103 branches is based on the corresponding reports of the respective branch auditors of those branches.

During our testing of the internal financial controls over financial reporting and based on the report of the branch auditors, certain deficiencies were noticed by us which were communicated by us to the bank. Bank needs to further strengthen the process including alteration of the existing Risk Control Matrix (RCM), designing few more RCMs and imparting training to the staff to further strengthen the internal financial controls over financial reporting of the Bank.

Our opinion is not modified in respect of this matter.

For M/s. Batliboi & Purohit Chartered Accountants	For M/s Abarna & Ananthan Chartered Accountants	For M/s. Rodi Dabir & Co. Chartered Accountants	For M/s. S Bhandari & Co. Chartered Accountants
FRN-101048W	FRN- 000003S	FRN – 108846W	FRN – 000560C
		ABadge	
CA Raman Hangekar	CA Clement Gratian Pinto	CA Aashish Badge	CA Pramiti Pareek
Partner	Partner	Partner	Partner
M No 030615	M No 023238	M No 121073	M No 417124
UDIN: 22030615AJNXLE6110	UDIN: 22023238AJNWWE2412	UDIN: 22121073AJNYEO7811	UDIN: 22417124AJNXPD4889

Date: 25.05.2022
Place: Pune

BANK OF MAHARASHTRA

HEAD OFFICE: "LOKMANGAL", 1501 SHIVAJINAGAR, PUNE 411005

BALANCE SHEET (REVISED) AS ON 31st Mar. 2022

(Rs. in thousands)

	Schedule	As on 31st Mar. 2022 (Current Year)	As on 31st Mar. 2021 (Previous Year)
CAPITAL AND LIABILITIES			
Capital	1	6730 ,49 ,64	6560 ,15 ,89
Reserves & Surplus	2	7154 ,37 ,22	5573 ,02 ,02
Deposits	3	202294 ,29 ,18	174005 ,61 ,91
Borrowings	4	7746 ,74 ,19	4238 ,75 ,12
Other Liabilities & Provisions	5	6685 ,46 ,28	6287 ,46 ,35
TOTAL		**230611 ,36 ,51**	**196665 ,01 ,29**
ASSETS			
Cash and Balances with Reserve Bank of India	6	19721 ,92 ,62	12882 ,48 ,23
Balances with Banks, Money at call & short notice	7	194 ,04 ,65	59 ,24 ,85
Investments	8	68589 ,97 ,16	68111 ,64 ,45
Advances	9	131170 ,43 ,89	102405 ,16 ,68
Fixed Assets	10	2241 ,65 ,51	1674 ,00 ,23
Other Assets	11	8693 ,32 ,68	11532 ,46 ,85
TOTAL		**230611 ,36 ,51**	**196665 ,01 ,29**
Contingent Liabilities	12	30613 ,56 ,04	31127 ,72 ,44
Bills for Collection		5819 ,51 ,14	4988 ,84 ,18
Significant accounting policies	17		
Notes on Accounts	18		

The Schedules 1 to 18 form an integral part of the Accounts.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED (REVISED) 31st Mar. 2022

(Rs. in thousands)

	Schedule	Year ended 31st Mar. 2022 (Current Year)	Year ended 31st Mar. 2021 (Previous Year)
I. INCOME			
Interest earned	13	13019 ,21 ,99	11868 ,54 ,08
Other Income	14	2652 ,47 ,93	2627 ,67 ,03
TOTAL		**15671 ,69 ,92**	**14496 ,21 ,11**
II. EXPENDITURE			
Interest expended	15	6974 ,82 ,31	6971 ,06 ,82
Operating Expenses	16	3849 ,01 ,28	3565 ,05 ,72
Provisions & contingencies		3696 ,32 ,71	3409 ,83 ,41
TOTAL		**14520 ,16 ,30**	**13945 ,95 ,95**
PROFIT/LOSS			
Net Profit for the year		1151 ,53 ,62	550 ,25 ,16
Add: Profit brought forward		52 ,15 ,96	-7349 ,50 ,10
Add: b/.f losses adjusted against Share premium and Special Reserve			7349 ,50 ,10
TOTAL		**1203 ,69 ,58**	**550 ,25 ,16**
APPROPRIATIONS			
Transfer to Statutory Reserve		287 ,88 ,40	137 ,56 ,29
Transfer to Capital Reserve		83 ,69 ,37	184 ,52 ,91
Transfer to Revenue Reserve		-	-
Transfer to Special Reserve		-	-
Transfer to Investment Fluctuation Reserve		23 ,10 ,00	176 ,00 ,00
Proposed dividend (Equity)		336 ,52 ,48	-
Balance carried over to Balance Sheet		472 ,49 ,33	52 ,15 ,96
TOTAL		**1203 ,69 ,58**	**550 ,25 ,16**
Earning per share (Basic & Diluted) (Rupees)		1.72	0.88

SARDAR BALJIT SINGH
DIRECTOR

SHASHANK SHRIVASTAVA
DIRECTOR

RAKESHKUMAR
DIRECTOR

MANOJ K. VERMA
DIRECTOR

LALIT KUMAR CHANDEL
DIRECTOR

ASHEESH PANDEY
EXECUTIVE DIRECTOR

A.B. VIJAYAKUMAR
EXECUTIVE DIRECTOR

A.S. RAJEEV
MANAGING DIRECTOR & CEO

MUDIT AGARWAL
ASST. GENERAL MANAGER, FM&A

KAMAL KUMAR THAKUR
ASST. GENERAL MANAGER, FM&A

V P SRIVASTAVA
GENERAL MANAGER & CFO

- AS PER OUR REPORT OF EVEN DATE ATTACHED -

For M/s. Batliboi & Purohit
FRN - 101048W
Chartered Accountants

CA Raman Hangekar
Partner
Membership No: 030615
UDIN - 22030615AJNXLE6110

For M/s. Abarna & Ananthan
FRN-000003S
Chartered Accountants

CA Clement Gratian Pinto
Partner
Membership No: 023238
UDIN - 22023238AJNWWE2412

For M/s. Rodi Dabir & Co.
FRN-108846W
Chartered Accountants

CA Aashish Badge
Partner
Membership No: 121073
UDIN - 22121073AJNYEO7811

For M/s. S Bhandari & Co.
FRN-000560C
Chartered Accountants

CA Pramiti Pareek
Partner
Membership No: 417124
UDIN -22417124AJNXPD4889

Place: Pune
Date: 25.05.2022

SCHEDULE-1 CAPITAL

(₹ in thousands)

	As on 31st Mar. 2022 (Current Year)		As on 31st Mar. 2021 (Previous Year)	
Authorised Capital				
10,00,00,00,000 Equity Shares (Previous year 10,00,00,00,000) of Rs. 10/- each		**10000 ,00 ,00**		**10000 ,00 ,00**
Issued & Subscribed				
673,04,96,447 Equity Shares (Previous year 656,01,58,901) of Rs.10/- each				
Opening Balance	6560 ,15 ,89		6560 ,15 ,89	
Additions during the year	170 ,33 ,75	6730 ,49 ,64		6560 ,15 ,89
Paid Up Capital				
a. Held by Central Government	6122 ,62 ,79		6122 ,62 ,79	
612,26,27,927 (Previous year 612,26,27,927) Equity shares of Rs.10/- each				
b. Held by the Public & Others	607 ,86 ,85		437 ,53 ,10	
60,78,68,520 (Previous year 43,75,30,974) Equity Shares of Rs.10/- each				
Less: Allotment money due	, ,	6730 ,49 ,64	, ,	6560 ,15 ,89
		6730 ,49 ,64		6560 ,15 ,89
TOTAL		6730 ,49 ,64		6560 ,15 ,89

SCHEDULE-2 RESERVES AND SURPLUS

(₹ in thousands)

	As on 31st Mar. 2022 (Current Year)		As on 31st Mar. 2021 (Previous Year)	
I. STATUTORY RESERVE				
i) Opening Balance	1487 ,20 ,10		1349 ,63 ,81	
ii) Addition during the year	287 ,88 ,40	1775 ,08 ,50	137 ,56 ,29	1487 ,20 ,10
II. CAPITAL RESERVE				
i) Opening Balance	601 ,57 ,08		417 ,04 ,17	
ii) Addition during the year	83 ,69 ,37		184 ,52 ,91	
iii) Deduction during the year	, ,	685 ,26 ,45	, ,	601 ,57 ,08
III. SHARE PREMIUM				
i) Opening Balance	94 ,95 ,04		6902 ,76 ,12	
ii) Addition during the year	233 ,36 ,24		94 ,95 ,04	
iii) Deduction during the year - Utilised for writing off of b/f. losses	, ,	328 ,31 ,28	6902 ,76 ,12	94 ,95 ,04
IV. REVENUE AND OTHER RESERVES				
a) REVENUE RESERVE				
i) Opening Balance	1710 ,25 ,48		1621 ,70 ,84	
ii) Addition during the year	128 ,63 ,57		88 ,54 ,64	
iii) Deduction during the year	, ,	1838 ,89 ,05	, ,	1710 ,25 ,48
b) SPECIAL RESERVE				
i) Opening Balance	51 ,26 ,04		498 ,00 ,00	
ii) Addition during the year	, ,		, ,	
iii) Deduction during the year - utilised for writing off b/f. losses		51 ,26 ,04	446 ,73 ,96	51 ,26 ,04
c) REVALUATION RESERVE				
i) Opening Balance	1172 ,62 ,32		1264 ,52 ,17	
ii) Addition during the year	1705 ,60 ,14		, ,	
iii) Deduction during the year	1301 ,25 ,89	1576 ,96 ,57	91 ,89 ,85	1172 ,62 ,32
d) INVESTMENT FLUCTUATION RESERVE ACCOUNT				
i) Opening Balance	403 ,00 ,00		227 ,00 ,00	
ii) Addition during the year	23 ,10 ,00		176 ,00 ,00	
iii) Deduction during the year	, ,	426 ,10 ,00	, ,	403 ,00 ,00
V. BALANCE IN PROFIT AND LOSS ACCOUNT				
i) Opening balance	52 ,15 ,96		-7349 ,50 ,10	
ii) Addition during the year	420 ,33 ,37		52 ,15 ,96	
iii)Deductions - b/f. losses set of against Share premium and Special reserve	, ,	472 ,49 ,33	7349 ,50 ,10	52 ,15 ,96
TOTAL		7154 ,37 ,22		5573 ,02 ,02

SCHEDULE-3 DEPOSITS

(₹ in thousands)

	As on 31st Mar. 2022 (Current Year)		As on 31st Mar. 2021 (Previous Year)	
A. I. DEMAND DEPOSITS				
i) From Banks	107 ,03 ,26		64 ,56 ,44	
ii) From others	28071 ,50 ,97	28178 ,54 ,23	18478 ,61 ,76	18543 ,18 ,20
II. SAVINGS BANK DEPOSITS		88856 ,62 ,14		75402 ,01 ,79
III. TERM DEPOSITS				
i) From Banks	459 ,91 ,52		242 ,38 ,92	
ii) From others	84799 ,21 ,29	85259 ,12 ,81	79818 ,03 ,00	80060 ,41 ,92
TOTAL (I, II & III)		**202294 ,29 ,18**		**174005 ,61 ,91**
B. (i) Deposits of Branches in India		202294 ,29 ,18		174005 ,61 ,91
(ii) Deposits of Branches outside India		, ,		, ,
TOTAL		**202294 ,29 ,18**		**174005 ,61 ,91**

SCHEDULE-4 BORROWINGS

(₹ in thousands)

	As on 31st Mar. 2022 (Current Year)		As on 31st Mar. 2021 (Previous Year)	
I. BORROWINGS IN INDIA				
i) Reserve Bank Of India	500 ,00 ,00		500 ,00 ,00	
ii) Other Banks	, ,		, ,	
iii) Other Institutions and Agencies	3351 ,04 ,19		51 ,59 ,79	
iv) Other Borrowings				
a) Innovative Perpetual Debt Instruments (IPDI)	290 ,00 ,00		, ,	
b) Hybrid Debt Capital instruments issued as Bonds	, ,		, ,	
c) Subordinated Debt Bonds	3605 ,70 ,00		2605 ,70 ,00	
d) Infra Bonds	, ,	7746 ,74 ,19	1000 ,00 ,00	4157 ,29 ,79
II. BORROWINGS OUTSIDE INDIA		, ,		81 ,45 ,33
TOTAL (I & II)		**7746 ,74 ,19**		**4238 ,75 ,12**
III. SECURED BORROWINGS INCLUDED IN I & II ABOVE		3694 ,69 ,19		500 ,04 ,79

SCHEDULE-5 OTHER LIABILITIES AND PROVISIONS

(₹ in thousands)

	As on 31st Mar. 2022 (Current Year)		As on 31st Mar. 2021 (Previous Year)	
I. Bills Payable		809 ,96 ,29		726 ,94 ,18
II. Inter-office adjustments (net)		749 ,26 ,05		644 ,22 ,49
III. Interest Accrued		272 ,87 ,88		318 ,35 ,84
IV. Others (including provisions):				
i) Provision against standard assets	1635 ,62 ,85		1339 ,57 ,47	
ii) Other liabilities (including provisions)	3217 ,73 ,21	4853 ,36 ,06	3258 ,36 ,37	4597 ,93 ,84
TOTAL		**6685 ,46 ,28**		**6287 ,46 ,35**

Batliboi & Purohit Chartered Accountants Mumbai
Abarna & Ananthan Chartered Accountants Bangalore
Rodi Dabir & Co. Chartered Accountants Nagpur
S. Bhandari & Co. Chartered Accountants Jaipur
Bank of Maharashtra F.M.& A. H.O. Pune-5

SCHEDULE - 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in thousands)

	As on 31st Mar. 2022 (Current Year)		As on 31st Mar. 2021 (Previous Year)	
I. Cash in hand (including foreign currency notes)		1123 ,43 ,83		1006 ,85 ,56
II. Balances with Reserve Bank of India				
i) In Current Accounts	9898 ,48 ,79		6390 ,62 ,67	
ii) In other Accounts	8700 ,00 ,00	18598 ,48 ,79	5485 ,00 ,00	11875 ,62 ,67
TOTAL (I & II)		**19721 ,92 ,62**		**12882 ,48 ,23**

SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(₹ in thousands)

	As on 31st Mar. 2022 (Current Year)		As on 31st Mar. 2021 (Previous Year)	
I. In India i) Balances with Banks in				
(a) Current Accounts	13 ,76 ,13		26 ,15 ,09	
(b) Other Deposit Accounts	15 ,18 ,56	28 ,94 ,69	15 ,18 ,56	41 ,33 ,65
ii) Money at call and short notice				
(a) With Banks	, ,		, ,	
(b) With Other Institutions	139 ,05 ,27	139 ,05 ,27		, ,
TOTAL (i & ii)		**167 ,99 ,96**		**41 ,33 ,65**
II. Outside India Balances with Banks in				
(a) Current Accounts	26 ,04 ,69		, ,	
(b) Other Deposit Accounts	, ,		17 ,91 ,20	
(c) Money at Call & Short Notice	, ,	26 ,04 ,69	, ,	17 ,91 ,20
TOTAL		**26 ,04 ,69**		**17 ,91 ,20**
GRAND TOTAL (I & II)		**194 ,04 ,65**		**59 ,24 ,85**

SCHEDULE - 8 INVESTMENTS

(₹ in thousands)

	As on 31st Mar. 2022 (Current Year)		As on 31st Mar. 2021 (Previous Year)	
A. I. Investments in India in				
a) Government Securities (inclusive of treasury bills & zero coupon bonds)		63409 ,31 ,64		61114 ,16 ,88
b) Other approved securities				
c) Shares		274 ,40 ,56		292 ,61 ,34
d) Debentures and Bonds		4308 ,80 ,21		4985 ,23 ,01
e) Subsidiaries and/or Joint Ventures		73 ,42 ,11		73 ,42 ,11
f) Others				
i) Units of U T I/ Mutual funds	235 ,21 ,94		373 ,36 ,27	
ii) Certificate of Deposits	288 ,80 ,70		1272 ,84 ,84	
iii) Commercial Papers	, ,		, ,	
iv) PTCs	, ,		, ,	
v) Others	, ,	5,240,264	, ,	1646 ,21 ,11
TOTAL		**68589 ,97 ,16**		**68111 ,64 ,45**
II. Investments outside India		, ,		, ,
TOTAL		, ,		, ,
GRAND TOTAL (I & II)		68589 ,97 ,16		68111 ,64 ,45
B. a) Gross Investments in India	69092 ,68 ,45		68646 ,69 ,87	
Less: Depreciation on Investment	344 ,84 ,15		12 ,07 ,71	
Less: Provisions on Investment	157 ,87 ,14	68589 ,97 ,16	522 ,97 ,71	68111 ,64 ,45
Net Investment		68589 ,97 ,16		68111 ,64 ,45
b) Gross Investments outside India			, ,	, ,
TOTAL (a & b)		**68589 ,97 ,16**		**68111 ,64 ,45**

SCHEDULE-9 -ADVANCES

(₹ in thousands)

	As on 31st Mar. 2022 (Current Year)		As on 31st Mar. 2021 (Previous Year)	
A. i) Bills purchased and discounted	679 ,62 ,70		801 ,41 ,17	
ii) Cash Credits, Overdrafts & Loans repayable on demand	42528 ,16 ,13		34428 ,65 ,34	
iii) Term Loans	87962 ,65 ,06	131170 ,43 ,89	67175 ,10 ,17	102405 ,16 ,68
TOTAL		**131170 ,43 ,89**		**102405 ,16 ,68**
Debts)	109090 ,23 ,49		87752 ,12 ,98	
ii) Covered by Bank/Government Guarantees	866 ,87 ,40		476 ,47 ,29	
iii) Unsecured	21213 ,33 ,00	131170 ,43 ,89	14176 ,56 ,41	102405 ,16 ,68
TOTAL		**131170 ,43 ,89**		**102405 ,16 ,68**
C. I. Advances in India i) Priority Sector	54204 ,22 ,28		45549 ,81 ,00	
ii) Public Sector	23366 ,24 ,69		15264 ,01 ,06	
iii) Banks	,8 ,93		,47 ,50	
iv) Others	53599 ,87 ,99	**131170 ,43 ,89**	41590 ,87 ,12	**102405 ,16 ,68**
II. Advances outside India	, ,		, ,	, ,
TOTAL (C.I & C.II)		**131170 ,43 ,89**		**102405 ,16 ,68**

SCHEDULE-10 FIXED ASSETS

(₹ in thousands)

	As on 31st Mar. 2022 (Current Year)		As on 31st Mar. 2021 (Previous Year)	
I. Premises *				
1. At cost as on 31st March of the preceding year (includes increase in the value on account of revaluation of certain premises in earlier years)	1704 ,12 ,63		1661 ,51 ,26	
2. Addition during the Year	16 ,73 ,42		42 ,61 ,37	
3. Addition on account of revaluation during the year	207 ,81 ,37			
	1928 ,67 ,42		1704 ,12 ,63	
4. Deduction during the Year	-		-	
	1928 ,67 ,42		**1704 ,12 ,63**	
5. Depreciation to date	208 ,72 ,59	1719 ,94 ,83	402 ,10 ,25	1302 ,02 ,38
II.Capital Work -in-progress		205 ,22 ,63		52 ,01 ,01
II. Other Fixed Assets (including furniture and fixtures)				
1. At cost as on 31st March of the preceding year	1528 ,44 ,77		1384 ,86 ,10	
2. Addition during the Year	139 ,48 ,12		166 ,27 ,84	
	1667 ,92 ,89		1551 ,13 ,94	
3. Deduction during the Year	31 ,15 ,10		22 ,69 ,17	
	1636 ,77 ,79		1528 ,44 ,77	
4. Depreciation to date	1320 ,29 ,74	316 ,48 ,05	1208 ,47 ,93	319 ,96 ,84
TOTAL (I & II)		**2241 ,65 ,51**		**1674 ,00 ,23**

SCHEDULE-11 OTHER ASSETS

(₹ in thousands)

	As on 31st Mar. 2022 (Current Year)		As on 31st Mar. 2021 (Previous Year)	
I. Inter-office adjustments (net)		, ,		, ,
II. Interest accrued		1326 ,26 ,09		1409 ,17 ,77
III. Tax paid in advance/tax deducted at source		2019 ,96 ,60		1740 ,08 ,19
IV. Stationery and Stamps		3 ,22 ,66		2 ,45 ,35
V. Non-banking assets acquired in satisfaction of claims		, ,		, ,
VI. Others *		5343 ,87 ,33		8380 ,75 ,54
TOTAL (I, II, III, IV, V & VI)		**8693 ,32 ,68**		**11532 ,46 ,85**

* Note : Others assets include Net Deferred Tax asset of Rs. in thousands 2,10,40,498 (Previous Year Net DTA Rs. in thousands 2,90,81,088)

SCHEDULE-12 CONTINGENT LIABILITIES

(₹ in thousands)

	As on 31st Mar. 2022 (Current Year)		As on 31st Mar. 2021 (Previous Year)	
I. Claims against the Bank not acknowledged as debts		1375 ,40 ,50		1396 ,64 ,66
II. Liability for partly paid investments		, ,		, ,
III. Liability on account of outstanding forward exchange contracts*		19718 ,99 ,45		19947 ,68 ,29
IV. Guarantees given on behalf of constituents				
(a) In India	7475 ,87 ,39		7959 ,46 ,35	
(b) Outside India	146 ,43 ,93	7622 ,31 ,32	76 ,72 ,98	8036 ,19 ,33
V. Acceptances,endorsements and obligations		1287 ,12 ,25		1252 ,30 ,69
VI. Other items for which Bank is contigently liable		609 ,72 ,52		494 ,89 ,47
TOTAL (I, II, III, IV, V & VI)		**30613 ,56 ,04**		**31127 ,72 ,44**

* Contingent liabilities in respect of forward exchange contracts include both sale and purchase contracts

SCHEDULE-13 INTEREST EARNED

(₹ in thousands)

	For the Year ended 31st Mar. 2022 (Current Year)		For the Year ended 31st Mar. 2021 (Previous Year)	
I. Interest/Discount on Advances/Bills		8231 ,55 ,72		7153 ,92 ,92
II. Interest on Investments	4520 ,08 ,65		4296 ,64 ,53	
Less - Amortisation of Investments	135 ,39 ,67	4384 ,68 ,98	143 ,24 ,07	4153 ,40 ,46
III. Interest on balances with Reserve Bank of India & other inter bank funds		90 ,69 ,88		315 ,07 ,38
IV. Others		312 ,27 ,41		246 ,13 ,32
TOTAL (I, II, III & IV)		**13019 ,21 ,99**		**11868 ,54 ,08**

SCHEDULE-14 OTHER INCOME

(₹ in thousands)

	For the Year ended 31st Mar. 2022 (Current Year)		For the Year ended 31st Mar. 2021 (Previous Year)	
I. Commission, exchange, and brokerage		1233 ,34 ,21		1041 ,01 ,32
II. Profit on sale of investments	537 ,87 ,67		602 ,09 ,48	
Less : Loss on sale of Investments	13 ,00 ,54	524 ,87 ,13	35 ,93 ,60	566 ,15 ,88
III. Profit on revaluation of Investments	, ,		, ,	
Less: Loss on revaluation of Investments	97 ,81 ,63	-97 ,81 ,63	-2 ,40 ,14	2 ,40 ,14
IV. Profit on sale of land, buildings and other assets	3 ,09 ,90		2 ,15 ,15	
Less : Loss on sale of land,buildings and other assets	2 ,05 ,59	1 ,04 ,31	1 ,70 ,27	,44 ,88
V. Profit on Exchange Transactions	129 ,05 ,30		153 ,34 ,10	
Less: Loss on Exchange Transactions	, ,	129 ,05 ,30	, ,	153 ,34 ,10
VI. Income earned by way of dividends etc. from subsidiaries/ companies and/or Joint Ventures abroad/in India		2 ,05 ,51		1 ,35 ,27
VII. Miscellaneous Income		859 ,93 ,10		862 ,95 ,44
TOTAL (I, II, III, IV, V, VI & VII)		**2652 ,47 ,93**		**2627 ,67 ,03**

SCHEDULE-15 INTEREST EXPENDED

(₹ in thousands)

	For the Year ended 31st Mar. 2022 (Current Year)		For the Year ended 31st Mar. 2021 (Previous Year)	
I. Interest on deposits		6458 ,16 ,61		6525 ,94 ,83
II. Interest on Reserve Bank of India / inter-bank borrowings		30 ,91 ,39		49 ,65 ,06
III. Others		485 ,74 ,31		395 ,46 ,93
TOTAL (I, II & III)		**6974 ,82 ,31**		**6971 ,06 ,82**

SCHEDULE-16 OPERATING EXPENSES

(₹ in thousands)

	For the Year ended 31st Mar. 2022 (Current Year)		For the Year ended 31st Mar. 2021 (Previous Year)	
I. Payments to and provisions for employees		2070 ,58 ,93		2255 ,21 ,04
II. Rent,taxes and lighting		228 ,08 ,53		218 ,23 ,32
III. Printing and stationery		22 ,28 ,73		17 ,68 ,15
IV. Advertisement and publicity		29 ,84 ,02		39 ,28 ,74
V. Depreciation on Bank's property (Net of depreciation transferred to Revaluation Reserve)		268 ,34 ,08		188 ,11 ,12
VI. Directors' fees, allowances and expenses		,52 ,02		,33 ,46
VII. Auditors' fees and expenses		17 ,19 ,83		19 ,59 ,18
VIII. Law Charges		39 ,38 ,71		18 ,35 ,83
IX. Postage, Telegrams, Telephones, etc.		42 ,97 ,49		56 ,69 ,55
X. Repairs and maintenance		192 ,82 ,82		168 ,25 ,62
XI. Insurance		224 ,34 ,53		198 ,67 ,14
XII. Other expenditure		712 ,61 ,59		384 ,62 ,57
TOTAL (I, II, III, IV, V, VI, VII, VIII, IX, X, XI & XII)		**3849 ,01 ,28**		**3565 ,05 ,72**

BANK OF MAHARASHTRA
(F.Y. 2021-22)

SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES

(ANNEXED TO AND FORMING PART OF THE REVISED STANDALONE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2022.)

1. Basis of Preparation of Financial Statements:

1.1 The financial statements are prepared under the historical cost conventions except as otherwise stated and conform to the Generally Accepted Accounting Principles (GAAP) which include statutory provisions, practices prevailing within the Banking Industry in India, the regulatory/ Reserve Bank of India ("RBI") guidelines, applicable Accounting Standards/ Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI).

1.2 **Use of Estimates**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of Assets and Liabilities (including contingent liabilities) as of the date of financial statements and reported income and expenses for the period under report. Management is of the view that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates. Any revisions to the accounting estimates shall be recognized prospectively unless otherwise stated.

1.3 Revenue and costs are accounted for on accrual basis except as stated in para 6.1 below.

1.4 The accounting policies with regard to Revenue Recognition, Investments and Advances are in conformity with the prudential accounting norms and guidelines issued by Reserve Bank of India from time to time.

2. Foreign Exchange Transactions:

2.1 The foreign currency transactions are translated at the weekly average closing rates for the preceding week as published by Foreign Exchange Dealers' Association of India (FEDAI). Revaluation of foreign currency assets and liabilities as on Balance Sheet date is done at the closing exchange rate published by FEDAI and the resultant profit/loss is accounted for in the Profit & Loss Account.

2.2 Outstanding Forward Foreign Exchange Contracts are stated at contracted rates and revalued/ marked to market as on quarterly basis and on Balance Sheet date at the exchange rates published by FBIL for specified maturities by discounting the same at the applicable MIFOR rate published by Financial Benchmarks India Pvt. Ltd. [FBIL] i.e. on PV01 basis. The resulting profit/loss, on revaluation, is recognized in the Profit & Loss Account in accordance with RBI / FEDAI guidelines and the effect is taken to "Other Assets" in case of gain or to "Other Liabilities" in case of loss.

2.3 Contingent Liabilities on account of Guarantees and Letters of Credit issued in foreign currency are stated in the Balance Sheet at the closing exchange rates published by FEDAI.

2.4 Credit exposure of the un-hedged foreign currency exposure, if any, of the constituents shall attract provisioning and capital requirements as per RBI guidelines.

3. Investments:

As per Reserve Bank of India guidelines, the investments are classified and valued as under:

3.1 Investments are classified in the following categories:

a. Held to Maturity (HTM)
b. Available for sale (AFS)
c. Held for trading (HFT)

3.2 All the investments are further classified in the following six baskets in conformity with the requirement of Form-A of Third Schedule to the Banking Regulation Act, 1949:

a. Government Securities
b. Other approved Securities
c. Shares
d. Debentures and Bonds
e. Subsidiaries and Joint Ventures
f. Others (Commercial Papers, Mutual Fund Units etc.)

3.3 Bank decides the category of each investment at the time of acquisition and classifies the same accordingly. Shifting of securities from one category to another, other than shifting / transfer from HFT to AFS category, is done once in a year with the approval of Board of Directors, at the least of acquisition cost / book value / market value on the date of shifting. The depreciation, if any, on such shifting is provided for and the book value of the security is adjusted accordingly. The transfer of securities from one category to another is made as per permission from or guidelines of RBI. Transfer / shifting of investments from HFT to AFS category will be executed under exceptional circumstances, like not being able to sell the securities within 90 days due to tight liquidity conditions, or extreme volatility, or market becoming unidirectional.

3.4 **REPO / Reverse REPO**
The Bank has adopted the Uniform Accounting Procedure prescribed by the RBI for accounting of market Repo and Reverse Repo transactions. Repo and Reverse Repo transactions are treated as Collateralized Borrowing / Lending Operations with an agreement to repurchase on the agreed terms. Securities sold under Repo are continued to be shown under investment and Securities purchased under Reverse Repo are not included in investment. Outstanding Repo / Term Repo is disclosed as borrowing and outstanding Reverse Repo is disclosed as lending. Costs and revenues are accounted for as interest expenditure / income, as the case may be.

3.5 Cost of investments is determined on the basis of Weighted Average Price method.

Interest paid for broken period / interest received for broken period at the time of purchase / sale of fixed income securities is treated as revenue expenditure / income.

Brokerage / incentive received / paid at the time of purchase/sale of investment is deducted / added from the amount of investment.

3.6 Valuation of investments:

a. Held to Maturity:

i. Securities under the category 'Held to Maturity' are valued at weighted average acquisition cost. Wherever the cost of security is higher than the face value, the premium is amortized over the remaining period of maturity on straight line basis. In case where the cost price is less than the face value, the difference is ignored.

ii. In case of investments in subsidiaries and joint ventures permanent diminution in value is recognized and provided for; investment in RRB is valued at carrying cost.

iii. On sale of investments in this category (a) the net profit is initially taken to profit and loss account and thereafter such profit net of applicable taxes and proportionate transfer to statutory reserve is appropriated to the 'Capital Reserve account'; and (b) the net loss is charged to the Profit & Loss Account.

b. Available for Sale:

The individual securities under this category are marked to market on a quarterly basis and on each balance sheet date. Central/ State Government securities are valued at market rates declared by FBIL. Other approved securities, debentures and bonds are valued as per the yield curve, average credit spread rating and methodology suggested by FIMMDA. Quoted shares are valued at market rates. Unquoted shares are valued at break-up value ascertained from the latest available Balance Sheet i.e. Balance Sheet of immediate preceding year and in case the latest Balance Sheet is not available, the same is valued at Re.1/- per company / scrip.

Investments in discounted instruments, viz. Treasury Bills, Certificate of Deposits, Commercial Papers, Zero Coupon Bonds are valued at carrying cost. Mutual Fund Instruments are valued at market rate or repurchase price or net asset value in that order depending on their availability. Investments in Security Receipts (SRs) /Pass Through Certificates (PTCs) issued by Asset Reconstruction Companies (ARCs) in respect of financial assets sold to ARCs are carried at lower of redemption value and net book value (i.e. book value less provision held) of the financial assets.

Based on the above valuation under each of six-sub classifications under `Available for Sale':

i. If it results in appreciation, the same is ignored.

ii. If it results in net depreciation, the same is charged to Profit & Loss account and credited to Provision for Depreciation on Investments (AFS) in the liability side.

Provided that, depreciation, if any, on equity shares allotted consequent to implementation of Strategic Debt Restructuring (SDR) shall be provided for over a maximum of 4 calendar quarters on straight line basis from the date of conversion of debt into equity.

a.

iii. The book value of securities is not changed in respect of marked to market (MTM) except as required by the RBI guidelines.

iv. The book value of securities is not changed in respect of marked to market (MTM) except as required by the RBI guidelines.

v. Profit or Loss on sale of investment in this category is accounted for in the Profit and loss account.

c. Held for Trading:

i. The individual securities under this category are held at original cost and are marked to market every month and each balance sheet date. Central/ State Government securities are valued at market rates declared by FBIL. Other approved securities, debentures and bonds are valued as per the yield curve; average credit spread rating and methodology suggested by FIMMDA. Quoted Shares are valued at market rates.

ii. Investments in discounted instruments, viz. Treasury Bills, Certificate of Deposits, Commercial Papers, Zero Coupon Bonds are valued at carrying cost. Mutual Fund Instruments are valued at market rate or repurchase price or net asset value in that order depending on their availability. Investments in SRs / PTCs issued by ARCs in respect of financial assets sold to ARCs are carried at lower of redemption value and net book value (i.e. book value less provision held), of the financial assets.

iii. Net basket-wise depreciation if any, is charged to Profit & Loss Account and credited to Provision on Depreciation on Investment (HFT) under liability. Net appreciation, if any is ignored. The book value of the securities is not changed after revaluation except as required by the RBI guidelines.

iv. Profit or loss on sale of investment in this category is accounted for in the Profit & Loss Account.

d. Classification of and provisions on investments, including on restructured investments, are made in accordance with the prudential norms prescribed by and guidelines of RBI from time to time.

e. Costs such as brokerage, fees, commission, taxes etc. incurred at the time of acquisition of securities are capitalized.

3.7 Derivatives:

Interest Rate Swaps:

i. Valuation:

a. **Hedging Swaps**: Interest Rate Swaps for hedging assets and liabilities are not marked to market.

b. **Trading Swaps**: Interest Rate Swaps for trading purpose are marked to market.

ii. Accounting of income on derivative deals:

a. **Hedging Swaps**: Income is accounted for on realization basis. Expenditure, if any, is accounted for on accrual basis, if ascertainable.

b. **Trading Swaps**: Income or expenditure is accounted for on realization basis on settlement date.

iii. Accounting of gain or loss on termination of swaps:

a. **Hedging Swaps:** Any gain or loss on the terminated swap is recognized over the shorter of (a) the remaining contractual life of the swap or (b) the remaining life of the asset/ liability.

b. **Trading Swaps:** Any gain or loss on terminated swap is recognized as income or expenditure in the year of termination.

3.8 Investment Fluctuation Reserve:

As per RBI circular number RBI/DOR/2021-22/81 DOR.MRG.42/21.04.141/2021-22 DATED AUG 25,2021 as updated till March 31,2022 Investment Fluctuation Reserve (IFR) is created to build up of adequate reserves to protect the bank against increase in yields.

Transfer to IFR is lower of the following –

a. Net profit on sale of Investments during the year or
b. Net profit for the year less mandatory appropriations, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis

4. Advances:

4.1 Advances are disclosed net of write offs, provisions made for non-performing assets, claims settled with the credit guarantee institutions, provision for diminution in fair value for restructured advances and bills rediscounted.

4.2 Classification of advances and provisions thereon are made in accordance with the prudential norms prescribed by and guidelines of RBI from time to time, except in respect of following category of advances, provision on NPAs are made higher than the rate prescribed by RBI -

Sub-Standard - 20%
Doubtful Assets One to three years - 50% on secured portion

4.3 Provision for performing assets, other than provision on standard restructured advances, is shown under the head "Other liabilities and provisions".

4.4 In respect of Rescheduled/ Restructured accounts, provision for diminution in fair value of restructured advances is made on present value basis as per RBI guidelines.

In respect of advances under SDR, provision is made in accordance with RBI guidelines, within a maximum period of four quarters.

4.5 In case of financial assets sold to Asset Reconstruction Company (ARC)/ Securitization Company (SC), if the sale is at a price higher than the NBV, the surplus is retained and utilised to meet the shortfall/loss on account of sale of other financial assets to SC/ARC. If the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is to be debited to the Profit and Loss account. However, if surplus is available, such shortfall will be absorbed in the surplus. Any shortfall arising due to sale of NPA will be amortised over a period of two years if not absorbed in the surplus.
Excess provision arising out of sale of NPAs are reversed only when the cash received (by way of initial consideration only/or redemption of SRs/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision will be limited to the extent to which cash received exceeds the NBV of the asset.

5. Fixed Assets and Depreciation:

5.1 Premises and Other Fixed Assets are carried at cost less accumulated depreciation/ amortization, except for certain premises, which were revalued and stated at revalued amount.

Cost includes cost of purchase, taxes as per GST law and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability

5.2 Depreciation on fixed assets is provided for at the rates specified below, except revalued assets where, depreciation is provided over the remaining useful life of the assets on revalued amount, so as to write down value of assets to Rupee One over the residual life of the assets.

S. N.	Category of Asset	Useful Life of Assets	Rate of Depreciation (%)	Method of depreciation
1	Building & Premises	60	1.667	SLM
2	General Items including Safe	10	10	SLM
3	Electrical – Television, Mobile Phones, Home Theater, Printer, Camera	3	33.33	SLM
4	Electrical Equipment's- Others	10	10	SLM
5	Office Machinery	5	20	SLM
6	Motor Vehicles	8	12.5	SLM
7	Safe Deposit Vaults	10	10	SLM
8	Computers & Laptops	3	33.33	SLM
9	ATM	7	14.29	SLM
10	UPS	5	20	SLM
11	BNA	7	14.29	SLM
12	Cash Re-cycler	7	14.29	SLM

*SLM means Straight Line Method

5.3 In respect of assets acquired during the year, depreciation is provided on proportionate basis for the number of days the assets have been put to use during the year.

Similarly, in respect of assets sold / discarded during the year, depreciation is provided on proportionate basis till the number of days the assets had been put to use during the year.

5.4 Eligible fixed assets are revalued once in every three years. Revalued portion of fixed assets (over and above the cost of fixed assets) is depreciated on diminishing balance method over the residual life of the assets as certified by approved valuers at the time of valuation.

Revaluation reserve pertaining to lease hold lands, is amortised on straight line method over the residual life of the lease period.

Depreciation on revalued portion of fixed assets, over and above the cost is debited to Profit & Loss account. Amount of Revaluation Reserve to the extent of depreciation related to revalued portion of fixed assets over and above the cost debited to profit & loss account is transferred to Revenue Reserve from Revaluation Reserve.

5.5 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease on SLM basis in accordance with AS 19.

6. Revenue Recognition

6.1 All revenues and costs are accounted for on accrual basis except the following items, which are accounted for on cash basis:-

a. Interest on Advances and Investments identified as Non-Performing Assets according to the prudential norms and guidelines issued by RBI, from time to time.
b. Income from commission viz., on Guarantees, Letter of Credit, Government business, Mutual Fund business, credit & debit cards issued, Annual maintenance charges for cards and Locker Rent.

c. Interest for overdue period on bills purchased and bills discounted.
d. Insurance claims.
e. Remuneration on Debenture Trustee Business.
f. Loan Processing Fees.
g. Income from Merchant Banking Operations and Underwriting Commission.
h. Transaction processing fees received on utility bill pay services through internet banking.

6.2 Pursuant to RBI guidelines, the interest payable on overdue term deposit is provided on accrual basis at rate of interest as applicable to saving account or contracted rate of interest on the matured TD, whichever is lower from 02.07.2021

7. Employees' Benefits:

Defined Contribution Plan: The contribution paid/ payable under defined contribution benefit schemes are charged to Profit & Loss Account.

Defined Benefit Plans: All eligible employees are entitled to receive benefits under the Bank's Gratuity and Pension schemes which are valued based on the principles laid down in AS -15, Employees Benefit (Revised) issued by Institute of Chartered Accountants of India. Bank's liabilities towards defined benefit schemes are determined by way of provisions and adjusted on the basis of an actuarial valuation report provided by the Actuaries appointed by the bank and made at the end of each quarter/financial year. Actuarial gains and losses are recognized in the Profit & Loss Account.

Other Employee Benefits such as Leave fare Concession, Privilege Leave, Silver jubilee Award, resettlement allowance, and retirement benefit are provided based on Actuarial valuation.

8. Segment Reporting:

The Bank recognizes Business Segment as its Primary Segment in compliance with the RBI Guidelines and in compliance with the Accounting Standard 17 issued by ICAI.

9. Impairment of Assets:

Impairment losses if any, on fixed assets including revalued fixed assets are recognized in accordance with Accounting Standard 28- Impairment of Assets issued by the ICAI and charged to Profit & Loss Account. Assets are reviewed for Impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable.

10. Provisions Contingent Liabilities and Contingent Assets:

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

Contingent Liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are not recognized in the financial statements since this may result in the recognition of the income that may not be realized.

11. Net Profit, Provisions and Contingencies:

The Net Profit disclosed is after making the Provisions and Contingencies which include adjustment to the value of investments, write off of bad debts, provision for taxation (including deferred tax), and provision for advances including cases identified as fraud and contingencies /others.

12. Income Tax:

The provision for tax for the year comprises liability towards current Income Tax, and Deferred Tax. The deferred tax asset/ liability is recognized, subject to the consideration of prudence, taking into account the timing differences between the taxable income and accounting income, in terms of the Accounting Standard 22 issued by ICAI. The effect of change in tax rates on deferred tax assets and liabilities is recognized in the Profit & Loss Account in the period of applicability of the change.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized and re-assessed at each reporting period based on management judgement as to whether their realization is considered as reasonably certain.

In cases of unabsorbed depreciation or carried forward loss under taxation laws, all deferred tax assets are recognized only if there is virtual certainty of realization of such assets supported by convincing evidence.

Interest income on refund of Income Tax is accounted for in the year; the order is passed by the concerned authority.

The demand raised by the Tax authorities including the interest thereon is provided for when such demand is accepted by the bank and the same is not contested before appellate authority **OR** when such demand is upheld by jurisdictional tribunal and there is no favorable judgement of other tribunal on identical issue and bank does not prefer to go before High Court **OR** when such demand is upheld by High Court.

13. Earnings per Share:

The bank reports basic and diluted earnings per equity share in accordance with the Accounting Standard (AS-20) "Earnings Per Share" issued by ICAI. Basic Earnings per share is arrived by dividing net profit after tax with the weighted average number of equity shares outstanding for the period. The diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

Diluted earnings per share reflects the potential dilution that could occur in earnings per share if securities or other contracts to issue equity share are exercised or converted during the period.

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BANK OF MAHARASHTRA
(F.Y. 2021-2022)

SCHEDULE 18: NOTES ON ACCOUNTS

(*Note: Figures in bracket relate to previous year*)

(ANNEXED TO AND FORMING PART OF THE REVISED STANDALONE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2022.)

1. Regulatory Capital

a) Composition of Regulatory Capital

(Amount in ₹ crore)

S.N.	Particulars	31.03.2022	31.03.2021
i)	Common Equity Tier 1 capital (CET 1) including CCB	11666.61	9160.68
ii)	Additional Tier 1 capital	200.00	-
iii)	Tier 1 capital (i + ii)	11866.61	9160.68
iv)	Tier 2 capital	3924.26	2936.44
v)	Total capital (Tier 1+Tier 2)	15790.87	12097.12
vi)	Total Risk Weighted Assets (RWAs)	95833.63	83469.36
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	12.17%	10.98%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	12.38%	10.98%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	4.10%	3.52%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	16.48%	14.49%
xi)	Leverage Ratio	4.91%	4.48%
xii)	Percentage of the shareholding of Government of India (%)	90.97%	93.33%
xiii)	Amount of paid-up equity capital raised during the year	*403.70	-
xiv)	Amount of non-equity Tier 1 capital raised during the year, *of which:* Basel III compliant Perpetual Debt Instruments (AT 1 Bond)	 290.00	 -
xv)	Amount of Tier 2 capital raised during the year, *of which*: Basel III compliant Tier II Bond	 1000.00	 505.70

**Bank has raised Rs.403.70 crore through QIP on July 17, 2021. The Bank has issued and allotted 17,03,37,546 equity shares of Rs.10 each at a premium of Rs.13.70 per share to the investors.*

- The Bank has raised following bonds during the F.Y. 2021–22 as under:

Series	Type	ISIN No	Date of Issue	Tenure	Amount (₹ in Crore)	Coupon Rate (In %)	Call date
I	Basel III AT 1	INE457A08100	24.03.2022	Perpetual	290.00	8.75	24.03.2027
IV	Basel III Tier II	INE457A08092	21.10.2021	120	1000.00	7.86	21.10.2026

- During the FY 2021-22, Bank has redeemed following infra Bond:

Series	Type	ISIN No	Date of Issue	Tenure	Amount (₹ in Crore)	Coupon Rate (In %)	Redemption date
I	Infra Bond	INE457A09207	20.10.2014	84	1000.00	9.40	20.10.2021

b) Draw down from Reserves

In accordance with the Accounting Standard – 10 'Property, Plant & Equipment', depreciation of Rs. 128.64 Crore (Rs. 88.55 Crore) for the year on revalued portion of fixed assets has been charged to Profit and Loss Account. Equivalent amount of Rs. 128.64 Crore (Rs. 88.55 Crore) has been transferred from Revaluation Reserve to Revenue Reserve

2. Asset liability management

a) Maturity pattern of certain items of assets and liabilities as on 31.03.2022

(Amount in ₹ crore)

Particulars	1 day	2 to 7 days	8 to 14 days	15 to 30 days	31days to 3months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
Deposits	1799.71	3170.98	2972.11	4823.17	13439.88	12876.04	53142.48	39749.94	16406.97	53913.03	202294.29
Gross Advances	1848.95	2869.84	2896.65	3549.87	13425.11	10818.46	13975.90	28392.38	23518.41	33944.24	135239.80
Gross Investments	0.00	126.87	3317.98	75.24	68.69	260.71	4931.09	16977.29	14748.98	28585.84	69092.68
Borrowings	0.00	3194.64	2.85	0.00	5.70	8.80	1000.00	639.00	790.00	2105.75	7746.74
Foreign Currency Assets	465.06	2820.61	352.22	948.31	1927.67	2395.72	1806.31	0.00	0.00	0.00	10715.90
Foreign Currency Liabilities	679.86	1722.77	282.74	832.86	3209.63	1825.15	2218.69	81.46	49.36	0.00	10902.52

This classification of Savings Bank and Current Deposits is based on behavioral pattern approved by the Board / ALCO.

b) Liquidity coverage ratio (LCR)

<u>Quantitative Disclosure:</u>

(Amount in ₹ crore)

	Amount in Rs crore	Qtr June 2021		Qtr. Sep 2021		Qtr. Dec 2021		Qtr. March 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 (HQLAs)		58305.24		58914.39		54605.34		46877.67
Cash outflows									
2	Retail deposits and deposits from small business customers, of which:	137701.90	11996.75	139269.15	12064.18	121086.36	10263.30	145334.06	10789.69
(i)	Stable deposits	35468.77	1773.44	37254.77	1862.74	36906.67	1845.33	74874.32	3743.72
(ii)	Less stable deposits	102233.13	10223.31	102014.38	10201.44	84179.69	8417.97	70459.74	7045.97
3	Unsecured wholesale funding, of which:	31871.46	15564.14	30420.35	14820.65	51407.52	17606.17	35890.54	17105.47
(i)	Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	31871.46	15564.14	30420.35	14820.65	51407.52	17606.17	35890.54	17105.47
(iii)	Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Secured wholesale funding	1455.15	0.00	2161.56	0.00	7725.80	0.00	11765.81	0.00
5	Additional requirements, of which:	4.37	4.37	1.48	1.48	22.02	22.02	48.99	48.99
(i)	*Outflows related to derivative exposures and other collateral requirements*	4.37	4.37	1.48	1.48	22.02	22.02	48.99	48.99

Amount in Rs crore		Qtr June 2021		Qtr. Sep 2021		Qtr. Dec 2021		Qtr. March 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)
(ii)	*Outflows related to loss of funding on debt products*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	*Credit and liquidity products*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Other contractual funding obligations	4281.51	4281.51	1324.36	1324.36	256.67	256.67	385.14	385.14
7	Other contingent funding obligations	31889.63	2172.87	29062.80	2007.04	33938.33	2552.25	36870.90	2813.46
8	**Total Cash Outflows**		**34019.64**		**30217.71**		**30700.40**		**31142.75**
Cash inflows									
9	Secured lending (e.g. reverse repos)	3174.57	0.00	1188.65	0.00	3085.46	0.00	1894.81	0.00
10	Inflows from fully performing exposures	12634.96	11865.07	859.44	487.06	3812.47	3212.48	2915.67	2585.88
11	Other cash inflows	3462.75	3308.77	636.89	499.55	1727.39	1490.38	1635.49	1467.74
12	**Total Cash Inflows**		**15173.84**		**986.61**		**4702.86**		**4053.62**
21	**Total HQLA**		58305.24		58914.39		54605.34		46877.67
22	**Total Net Cash Outflows**		18845.78		29231.10		25997.56		27089.13
23	**Liquidity Coverage Ratio (%)**		309.38%		201.55%		210.04%		173.05%

(Amount in ₹ crore)

Amount in Rs crore		Qtr June 2020		Qtr. Sep 2020		Qtr. Dec 2020		Qtr. March 2021	
		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 (HQLAs)		49097.80		46859.39		51747.30		53637.52
Cash outflows									
2	Retail deposits and deposits from small business customers, of which:	128951.69	11179.76	131974.89	11448.22	133864.28	11614.19	135969.02	11823.96
(i)	Stable deposits	34308.24	1715.41	34985.24	1749.26	35444.68	1772.23	35458.77	1772.94
(ii)	Less stable deposits	94643.44	9464.34	96989.65	9698.96	98419.60	9841.96	100510.24	10051.02
3	Unsecured wholesale funding, of which:	20236.84	10881.17	20470.05	10896.55	20710.30	10776.32	24225.59	12559.29
(i)	Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	20236.84	10881.17	20470.05	10896.55	20710.30	10776.32	24225.59	12559.29
(iii)	Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Secured wholesale funding	7783.95	0.00	4972.47	0.00	3580.44	0.00	3154.15	0.00
5	Additional requirements, of which:	16287.84	631.24	16829.71	659.46	15490.06	594.57	16859.00	1572.99
(i)	*Outflows related to derivative exposures and other collateral requirements*	0.00	0.00	0.00	0.00	0.00	0.00	15.22	15.22
(ii)	*Outflows related to loss of funding on debt products*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	*Credit and liquidity products*	16287.84	631.24	16829.71	659.46	15490.06	594.57	16843.78	1557.77
6	Other contractual funding obligations	408.09	408.09	461.54	461.54	339.43	339.43	276.17	276.17
7	Other contingent funding obligations	14115.70	1278.37	13425.40	1237.31	14225.68	1302.10	13358.26	479.74
8	**Total Cash Outflows**		**24378.63**		**24703.07**		**24626.61**		**26712.16**
Cash inflows									
9	Secured lending (e.g. reverse repos)	17910.69	0.00	7624.00	0.00	6588.99	0.00	3187.10	0.00
10	Inflows from fully performing exposures	2379.48	2159.08	2805.88	2555.47	5493.28	4291.29	6703.44	5709.62
11	Other cash inflows	1267.40	1086.53	1116.50	993.46	1680.15	1495.89	3221.85	2980.31
12	**Total Cash Inflows**		3245.61		3548.93		5787.17		8689.93
21	**Total HQLA**		49097.80		46859.39		51747.30		53637.52
22	**Total Net Cash Outflows**		21133.02		21154.14		18839.44		18022.23
23	**Liquidity Coverage Ratio (%)**		232.33%		221.51%		274.68%		297.62%

Data is presented as simple averages of daily observations over the previous quarter (i.e. the average is calculated over a period of 90 days). The simple average are calculated on daily observations over the previous quarters. The un-weighted value of inflows and outflows are calculated as the outstanding balances of various categories or types of liabilities, off balance sheet items or contractual receivables. The weighted value of HQLA are calculated as the value after haircuts are applied. The weighted value for inflows and outflows are calculated as the value after the inflow and outflow rates are applied. Total HQLA and total net cash outflows are disclosed as the adjusted value, where the adjusted value of HQLA is the value of total HQLA after the application of both haircuts and any applicable caps on Level 2B and Level 2 assets as indicated in this Framework. The adjusted value of net cash outflows is calculated after the cap on inflows is applied, if applicable.

Qualitative Disclosure:

The Liquidity Coverage Ratio (LCR) aims to ensure that a bank has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs for a 30 calendar day liquidity stress scenario.

The LCR is calculated by dividing the amount of High Quality Liquid unencumbered Assets (HQLA) by the estimated net outflows over a stressed 30 calendar day period. The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities (deposits, unsecured and secured wholesale borrowings), as well as to undrawn commitments and derivative-related exposures, netted by inflows from assets maturing within 30 days. Average LCR on a daily basis for the year ended 31st March 2022 is **216.12%,** above RBI prescribed minimum requirement of 100%.

c) Net Stable Funding ratio (NSFR)

Quantitative Disclosure:

(Amount in ₹ crore)

NSFR Disclosure Template as on 31.12.2021						
		Unweighted Value by residual maturity				Weighted Value
SN	Particulars	No maturity*	< 6 months	6 m to <1 yr	>=1 yr	
	ASF Item					
1	Capital (2+3)	9890.84	0.00	0.00	4951.79	14842.63
2	Regulatory Capital	9890.84	0.00	0.00	3951.79	13842.63
3	Other capital Instrument	0.00	0.00	0.00	1000.00	1000.00
4	Retail deposits and deposits from small business customers: (5+6)	73197.01	27993.60	25723.47	16668.75	133216.25
5	Stable deposits	33092.95	6985.64	6418.15	5342.15	49514.05
6	Less stable deposits	40104.06	21007.96	19305.32	11326.60	83702.20

7	Wholesale funding: (8+9)	34054.80	5721.35	2713.31	1198.81	5455.83
8	Operational deposits	79.37	44.65	25.21	0.19	39.69
9	Other wholesale funding	33975.42	5676.70	2688.10	1198.62	5416.15
10	Other liabilities: (11+12)	499.96	16480.36	510.97	0.00	0.00
11	NSFR derivative liabilities		0.00	0.00	0.00	
12	All other liabilities and equity not included in the above categories	499.96	16480.36	510.97	0.00	0.00
13	Total ASF (1+4+7+10)					153514.72
	RSF Item					
14	**Total NSFR high-quality liquid assets (HQLA)**					**2691.33**
15	**Deposits held at other financial institutions for operational purposes**	60.75				30.38
16	**Performing loans and securities: (17+18+19+21+23)**	**102.49**	**18402.26**	**7845.79**	**68854.17**	**62213.09**
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	5666.10	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	3479.36	633.87	0.00	838.84
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	7179.57	7025.54	45722.49	42857.55
20	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	0.00	2441.05	2388.68	15545.65	12519.54
21	Performing residential mortgages, of which:	0.00	2077.23	3.18	11820.75	8723.69
22	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	0.00	2077.23	3.18	11820.75	8723.69
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	102.49	0.00	183.2	11310.93	9793.01
24	Other assets: (sum of rows 25 to 29)	4595.42	0.00	0.00	16809.68	21405.10
25	Physical traded commodities, including gold	0.00				0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0.00	0.00	0.00	0.00
27	NSFR derivative assets		0.00	0.00	0.00	0.00
28	NSFR derivative liabilities before deduction of variation margin posted		0.00	0.00	0.00	0.00
29	All other assets not included in the above categories	4595.42	0.00	0.00	16809.68	21405.10
30	Off-balance sheet items		60167.56	811.85	0.00	2475.61
31	Total RSF (14+15+16+24+30)				0.00	88815.49
32	Net Stable Funding Ratio (%)				-	**172.85%**

(Amount in ₹ crore)

NSFR Disclosure Template as on 31.03.22						
		Unweighted Value by residual maturity				**Weighted Value**
SN	**Particulars**	**No maturity**	**< 6 months**	**6 m to <1 yr**	**>=1 yr**	
	ASF Item					
1	Capital (2+3)	11866.61	0.00	0.00	4024.26	15890.87
2	Regulatory Capital	11866.61	0.00	0.00	3924.26	15790.87
3	Other capital Instrument	0.00	0.00	0.00	100.00	100.00
4	Retail deposits and deposits from small business customers: (5+6)	83972.63	31004.39	28586.99	18731.70	148331.87
5	Stable deposits	35259.70	7282.37	6567.95	5592.48	51996.68
6	Less stable deposits	48712.93	23722.02	22019.04	13139.22	96335.19
7	Wholesale funding: (8+9)	32392.83	4754.87	3617.74	1104.24	7276.94
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	32392.83	4754.87	3617.74	1104.24	7276.94
10	Other liabilities: (11+12)	864.83	10156.24	0.00	0.00	0.00
11	NSFR derivative liabilities		0	0	0	
12	All other liabilities and equity not included in the above categories	864.83	10156.24	0.00	0.00	0.00
13	**Total ASF (1+4+7+10)**					171499.67
	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)					3074.29
15	Deposits held at other financial institutions for operational purposes	39.81				19.90
16	Performing loans and securities: (17+18+19+21+23)	75.94	19484.40	4436.32	81223.30	70022.20
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	8839.05	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	2318.61	692.10	0.00	693.84
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	8325.86	3588.29	56550.89	50971.58
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	2247.98	968.84	15268.74	11533.09
21	Performing residential mortgages, of which:	0.00	0.88	2.22	13788.65	8964.17
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.88	2.22	13788.65	8964.17
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	75.94	0.00	153.71	10883.76	9392.60
24	Other assets: (sum of rows 25 to 29)	5785.12	0.00	0.00	25902.95	24744.96
25	Physical traded commodities, including gold	0.00				0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0.00	0.00	0.00	0.00
27	NSFR derivative assets		0.00	0.00	0.00	0.00
28	NSFR derivative liabilities before deduction of variation margin posted		0.00	0.00	0.00	0.00
29	All other assets not included in the above categories	5785.12	0.00	0.00	25902.95	24744.96
30	Off-balance sheet items		71,275.45	1,647.85	0.00	2957.40
31	Total RSF (14+15+16+24+30)					100818.76
32	Net Stable Funding Ratio (%)					**170.11%**

* Items reported in the 'no maturity' time bucket do not have a stated maturity. These includes, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions and non-HQLA equities.

Qualitative Disclosure:

Guidelines on NSFR has become effective from 01.10.2021. Accordingly, bank has published its first disclosure regarding NSFR for quarter end 31.12.2021.

The objective of NSFR is to ensure that bank maintains a stable funding profile in relation to the composition of its assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the probability of erosion of a bank's liquidity position due to disruptions in a bank's regular sources of funding that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR limits overreliance on short-term wholesale funding, encourages better assessment of funding risk across all on- and off-balance sheet items, and promotes funding stability.

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 by the NSFR, which extends to one year. The amount of stable funding required ("Required stable funding") (RSF) of Bank is a function of the liquidity characteristics and residual maturities of the various assets held by Bank as well as those of its off-balance sheet (OBS) exposures.

NSFR for the quarter ended 31st March 2022 is 170.11%, above RBI prescribed minimum requirement of 100%

3. Investments

The Bank has classified the investment portfolio into three categories i.e. "Held to Maturity (HTM)", "Available for Sale (AFS)", and "Held for Trading (HFT)" and valued the investments in terms of the Reserve Bank of India (RBI) guidelines.

a) Composition of Investment Portfolio

(Amount in ₹ crore)

Particulars	Investments in India														Investments outside India		Total Investments	Total Investments
	Government Securities		Other Approved Securities		Shares		Debentures and Bonds		Subsidiaries and/or joint ventures		Others		Total investments in India					
	31.03.22	31.03.21	31.03.22	31.03.21	31.03.22	31.03.21	31.03.22	31.03.21	31.03.22	31.03.21	31.03.22	31.03.21	31.03.22	31.03.21	31.03.22	31.03.21	31.03.22	31.03.21
Held to Maturity																		
Gross	46687.16	45930.45	0.00	0.00	0.00	0.00	494.68	1215.71	73.42	73.42	30.82	15.37	47286.08	47234.95	0.00	0.00	47286.08	47234.95
Less: Provision for nonperforming 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	0.00	0.00	0.00	0.00	0.00	0.00
Net	**46687.16**	**45930.45**	**0.00**	**0.00**	**0.00**	**0.00**	**494.68**	**1215.71**	**73.42**	**73.42**	**30.82**	**15.37**	**47286.08**	**47234.95**	**0.00**	**0.00**	**47286.08**	**47234.95**
Available for Sale																		
Gross	16902.06	15183.71	0.00	0.00	442.34	481.48	4027.84	4102.74	0.00	0.00	569.05	1642.92	21941.29	21410.85	0.00	0.00	21941.29	21410.85
Less: Provision for depreciation and NPI	43.51	0.00	0.00	0.00	169.65	189.78	213.72	333.19	0.00	0.00	75.83	12.08	502.71	535.05	0.00	0.00	502.71	535.05
Net	**16858.55**	**15183.71**	**0.00**	**0.00**	**272.69**	**291.70**	**3814.12**	**3769.55**	**0.00**	**0.00**	**493.22**	**1630.84**	**21438.58**	**20875.80**	**0.00**	**0.00**	**21438.58**	**20875.80**
Held for Trading																		
Gross	-136.40	0.00	0.00	0.00	1.71	0.90	0.00	0.00	0.00	0.00	0.00	0.00	-134.69	0.90	0.00	0.00	-134.69	0.90
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	0.00	0.00	0.00	0.00	0.00	0.00
Net	**-136.40**	**0.00**	**0.00**	**0.00**	**1.71**	**0.90**	**0.00**	**0.00**	**0.0.**	**0.00**	**0.00**	**0.00**	**-134.69**	**0.90**	**0.00**	**0.00**	**-134.69**	**0.90**
Total Investments	**63452.82**	**61114.16**	**0.00**	**0.00**	**444.05**	**482.38**	**4522.52**	**5318.45**	**73.42**	**73.42**	**599.87**	**1658.29**	**69092.68**	**68646.70**	**0.00**	**0.00**	**69092.68**	**68646.70**
Less: Provision for nonperforming investments	0.00	0.00	0.00	0.00	114.94	57.81	213.72	279.04	0.00	0.00	16.18	0.00	344.84	336.85	0.00	0.00	344.84	336.85
Less: Provision for depreciation and NPI	43.51	0.00	0.00	0.00	54.71	131.97	0.00	54.15	0.00	0.00	59.65	12.08	157.87	198.20	0.00	0.00	157.87	198.20
Net	**63409.31**	**61114.16**	**0.00**	**0.00**	**274.40**	**292.60**	**4308.80**	**4985.26**	**73.42**	**73.42**	**524.04**	**1646.21**	**68589.97**	**68111.65**	**0.00**	**0.00**	**68589.97**	**68111.65**

b) **Movement of Provisions for Depreciation and Investment Fluctuation Reserve**

(Amount in ₹ crore)

Particulars	2021-22	2020-21
i) Movement of provisions held (includes depreciation) on investments		
a) Opening balance	535.05	430.49
b) Add: Provisions made during the year	187.63	149.79
c) Less: Write off / write back of excess provisions during the year	219.97	45.23
d) Closing balance	502.71	535.05
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	403.00	227.00
b) Add: Amount transferred during the year	23.10	176.00
c) Less: Drawdown	0.0	0.0
d) Closing balance	426.10	403.00
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.00%	2.00%

c) **Sale and transfers to/from HTM category**

As per RBI guidelines, an amount of **Rs. 83.69 crore (Rs 184.53 Crore)** net of taxes and statutory reserves being profit on sale of investment in 'Held to Maturity' category is transferred to Capital Reserve.

The Bank has amortized **Rs. 123.95 crore during the year (Rs 108.61 Crore)** for securities classified under 'Held to Maturity' category, and the amount has been charged to Profit & Loss account by reducing value of the respective securities to that extent.

The value of the sales and transfer of securities to / from HTM category during the financial year 2021-22, excluding one-time transfer with the approval of the Board, sales to RBI under pre announced OMO auctions and as permitted by RBI does not exceed 5 percent of the book value of investments in HTM category at the beginning of financial year

i. Computation of Transfer of Profit on Sale of Investment in HTM Category to Capital Reserve

(Amount in ₹ crore)

Particulars	2021-22	2020-21
Profit on sale of HTM Securities	149.12	378.20
Loss on HTM	-	-
Net Profit on sale of HTM Securities	149.12	378.20
Less: Income Tax @25.168% (F.Y.2021-22) / @34.944% (F.Y.2020-21)	37.53	132.16
Sub- Total	**111.59**	**246.04**
Less: 25.00% proportionate to Transfer to Statutory Reserves	27.90	61.51
Net Transfer to Capital reserve	**83.69**	**184.53**

ii. Computation of Transfer of Write Back on account of MTM Depreciation on Investment in AFS & HFT to Investment Reserve

(Amount in ₹ crore)

Particulars	F.Y. 2021-22	F.Y. 2020-21	Diff. over prv year
MTM Depreciation AFS	103.17	12.08	91.09
MTM Depreciation HFT	0.00	0.00	0.00
MTM Depreciation NPI	3.63	6.19	-2.56
MTM Depreciation under SDR/S4A	51.08	125.77	-74.69
Total	**157.88**	**144.04**	**13.84**
Draw down from Investment Reserve			
Provision made for MTM losses during FY 2021-22			13.84
Less: Income Tax at 25.168%			3.48
Sub-Total			10.36
Less: Transfer to Statutory reserve @ 25%			2.59
Net draw down from Investment Reserve Account (Eligible)			**7.77**

*During the current Financial Year 2021-22 there is nil drawdown from Investment Reserve Account on account of depreciation required to be made for investment held under AFS & HFT categories, since as on 31.03.2021 there is nil balance outstanding in investment reserve account.

iii. Details regarding shifting of security from HFT to AFS category and securities from AFS & HFT to HTM Category be provided for FY 2021-22 & 2020-21.

(Amount in ₹ crore)

Portfolio	**FY2021-22**	**FY2020-21**
HFT to AFS	Nil	Nil
AFS to HTM	693.03	546.98

During the year, Bank has provided depreciation on investment for diminution in value on account of shifting of investments from 'Available for Sale' category to 'Held to Maturity' category **Rs.5.28 Crore (Rs. 0.18 Crore)** and from 'Held to Maturity' category to 'Available for Sale' category **Rs.0.0 crore (Rs. 0.0 Crore).**

iv. Details regarding security transferred from HTM category to AFS category for FY 2021-22 & 2020-21

(Amount in ₹ crore)

Portfolio	**FY 2021-22**	**FY 2020-21**
HTM to AFS	4906.71	3385.71

d) **Non-SLR investment portfolio**

i) Non-performing non-SLR investments

(Amount in ₹ crore)

S. N.	Particulars	FY 2021-22	FY 2020-21
a)	Opening balance	446.97	389.15
b)	Additions during the year since 1st April	199.98	148.95
c)	Reductions during the above period (Including TWO)*	200.58	91.13
d)	Closing balance	446.37	446.97
e)	Total provisions held	344.84	336.85

*Reduction on account of Technically Written off (TWO) Rs.135.43 crore for FY 2021-22.

ii) Issuer composition of non-SLR investments

(Amount 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	508.15	644.46	507.60	639.95	0.0	0.0	0.0	0.0	0.0	0.0
b)	FIs	952.27	1624.90	910.09	1575.07	0.0	0.0	0.0	0.0	0.0	0.0
c)	Banks	360.36	855.11	333.81	839.56	15.00	15.00	0.0	0.0	0.0	0.0
d)	Private Corporates	2129.97	2047.55	2111.27	2031.06	826.40	800.78	0.0	0.0	0.0	0.0
e)	Subsidiaries/ Joint Ventures	173.53	83.53	173.53	83.53	0.0	0.0	0.0	0.0	100.11	0.0
f)	Others	1515.58	2276.98	1505.58	2240.01	191.00	535.86	121.03	131.03	337.79	378.75
Sub Total		5639.86	7532.53	5541.88	7409.18	1032.4	1351.64	121.03	131.03	437.9	378.75
g)	Provision held (Includes Depreciation)	459.20	535.05	460.91	532.90	312.84	391.02	0.0	0.0	0.0	0.0
	Total	5180.66	6997.48	5080.97	6876.28	719.56	960.62	121.03	131.03	437.90	378.75

e) **Repo transactions (in face value terms)**

(Amount 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				
Government securities				
Repo Borrowing (LAF)	NIL (NIL)	4073 (1192)	7 (358)	NIL (NIL)
Repo Borrowing (Term)	500 (NIL)	500 (1670)	500 (763)	500 (500)
Corporate debt securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Any other securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
ii) Securities purchased under reverse repo				
Government securities	NIL (NIL)	15619 (20825)	2426 (8779)	8700 (5485)
Corporate debt securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Any other securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)

*Previous Year Figures are reported in bracket

Repo transactions other than LAF

(Amount 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				
Government securities	NIL (NIL)	4200 (1288)	299 (74)	NIL (NIL)
Corporate debt securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Any other securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
ii) Securities purchased under reverse repo				
Government securities	NIL (NIL)	237 (1686)	47 (44)	139 (NIL)
Corporate debt securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Any other securities	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)

*Previous Year Figures are reported in bracket

4. Asset quality

a) Classification of advances and provisions held

(Amount in ₹ crore)

	Standard		Non-Performing								Total	
	Total Standard Advances		Sub standard		Doubtful		Loss		Total Non-Performing Advances			
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Gross Standard Advances and NPAs												
Opening Balance	99874.08	82736.83	1790.36	3844.90	5513.23	7943.57	476.09	363.68	7779.68	12152.15	107653.76	94888.98
Add: Additions during the year									2182.36	2202.39		
Less: Reductions during the year*									4634.83	6574.86		
Closing balance	**129912.59**	**99874.08**	**1985.77**	**1790.36**	**3108.10**	**5513.23**	**233.34**	**476.09**	**5327.21**	**7779.68**	**135239.81**	**107653.76**
*Reductions in Gross NPAs due to:												
i) Upgradation									343.48	185.84	343.48	185.84
ii) Recoveries (excluding recoveries from upgraded accounts)									1173.79	1457.88	1173.79	1457.88
iii) Technical/ Prudential Write-offs									2841.53	4651.30	2841.53	4651.30
iv) Write-offs other than those under (iii) above									276.03	279.83	276.03	279.83
Provisions (excluding Floating Provisions)												
Opening balance of provisions held	1337.59	546.56	647.77	1802.69	4081.77	5806.99	475.46	363.68	5205.00	7973.36	6542.59	8519.92
Add: Fresh provisions made during the year									2710.94	2213.79		
Less: Excess provision reversed/ Write-off loans									*3907.07	4982.15		
Closing balance of provisions held	**1634.29**	**1337.59**	**1328.96**	**647.77**	**2448.75**	**4081.77**	**231.17**	**475.46**	**4008.87**	**5205.00**	**5643.16**	**6542.59**
Net NPAs												
Opening Balance			1142.59	2042.21	1401.10	2103.17	0.63	-	2544.32	4145.38	2544.32	4145.38
Add: ECGC/DICGC Settled Amount									29.22	31.01	29.22	31.01
Gross Opening Balance									2573.54	4176.39	2573.54	4176.39
Add: Fresh additions during the year									677.21	1260.85	677.21	1260.85
Less: Reductions during the year									1933.33	2863.70	1933.33	2863.70
Gross Closing Balance									1317.42	2573.54	1317.42	2573.54
Less: ECGC/DICGC Settled Amount									40.85	29.22	40.85	29.22
Net Closing Balance			656.81	1142.59	617.59	1401.10	2.17	0.63	1276.57	2544.32	1276.57	2544.32
Floating Provisions												
Opening Balance											-	-
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											17099.71	13583.29
Add: Technical/ Prudential write-offs during the year											3477.02	4661.96
Less: Recoveries made from previously technical/ prudential written-off accounts during the year											1785.03	1145.54
Closing balance											**18791.70**	**17099.71**

*Counter Cyclical buffer of Rs. 132.46 Crore utilized.

Ratios (in per cent)	F.Y. 2021-22	F.Y. 2020-21
Gross NPA to Gross Advances	3.94%	7.23%
Net NPA to Net Advances	0.97%	2.48%
Provision coverage ratio	94.79%	89.86%

b) Sector-wise Advances and Gross NPAs

(Amounts in ₹ crore)

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)	**Priority Sector**						
a)	Agriculture and allied activities	19701.04	2844.88	14.44%	16201.97	3449.96	21.29 %
b)	Advances to industries sector eligible as priority sector lending	7749.61	403.04	5.20%	6327.71	821.10	12.98 %
c)	Services	19623.39	994.78	5.07%	16882.44	1603.08	9.50 %
d)	Personal loans	8066.11	187.53	2.33%	9696.70	335.31	3.46 %
	Subtotal (i)	**55140.15**	**4430.23**	**8.03%**	**49108.82**	**6209.45**	**12.64 %**
ii)	**Non-priority Sector**						
a)	Agriculture and allied activities	-	-	-	61.70	-	-
b)	Industry	25439.41	454.32	1.79%	18617.68	413.45	2.22 %
c)	Services	26787.05	277.09	1.03%	20293.01	715.43	3.53 %
d)	Personal loans	27873.20	165.57	0.59%	19572.55	441.35	2.25 %
	Sub-total (ii)	**80099.66**	**896.98**	**1.12%**	**58544.94**	**1570.23**	**2.68 %**
	Total (i + ii)	**135239.81**	**5327.21**	**3.94%**	**107653.76**	**7779.68**	**7.23 %**

In terms of RBI circular no. DOR.STR.REC.10/21.04.048/2021-22 dated May 5, 2021, the banks allowed to utilize the Counter Cyclical Provisioning Buffer towards making the specific provision for NPAs. Accordingly, the Bank has utilized Counter Cyclical Buffer Provision amount of Rs. 132.46 crores towards making the specific NPA provision during the year ended March 31, 2022

c) **Overseas assets, NPAs and revenue**

(Amount in ₹ crore)

Particulars	2021-22	2020-21
Total Assets	*110.54	99.19
Total NPAs	0.00	0.00
Total Revenue	0.32	0.20

*Outstanding Balance in NOSTRO Accounts as on 31.03.2022

d) **Particulars of resolution plan and restructuring**

Impact of RBI Circular No RBI/2018-19/2013 DBR No BP.BC.45/21.04.048/2018-19 dated 07.06.2019 on resolution of stressed assets - Revised framework is as follows:

(Amounts 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)	Additional Provision required for loans covered under RBI circular (D)	Provision out of (D) already made by 31.03.2022
1400.55	447.84	447.84	-	-

e) Divergence in asset classification and provisioning

In terms of the RBI circular no. DBR.BP.BC.No.32/21.04.018/2016-19 dated 1" April. 2019, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements, wherever either or both of the following conditions are satisfied:

(a) the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period and

(b) the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period.

As the divergences are within threshold limit as specified above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for F.Y. 2021-22. However, the bank has provided for divergences pointed out by RBI in its RAR report for F.Y. 2020-21.

f) Disclosure of transfer of loan exposures

i) Details of loans not in default acquired through assignment are given below:

Particulars	
Aggregate amount of loans acquired	Rs.6159.66 crores
Weighted average residual maturity (in months)	32.66
Weighted average holding period by originator (in months)	7.17
Retention of beneficial economic interest by the originator	10.54%
Tangible security coverage	51.12%

The loans acquired are not rated as these are related to non-corporate borrowers.

ii) In the case of stressed loans transferred or acquired, the details are as under:

(Amount in ₹ crore)

Details of stressed loans transferred during the year			
Detail of Non-Performing Assets Transferred			
Particulars	To ARCs	To permitted transferees	To other transferees (please specify)
No: of accounts	01	Nil	Nil
Aggregate principal outstanding of loans transferred	88.00	Nil	Nil
Weighted average residual tenor of the loans transferred	01	NA	NA
Net book value of loans transferred (at the time of transfer)	0	NA	NA
Aggregate consideration	36.00	NA	NA
Additional consideration realized in respect of accounts transferred in earlier years	Nil	NA	NA
Detail of SMA Transferred: Nil			
Details of loans acquired during the year (NPA & SMA)			

Particulars	From SCBs, RRBs, UCBs, SCBs, DCCBs, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ARCs
Aggregate principal outstanding of loans acquired	Nil	Nil
Aggregate consideration paid	NA	NA
Weighted average residual tenor of loans acquired	NA	NA

iii) Recovery Ratings assigned to O/s SRs as on 31.03.2022 by the credit rating agencies

(Amount in ₹ crore)

Recovery Rating Band*	Amount
RR1	140.38
RR2	42.61
RR3	32.77
RR4	2.75
RR5	2.08
Rating Withdrawn	34.77
Total	255.36

*Recovery rating is as assigned by various external agencies.

g) Fraud accounts

Banks shall make disclose details on the number and amount of frauds as well as the provisioning thereon as per template given below.

(Amount in ₹ crore)

Particulars	**2021-22**	**2020-21**
Number of frauds reported	188	804
Amount involved in fraud (₹ crore)	502.79	2321.91
Amount of provision made for such frauds (₹ crore)	502.79	2321.91
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (₹ crore)	-	-

As at the end of 31.03.2022, bank holds 100% provision for accounts declared as frauds of Rs.502.79 crores up to 31.03.2022 and there is nil amount of un-amortised provision for frauds detected during the year.

h) Disclosure under Resolution Framework for COVID-19-related Stress

Details of resolution plan implemented under the RBI Resolution Framework for COVID-19 related stressed assets as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 5, 2021 (Resolution Framework 2.0) at March 31, 2022 are as under

(Amount in ₹ crore)

Type of the Borrower	**Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2021 (A)**	**Of (A), aggregate debt that slipped into NPA during the half-year ending March 31, 2022**	**Of (A) amount written off during the half-year ending March 31, 2022**	**Of (A) amount paid by the borrowers during the half-year ending March 31, 2022**	**Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2022**
Personal Loan	2173.86	44.23	-	57.53	2161.58
Corporate Persons*	1429.56	310.79	295.56	47.32	1181.84
Of which MSMEs	97.67	-	-	32.25	55.36
Others	-	-	-	-	-
Total	**3603.42**	**355.02**	**295.56**	**104.85**	**3343.42**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

During F.Y. 2020-21, the COVID-19 pandemic resulted in nationwide lockdown which substantially impacted overall economic activity in India as well as abroad. In F.Y. 2021-22 two more waves of COVID-19 pandemic were faced by India resulting again localized/ regional lockdown steps in various parts of country. Considering the impact of Covid-19 situation and uncertainty, the Bank holds COVID-19 related adhoc provision of Rs.1200 crores as contingency provision as on 31st March 2022 including a sum of Rs.446 crores(net) made during the current year.

5. Exposures

a) Exposure to Real Estate Sector

(Amount in ₹ crore)

S N	Category	31.03.2022	31.03.2021
a)	*Direct exposure*	24670.31	19697.70
I	Residential Mortgages – Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented; *(Individual housing loans eligible for inclusion in priority sector advances may be shown separately. Exposure would also include non-fund based (NFB) limits.)	23198.14 *13131.62	18080.37 *9440.64
ii	Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Expo sure also includes non-fund based (NFB) limits.	1472.17	1617.34
iii	Investments in Mortgage Backed Securities (MBS) and other securitized exposures – a. Residential, b. Commercial Real Estate.	 Nil Nil	 Nil Nil
	Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	3408.52	2 766.94
	Total Exposure to Real Estate Sector	**28078.83**	**22 464.64**

b) Exposure to capital market

(Amount in ₹ crore)

Particulars		2021-22	2020-21
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	72.45	68.51
ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	0	0.00
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	0.19	0.10
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	0	0.00
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	4.17	4.23
vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	0.00	0.00
vii)	Bridge loans to companies against expected equity flows / issues;	0.00	0.00
viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	0.00	0.00
ix)	Financing to stockbrokers for margin trading;	0.00	0.00
x)	All exposures to Venture Capital Funds (both registered and unregistered)	112.71	118.39
	Total exposure to capital market	**189.52**	**191.23**

The details of Bank's Direct investment in equity shares on conversion of debt into equity as a part of strategic restructuring of debt which are exempt from Capital Market Exposure limits/regulatory ceilings/investment in para-banking activities and intra-group exposure, is as under:

(Amount in ₹ crore)

Particulars	**31.03.2022**		**31.03.2021**	
	No. of accounts	**Amount**	**No. of accounts**	**Amount**
Investment in equity shares received/allotted on account of conversion of debt into equity as which are exempt from Capital Market Exposure limits/regulatory ceilings/investment in para-banking activities and intra-group exposure	13	286.45	24	404.28

c) Risk category-wise country exposure

(Amount in ₹ crore)

Risk Category*	Exposure (net) as at March 31, 2022	Provision held as at March 31, 2022	Exposure (net) as at March 31, 2021	Provision held as at March 31, 2021
Insignificant	591.96	-	358.41	-
Low	445.28	-	425.54	-
Moderately Low	36.94	-	36.43	-
Moderate	14.02	-	5.53	-
Moderately High	21.97	-	8.08	-
High	-	-	0.40	-
Very High	-	-	-	-
Total	**1110.17**	**-**	**834.39**	**-**

*Till such time, as banks move over to internal rating systems, banks shall use the seven-category classification followed by Export Credit Guarantee Corporation of India Ltd. (ECGC) for the purpose of classification and making provisions for country risk exposures. ECGC shall provide to banks, on request, quarterly updates of their country classifications and shall also inform all banks in case of any sudden major changes in country classification in the interim period.

d) **Unsecured advances**

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken as and also the estimated value of such intangible collateral are as under.

(Amounts in ₹ crore)

Particulars	2021-22	2020-21
Total unsecured advances of the bank	22061.78	15583.79
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	2769.42	2404.12
Estimated value of such intangible securities	3297.45	2253.50

Claims pending and to be preferred with ECGC amounting to Rs.163.80 crores (P.Y Rs.97.92crore) have been considered as realizable for the purpose of computing provision.

e) Factoring exposures

Factoring exposures is Nil.

f) Intra-group exposures

The details of the intra-group exposures of the bank are as under;

(Amounts in ₹ crore)

S. N.	Particulars	2021-22	2020-21
1	Total amount of intra-group exposures	750.00	750.00
2	Total amount of top-20 intra-group exposures	750.00	750.00
3	Percentage of intra-group exposures to total exposure of the bank on borrowers/ customers	0.55%	0.58%
4	Details of breach of limits on intra-group exposures and regulatory action thereon, if any	Nil	Nil

Details of Intra-Group Exposure (RBI circular no. DB OD No. BP. BC 6/21.06.102/2013-14 dated 11th. Feb 2014

(Amounts in ₹ crore)

Sr. No.	Particulars	As of 31.03.2022	As of 31.03.2021
1	Borrowings from (if any)		
a.	Maharashtra Gramin Bank (MGB)	NIL	NIL
b.	Maharashtra Executor Trustee Co (METCO)	NIL	NIL
2	Lending to (if any)		
a.	Maharashtra Gramin Bank (MGB)*	750.00	750.00
b.	Maharashtra Executor Trustee Co (METCO)	NIL	NIL
3	Investment in (if any)		
a.	Maharashtra Gramin Bank (MGB)	**209.53**	**83.38**
i.	*Equity (incl Preference shares)*	73.27	73.27
ii.	*Bonds /Debentures*	100.11	10.11
iii	*Any other – Investment in MGB pending allotment***	36.15	-
b.	Maharashtra Executor Trustee& Co (METCO)	**0.15**	**0.15**
i.	*Equity (incl Preference shares)*	0.15	0.15

*Not considered as exposure as per extant RBI guidelines

**The bank has contributed Rs. 36.15 Crore in FY 2021-22 towards equity capital of the Maharashtra Gramin Bank. However, allotment of equity share is pending as on 31.03.2022

g) Unhedged foreign currency exposure

(Amount in ₹ crore)

S. N.	Particulars	31.03.2022	31.03.2021
1	Additional provisioning made on account of UFCE	(3.75)	0.40
2	Incremental capital held on account of UFCE	8.14	1.72

Bank has put in place a policy for management of currency induced credit risk arising out of exposure to its constituents which inter-alia specifies the mechanism to ascertain Unhedged Foreign Currency Exposure (UFCE) and mitigate the same by pricing the exposure as well as incremental provisioning as under –

Method to ascertain the amount of Unhedged Foreign Currency Exposure (UFCE):
The amount of UFCE of the constituents is measured by obtaining the periodical information from the clients having exposure of Rs. 10.00 crore and above. For this purpose, items maturing or having cash flows over the period of next five years only are considered. Further, items which are effective hedges, financial hedge and / or natural hedge, of each other are set off. (Financial hedge through a derivative contract (e.g. Forward Cover) and Natural hedge may be considered when cash flows arising out of the operations of the company offset the risk arising out of the Foreign Currency Exposure. For the purpose of computing UFCE, an exposure may be considered naturally hedged if the offsetting exposure has the maturity/cash flow within the same accounting year).

Method to estimate the extent of likely loss:
The loss to the entity in case of movement in exchange rate is calculated using the annualised volatilities. For this purpose, largest annual volatility seen in the rates during the period of last ten years is taken as the movement of the rate in the adverse direction.

Method to estimate the riskiness of unhedged position and provide appropriately:
The likely loss / EBID so arrived at is taken as the base, as per which consolidated UFCE on behalf of the constituents is calculated, based on the model specified by the Bank. Such exposure is subjected to additional provisioning and also incremental capital requirement.
Further, the pricing to such constituents is accordingly re-priced based on the risk profile of the borrower by loading an appropriate premium to cover the UFCE.

6. Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits

(Amount in ₹ crore)

Particulars	31.03.2022	31.03.2021
Total deposits of the twenty largest depositors	19643.06	12280.93
Percentage of deposits of twenty largest depositors to total deposits of the bank	9.71%	7.05%

b) Concentration of advances

(Amount in ₹ crore)

Particulars	31.03.2022	31.03.2021
Total advances to the twenty largest borrowers	27146.76	23503.69
Percentage of advances to twenty largest borrowers to total advances of the bank	15.20%	20.08%

c) **Concentration of exposures**

(Amount in ₹ crore)

Particulars	**31.03.2022**	**31.03.2021**
Total exposure to the twenty largest borrowers/customers	27329.48	23755.30
Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/ customers	14.17%	16.71%

d) **Concentration of NPAs**

(Amount in ₹ crore)

Particulars	**31.03.2022**	**31.03.2021**
Total Exposure to the top twenty NPA accounts	1214.78	1735.01
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	22.80%	22.30%

7. Derivatives

a) **Forward rate agreement/Interest rate swap**

(Amount in ₹ crore)

Items	**31.03.2022**	**31.03.2021**
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 (+) To receive / (-) To pay	Nil	Nil

Bank has policy guidelines in place for IRS/ FRA's. The approved ceiling for IRS / FRAs in terms of notional principal is Rs 2000.00 crore. As on 31st March 2022, the Bank had no outstanding swaps.

If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the bank would receive or pay to terminate the swap agreements as on the balance sheet date. For a trading swap the fair value would be its mark to market value.

b) Exchange traded interest rate derivatives

(Amount in ₹ crore)

S.N.	**Particulars**	**2021-22**	**2020-21**
1	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise) a) 6.10% GS2031	20.00	Nil
2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March (instrument-wise)	Nil	Nil
3	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil
4	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**

Qualitative disclosures

i) Derivative policy is approved by the Board, which includes measurement of credit & market risk.
ii) Policy for hedging and processes for monitoring the same are in place.
iii) The hedged transactions are undertaken for Balance Sheet management. Proper system for reporting & monitoring of risks is in place.
iv) Risk Management of derivative operations is headed by a Top Management Executive who reports to Central Office. The swaps are tracked on regular basis.
v) Accounting Policy for recording hedge and non-hedge transactions is in place, which includes recognition of income, valuation of outstanding contracts and credit risk mitigation as given in para 3.7 (ii) of Schedule 17, viz., Significant Accounting Policies.
vi) The Bank has made requisite provision on credit exposure of derivative contracts computed as per current exposure method & as per RBI guidelines.

Quantitative disclosures

(Amount in ₹ crore)

S. N.	**Particular**	**2021-22**		**2020-21**	
		Currency Derivatives	**Interest Rate Derivatives**	**Currency Derivatives**	**Interest Rate Derivatives**
(i)	Derivatives (Notional Principal Amount)	19718.99	NIL	19947.68	NIL
	a) For hedging	7304.71	NIL	4142.71	NIL
	b) For trading	12414.28	NIL	15804.97	NIL
(ii)	Marked to Market Positions*		NIL		NIL
	a) Asset (+)	45.03	NIL	129.47	NIL
	b) Liability (-)		NIL		NIL
(iii)	Credit Exposure$	333.99	NIL	528.42	NIL
(iv)	Likely impact of one percentage change in interest rate (100*PV01)		NIL		NIL
	a) on hedging derivatives	0	NIL	0	NIL
	b) on trading derivatives	0	NIL	0	NIL
(v)	Maximum and Minimum of 100*PV01 observed during the year		NIL		NIL
	a) on hedging	Max: 0.04 Min: 0.013	NIL	Max: 0.03 Min: 0.0003	NIL
	b) on trading	Max:0.14 Min:0.029	Max:0.0109 Min:0.0108	Max:0.14 Min:0.04	NIL

*The net position shall be shown either under asset or liability, as the case may be, for each type of derivatives

d) **Standard provision on derivative exposure**

(Amount in ₹ crore)

Sr. No.	**Particulars**	**Credit Exposure***	**Provision as applicable to standard advances as on 31.03.2022**
1	Interest rate derivative	Nil	Nil
2	Foreign exchange derivative	333.99	1.34
3	Gold contract	Nil	Nil
4	Credit default swaps	Nil	Nil
	Total	333.99	1.34

*Credit Exposure calculated as per RBI guidelines of Basel III

BATLIBOI & PUROHIT MUMBAI Chartered Accountants
ABARNA & ANANTHAN BANGALORE Chartered Accountants
RODI DABIR & CO. NAGPUR Chartered Accountants
S. BHANDARI & CO. NAGPUR Chartered Accountants

e) **Credit Default Swaps (CDS)**

The Bank has no Credit Default Swaps during the year 2021-22 or as on March 31, 2022 is NIL.

8. Disclosures relating to securitization

(Amount in ₹ crore)

S. N.	Particulars	31-03-2022 (No./ Amount)	31-03-2021 (No./ Amount)
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		
3.	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss		
	Others		
	b) On-balance sheet exposures		
	First Loss		
	Others		
4.	Amount of exposures to securitization transactions other than MRR		
	a) Off Balance Sheet Exposures		
	i) Exposure to own securitizations		
	First Loss		
	Loss		
	ii) Exposure to third party securitizations		
	First Loss		
	Others		
	b) On Balance Sheet Exposures		
	i) Exposure to own securitizations		
	First Loss		
	Others		
	ii) Exposure to third party securitizations		
	First Loss		
	Others		
5	Sale consideration received for the securitized asserts and gain/loss on sale on account of securitization		
6	From and quantum (outstanding value) of services provided by way of credit enhancement, liquidity support, post – securitization asset servicing etc.		
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. -Amount paid -Repayment received -Outstanding amount		
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc		
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.		
10	Investor complaints* -Directly/Indirectly received and; -Complaints outstanding		

9. Off balance sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	**Overseas**
Nil	Nil

10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

(Amount in ₹ crore)

Particulars	2021-22	2020-21
Opening balance of amount transferred to DEAF	500.85	434.96
Add: Amount transferred to DEAF during the year	111.99	69.51
Less: Amount reimbursed by DEAF towards claims	2.57	3.62
Closing balance of amount transferred to DEAF	***610.27**	**500.85**

*As per Form-I issued by RBI.

11. Disclosure of complaints

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

S. N.		Particulars	2021-22	2020-21
	Complaints received by the bank from its customers			
1.		Number of complaints pending at beginning of the year	19	296
2.		Number of complaints received during the year	3236	3760
3.		Number of complaints disposed during the year	3249	4037
	3.1	Of which, number of complaints rejected by the bank	0	0
4.		Number of complaints pending at the end of the year	06	19
	Maintainable complaints received by the bank from Office of Ombudsman			
5.		Number of maintainable complaints received by the bank from Office of Ombudsman	1063	1511
	5.1.	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	961	887
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	53	98
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	02	0
6.		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

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 spending beyond 30 days
1	2	3	4	5	6
			F. Y. 2021-22		
1-ATM/Debit Cards	6	688	-57	2	0
2-Internet/Mobile /Electronic Bkg	12	1506	26	3	0
3-Account opening /difficulty in operation of account	1	591	7	0	0
4- Loans and Advances	0	308	38	0	0
5.Pension and facilities for senior citizens/differently abled	0	17	-73	0	0
Others	0	126	-	1	0
Total	**19**	3236	-14	**6**	0
			F. Y. 2020-21		
1-ATM/Debit Cards	199	1600	-55	6	0
2-Internet/Mobile /Electronic Bkg	59	1195	-58	12	0
3-Account opening / difficulty in operation of account	14	553	-51	1	0
4- Loans and Advances	6	223	-68	0	0
5.Pension and facilities for senior citizens/differently abled	0	64	-28	0	0
Others	18	125	-69	0	0
Total	**296**	**3760**	**-57**	**19**	**0**

12. Disclosure of penalties imposed by the Reserve Bank of India

During the Current Financial year following Penalties have been imposed:

(Amount in ₹ crore)

S. N.	**Particulars/nature of penalties**	**Amount**
1	Penalty under Payment & Settlement Systems Act, 2007	NIL
2	Penalty under section 46(4) of the Banking Regulation Act,1949	2.12*
3	Government Securities Act, 2006 (for bouncing of SGL)	NIL
4	Penalty levied by RBI on currency chests	0.03
5	Others levied by RBI	0.01

*Penalty of Rs. 1.12 Crores was levied on April 25, 2022. The same has been provided for as on March 31, 2022

There is no default in reverse repo transaction from bank side during the financial year.

13. Disclosure on remuneration

(Amount in ₹ crore)

S. N.	**Name**	**Designation**	**Remuneration**	
			2021-22	**2020-21**
1	Shri A S Rajeev	MD & CEO (from 01.12.2018 to till date)	0.34	0.30
2	Shri Hemant Kumar Tamta	Executive Director (from 31.12.2018 to 30.12.2021)	0.22	0.26
3	Shri Nageswara Rao Y	Executive Director (from 01.04.2020 to 21.01.2021)	-	0.23
4	Shri A. B. Vijayakumar	Executive Director (from 10.03.2021 to till date)	0.36	0.02
5	Shri Asheesh Pandey	Executive Director (from 31.12.2021 to till date)	0.07	-
6	Shri V P Srivastava	Chief Financial Officer (CFO) (till 16.06.2020) and (From 03.05.2021)	0.24	0.06
7	Shri Prashant R. Khatawkar	Chief Financial Officer (CFO) (from 17.06.2020 to 02.05.2021)	0.02	0.26
		Total	**1.25**	**1.13**

Note: The disclosure of CFO as key management personnel has been made as advised by RBI in its risk assessment report for the year 2018-19.

14. Other Disclosures

a) Business Ratios

Particular	**2021-22**	**2020-21**
Interest Income as a percentage to Working Funds	6.26%	6.42%
Non-interest income as a percentage to Working Funds	1.27%	1.42%
Cost of Deposits	3.70%	4.17%
Net Interest Margin	3.15%	2.84%
Operating Profit as a percentage to Working Funds	2.33%	2.14%
Return on Assets	0.55%	0.30%
Business (deposits plus advances) per employee (in ₹ crore) excluding inter bank deposits	26.49	21.43
Profit per employee (in ₹ Crore)	0.09	0.04

b) Bancassurance business

The fee/brokerage/commission etc. income earned under Bancassurance is Rs.30.17 Crore (Rs.22.99 crore). The details of Bancassurance income is as under:

(Amount in ₹ crore)

S. N.	**Nature of Income**	**2021-22**	**2020-21**
1	For selling life insurance policies	15.48	8.69
2	For selling non-life insurance policies	12.82	13.02
3	For selling other insurance (like Agriculture & Others)	0.20	0.46
	Total	**28.50**	**22.17**

c) Marketing and distribution

Details of fees/remuneration received in respect of marketing and distribution function (excluding bancassurance business) undertaken

(Amount in ₹ crore)

S. N.	**Nature of Income**	**31.03.2022**	**31.03.2021**
1	For selling mutual fund products & Others	1.88	1.31

Batliboi & Purohit
Abarna & Ananthan
Rodi Dabir & Co.
S. Bhandari & Co.

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)
The amount of PSLCs (category-wise) sold and purchased during the year are as under:

(Amount in ₹ crore)

S. N.	Category of PSLCs	Sold/ Purchased	Type	Amount	Commission/ Premium
1	PSLC-Micro Enterprises	Sold	PSLC-Micro Enterprises	6500	132.73
2	PSLC- General	Sold	PSLC- General	5000	45.48
3	PSLC-Agriculture	Sold	PSLC-Agriculture	1000	10.19
	Total			**12500**	**188.40**

e) Provisions and contingencies shown under the head Expenditure in Profit and Loss Account

(Amount in ₹ crore)

S. N.	***Particulars***	**31.03.2022**	**31.03.2021**
1	Provision towards NPA	2578.48	2213.79
2	Provisions for Standard Advances	296.69	641.03
3	Provision for Non Performing Investment	103.35	155.62
4	Write off of Investment (Regular)	-	5.00
5	Provisions for Restructured Advances	5.27	1.41
6	Provision for un-hedged foreign currency exposure	-	0.40
7	Provision for other Assets – Nominal	1.26	2.43
8	Provision for fraud (other than advances)	-	-
9	Provision for income tax (Incl- Reversal of DTA)	808.88	403.88
10	Other Provisions	57.07	38.64
11	Provision for contingent liability	0.06	-
	Sub-total (A)	**3851.06**	**3462.2**
	Less: Write back /adjustments		
1	Write back of Provision for restructured Investment	-	48.46
2	Write back of Provision for fraud (other than advances)	11.42	3.73
3	Write back of Provision for contingent liability	-	0.18
4	Write back of Provisions for TIBD- provision for FITL/interest/SR TIBD	134.74	-
5	Provision for un-hedged foreign currency exposure	3.75	-
6	Write-back of Income Tax (Incl Reversal of DTL)	4.82	-
	Sub Total (B)	**154.73**	**52.37**
	Total	**3696.33**	**3409.83**

f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

1. The Proforma Financial Statement (PFS) are being submitted to RBI on Half yearly basis (from FY 2021-22).
2. One of the reputed IndAS consultant has been appointed for vetting the Proforma Financial Statement (PFS) before putting to Board for approval & submission to RBI.
3. In addition to vetting, Consultant has also been given assignment to conduct training for employees of the Bank in respect of IndAS.
4. Bank is in process of development of software for IFRS converged Indian Accounting Standards (Ind AS). However, Bank is also awaiting for final guidance from RBI in order to make suitable system related changes.

g) Payment of DICGC Insurance Premium

(Amount in ₹ crore)

S. N.	**Particulars**	**FY 2021-22**	**FY 2020-21**
i)	Payment of DICGC Insurance Premium (Incl GST)	233.74	205.28
ii)	Arrears in payment of DICGC premium	-	-

h) Disclosure on amortization of expenditure on account of enhancement in family pension of employees of banks

The additional liability on account of enhancement in family pension in line with Government guidelines, works out to Rs. 217.70 Crore as per Actuarial valuation. The Bank has fully recognized the said liability and charged to the Profit & Loss Account during the FY 2021-22.

i) Letter of Comfort (LOCs) issued by Bank for the purpose of Trade Credit Facility to corporate.

During the current year, 131 Trade credits amounting to Rs 160.52 crores were sanctioned by the Bank and No Letters of Comfort issued by the branches in favor of various other Banks for arranging trade credit to corporate clients.

As on 31st Mar 2022, 43 Trade Credits amounting to Rs 73.78 crores are outstanding as against 21 Trade Credits amounting to Rs 20.16 crores for the year ended 31st March, 2021.

15) Fixed Assets:

i. In accordance with the As-10 "Property, Plant and Equipment" depreciation of Rs. 128.64 Crore (Rs. 88.55) crore for the year on revalued portion of fixed assets has been charged to Profit and Loss Account. Equivalent amount of Rs.128.64 crore (Rs.88.55 crore) has been transferred from Revaluation Reserve to Revenue Reserve.

ii. Certain premises of banks are stated at revalued amount. The gross amount of such revaluation included in premises at the end of the year is Rs.1705.60 crore and net of depreciation the revaluation amounts to Rs. 1576.97 crore

iii. There are cases pending for leased premises where no contingent liability is recognized as the Bank is defending all these cases filed against it by landlords of Branch premises due to expiration of lease deeds. Out of these, Bank accounts for its liability to around Rs.0.22 crore.

iv. Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Capital work in progress amounting to Rs.3.49 crore includes construction of building.

v. Upto March 31, 2021, the bank was charging depreciation on Straight Line Method on computers, Laptops, ATM, UPS, BNA and Cash Recycler. With effect from April 01, 2021, Bank has changed the method of charging depreciation from Written Down Value method to Straight Line Method on all the fixed assets. In the opinion of Management, this change in the estimate has no material financial impact.

16) Accounting Standards:

The Bank has complied with the Accounting Standards issued by The Institute of Chartered Accountants of India (ICAI) to the extent applicable as under:

Accounting Standard 3- Cash Flow Statement: The bank prepares cash flow statement in line with requirements of AS-3 using indirect method.

Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies: As prior period items of income/expenditure are not material, the same have been charged/accounted for in respective heads of accounts during the year.

Accounting Standard 9 – Revenue Recognition: As per Accounting Policy No. 6.2, given in Schedule -17 – Significant Accounting Policies, the interest payable on overdue term deposit is provided on accrual basis at rate of interest as applicable to saving account or contracted rate of interest on the matured TD, whichever is lower from 02.07.2021.

Accounting Standard 11 – Effect of Changes in Foreign Exchange Rates: Net income on account of exchange differences credited to Profit and Loss account for the year is Rs. 129.05 crore (Rs. 153.34 crore).

Accounting Standard (AS) 15 (Revised 2005) - "Employee Benefits"

A. Defined Contribution Plans

(Amount in ₹ crore)

Particulars	31.03.2022	31.03.2021
a. Provident Fund	45.38	70.59
b. Contribution to Staff Welfare –Welfare Fund Contingency	15.00	15.00

B. Defined Benefit Plans:

a) **Pension Plan-** This is a post-employment benefit, which is 50% of final pay for a maximum of 33 years of pensionable service. This is a funded scheme.

b) **Gratuity Plan-** This is a post-employment benefit and is payable as higher of Gratuity as per Company's Rules and Gratuity under Payment of Gratuity Act 1972 as amended. This is a funded scheme.

c) **Leave Encashment/ Compensated Absences-**This is a post-employment benefit and is payable for a maximum limit of 240 days of accumulated leave based on final pay. This is an unfunded scheme.

I. Change in the Present value of Defined Benefit Obligations:

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
1	Opening Present Value of Defined Benefit Obligation	6449.25	6114.28	577.54	536.30	298.29	272.40
2	Interest Cost	428.27	391.17	37.39	32.49	19.74	17.52
3	Current Service Cost	325.73	367.27	33.26	45.60	71.58	80.47
4	Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00
5	Benefits Paid	(627.17)	(569.19)	(123.72)	(138.87)	(51.98)	(41.47)
6	Actuarial (Gains)/Losses for the year	349.29	145.72	7.68	102.02	(8.17)	(30.63)
7	Closing Present Value of Defined Benefit Obligation	**6925.37**	**6449.25**	**532.15**	**577.54**	**329.46**	**298.29**

II. Change in the Fair Value of Plan Assets:

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
1	Opening fair value of plan assets	6201.15	6029.68	503.99	559.88
2	Expected return on plan assets	432.84	449.81	36.54	44.85
3	Contributions made	841.22	300.59	112.00	42.00
4	Benefits paid	(627.17)	(569.19)	(123.72)	(138.87)
5	Actuarial gains/losses	27.08	(9.74)	27.86	(3.87)
6	Closing fair value of plan assets	**6875.12**	**6201.15**	**556.67**	**503.99**

III. Amount recognized in the Balance Sheet:

(Amount in ₹ crore)

S N	Particulars	FUNDED DEFINED BENEFIT OBLIGATIONS						UNFUNDED DEFINED BENEFIT OBLIGATIONS	
		PENSION PLANS		GRATUITY PLANS		TOTAL		LEAVE ENCASHMENT	
		31.03.22	31.03.21	31.03.22	31.03.21	31.03.22	31.03.21	31.03.22	31.03.21
1	**Present Value of Defined Benefit Obligations**	6925.37	6449.25	532.15	577.54	7457.52	7026.79	329.46	298.29
2	**Fair Value of Plan Assets**	(6875.12)	(6201.15)	(556.67)	(503.99)	(7431.79)	(6705.14)	0.00	0.00
3	**Net liability to be recognized**	50.25	248.09	(24.51)	73.55	25.74	321.64	329.46	298.29
4	**Other amount recognized in the Balance Sheet**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	**Net liability recognized in the Balance Sheet**	**50.25**	**248.09**	**(24.51)**	**73.55**	**25.74**	**321.64**	**329.46**	**298.29**

IV. Amount recognized in Profit and Loss Account:

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
1	Current Service Cost	325.73	367.27	33.26	45.60	71.58	80.47
2	Interest Cost	428.27	391.17	37.39	32.49	19.74	17.52
3	Expected Return on Plan Assets	(432.84)	(449.81)	(36.54)	(44.85)	0.00	0.00
4	Actuarial (Gains)/Losses for the year	322.21	155.46	(20.18)	105.89	(8.17)	(30.63)
5	Past Service Cost	0.00	0.00	0.00	0.00	0	0
6	**Expense to be recognized**	**643.37**	**464.09**	**13.93**	**139.14**	**83.16**	**67.36**
7	Additional provision made / (write back) during the year	0.00	0.00	0.00	0.00	0	0
8	**Net expense recognized in Profit & Loss Account and included in Staff Cost**	**643.37**	**464.09**	**13.93**	**139.14**	**83.16**	**67.36**

V. Reconciliation in the Net Liability recognized in the Balance Sheet

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
1	Opening Net Liability	248.09	84.59	73.57	(23.57)	298.29	272.40
2	Expense recognized	643.37	464.09	13.93	139.14	83.16	67.36
3	Contributions/ Benefits paid	(841.22)	(300.59)	(112.00)	(42.00)	(51.98)	(41.47)
4	**Closing Net Liability**	**50.25**	**248.09**	**(24.51)**	**73.57**	**329.46**	**298.29**

VI. Actual Return on Plan Assets

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
1	Expected return on plan assets	432.84	449.81	36.54	44.85
2	Actuarial gain (loss) on plan assets	27.08	(9.74)	27.86	(3.87)
3	**Actual return on plan assets**	459.92	440.07	64.40	40.98

VII. Principal Actuarial Assumptions (expressed as weighted averages)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
1	Discount rate	6.98%	6.71%	7.25%	6.96%	7.25%	6.96%
2	Expected return on plan assets	6.98%	7.46%	7.25%	8.01%	NA	NA
3	Expected rate of salary increases	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%

C. Other Long Term Benefits:

(Amount in ₹ crore)

S N	Particulars	Recognized in Profit & Loss Account	
		31.03.2022	31.03.2021
1	Resettlement Allowance	0.00	0.00
2	Leave Fare Concession	12.35	9.71
3	Silver Jubilee Award	0.04	0.03
	Total	**12.39**	**9.74**

Accounting Standard 17- Segment Reporting: Bank has identified its primary reportable segments as under:

Part A: Business segments (Amount in ₹ crore)

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
Particulars	**2021-22**	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Revenue	5094.00	5223.27	4537.40	4252.96	5438.13	4661.62	602.17	358.36	15671.70	14496.20
Result	1398.46	1657.84	399.01	24.68	(201.06)	(760.05)	359.19	31.66	1955.60	954.13
Unallocated expenses									0	0
Operating profit									4847.87	3960.08
Taxes including deferred taxes									804.06	403.88
Extraordinary profit/ loss	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	-	-
Net profit									1151.54	550.25
Other Information:										
Segment assets	78679.17	74885.33	87029.25	68381.15	47398.10	36651.23	13380.83	12099.09	226487.35	192016.80
Unallocated assets									4124.02	4648.21
Total assets									230611.37	196665.01
Segment liabilities	77470.27	73629.73	81883.93	64502.50	44519.17	34473.25	12103.87	11282.12	215977.23	183887.60
Unallocated liabilities									749.26	644.22
Capital & Other Reserves									13884.88	12133.19
Total liabilities									230611.37	196665.01

a) Treasury segment includes Investment, balances with Banks outside India, Interest accrued on investments and related income there from.

b) Corporate/Wholesale Banking Segments include all advances to trusts, partnership firms, companies, statutory bodies and individuals etc. which are not included in Retail Banking Segments.

c) Retail Banking Segments include exposure to entity/concern where

  i. Total average annual turnover less than Rs. 50.00 crore and

  ii. Aggregate exposure to one counter party does not exceed 0.2% of the overall retail portfolio of the Bank and

  iii. The maximum aggregated retail exposure to one counterpart is up to Rs. 5.00 crore.

d) Other Banking Operations segment includes all other banking transaction not covered under segments, specified above.

e) The interest income is allocated on the basis of actual interest received from wholesale banking operations. The total interest received less interest of wholesale banking is taken to retail banking operations

f) Expenses not directly attributable are allocated on the basis of interest income earned by the wholesale banking / retail banking segment. Expenses of treasury operations are as per the details available from treasury operations

g) Capital employed for each segment has been allocated proportionate to the assets of the respective segment.

Part B: Geographical Segment

Since the operations of the Bank are within India only, Geographical Segment is not applicable.

Accounting Standard 18 – Related party disclosures

The details in this regard are asunder:

Name of the Related Parties and their relationship:

(a) Subsidiary of the Bank –The Maharashtra Executor & Trustee Co. Pvt. Limited

(b) Associate of the Bank – Maharashtra Gramin Bank

*(c) Key Management Personnel- **Details given in point no. 13 above***

Transactions with Related parties:

No disclosure is required in respect of related parties, which are "State Controlled Enterprises" as per paragraph no 9 of Accounting Standard (AS 18). Further in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

Accounting Standard 19 - Leases

Finance Leases: Lease under which the Bank assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at fair value of the asset or present value of the lease payments (after due amortization), whichever is lower.

Operating Leases: Bank has no non-cancellable Operating Leases during Financial Year. Hence additional disclosure under AS-19 is not applicable. The Lease payments under operating leases are recognized as an expense on straight line basis in Profit and Loss over the lease term. Amount of lease payments recognized in the Profit and Loss Account for operating leases amount to Rs. 171.47 crore for the year 2021-22 (Previous year Rs. 162.42 crore).

Accounting Standard 20- Earnings per Share

Particulars	**31.03.2022**	**31.03.2021**
Basic E.P.S.	Rs. 1.72	Rs. 0.88
Diluted E.P.S.	Rs. 1.72	Rs. 0.88
Calculation of Basic /Diluted EPS.		
a) Net Profit after Tax (in Crore)	1151.54	550.25
b) Weighted Average number of Equity Shares (in Crore)	668.06	625.36
c) Basic/ Diluted Earnings per share [(a) divided by (b)]	Rs. 1.72	Rs. 0.88
d) Nominal Value per Share	Rs. 10.00	Rs. 10.00

Accounting Standard 21 – Consolidated Financial Statements: The financial results of the Associate viz. Maharashtra Gramin Bank and subsidiary viz. Maharashtra Executor & Trustee Company Private Limited have been consolidated with the parent bank in compliance with Accounting Standard 23 and Accounting Standard 21 respectively.

Accounting Standard 22 – Accounting for Taxes on Income: Based on the review by the bank and on reasonable certainty of availability of future taxable income against which timing differences arising on account of provision for accumulated losses, Bad & Doubtful Debts (NPA), employee benefits etc. can be realized, the bank has accounted for taxes on income in compliance with AS 22. Accordingly, Deferred Tax Assets and Deferred Tax Liabilities are as under:

(Amount in ₹ crore)

Particulars	**31.03.2022**	**31.03.2021***
Deferred Tax Assets		
1) On account of Accumulated Losses	432.68	859.91
2) On account of provisions for Employees benefits	106.02	207.65
3) Other Provisions where DTA is created	1577.77	1857.79
Sub-Total (A)	**2116.47**	**2925.35**
Deferred Tax Liability		
1) On account of Special Reserve u/s 36(1) (viii)	12.42	17.24
Sub-Total (B)	**12.42**	**17.24**
Net Deferred Tax Asset (A-B)	**2104.05**	**2908.11**

***Applicable tax rate 34.944%**

With effect from Assessment Year 2021-22, the Bank has exercised the option of lower tax rate permitted under Section 115 BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Consequently, during the year, the Bank has re-measured its Deferred Tax Assets and Deferred Tax Liabilities and reversed the amount of Rs.716.87 crores by debiting the Profit and Loss A/c.

As the bank has opted for lower tax rate permitted under section 115 BAA of the Income Tax Act 1961 from AY 2021-22, the provisions of section 115JB of the Income Tax Act are not applicable to the bank and hence, the Bank has reversed the MAT Liability as well as the MAT Credit Entitlement accounted hitherto.

Accounting Standard -24- Discontinuing Operations: The Bank, during the financial year 2021-22, has not discontinued any of its business activities/ operations which resulted in discharging of liabilities and realization of the assets and no decision has been finalized to discontinue a business activity in its entirety which will have the above effects.

Accounting Standard 26—Accounting for Intangible Assets:

Computer Software – other than internally generated:

Useful life - 3 years.
Amortization Rate - 33.33 %
Amortization Method - Straight line at cost

(Amount in ₹ crore)

Particulars	**31.03.2022**	**31.03.2021**
Software at the beginning of the year	33.24	24.01
Software acquired during the year	11.01	31.25
Amortization during the year	16.63	22.02
Net carrying amount at the end of the year	27.62	33.24

Accounting Standard 28- Impairment of Assets: Assets are reviewed for impairment at the end of the year whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of an asset to be held and used is measured by a comparison for the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset. If such an asset is considered to be impaired, the impairment to be recognized and is measured by the amount by which the carrying amount of the asset exceeds the recoverable amount of the asset. However, in the opinion of the Bank's Management, there is no indication of material impairment to the assets during the year to which Accounting Standard 28 - "Impairment of Assets" applies.

Accounting Standard 29- Provisions, Contingent Liabilities and Contingent Assets Claim against the bank not acknowledged as debt on year end

(Amount in ₹ crore)

Category	**2021 – 22**	**2020 – 21**
Balance Outstanding	1375.41	1352.53
Provision Held	2.05	1.99

Total Contingent liabilities (as per Schedule 12) include expired Guarantees amount Rs.898.43 crore (P.Y. Rs.761.47 crore), which has not been cancelled because of pending completion formalities.

17) The Board has proposed dividend of Rs. 0.50 paise per equity share (Face Value of Rs. 10/- per share) for the Financial Year 2021-22 in Board Meeting dated May, 25 2022 subject to requisite approval from Shareholders. Consequent to proposed dividend, the Financial Statements have been revised as required by the statute.

18) Previous year's figures have been regrouped / reclassified wherever considered necessary to make them comparable with current year's figure.

BANK OF MAHARASHTRA

Statement of Cash Flow (Revised) for the Year Ended 31st March 2022

(Rs. in Thousand)

Particulars	Year Ended 31-03-2022		Year Ended 31-03-2021	
A. Cash Flow From Operating Activities:				
Income				
Interest received during the year from advances, Investments etc.	13594 ,21 ,99		11868 ,54 ,08	
Other Income	2652 ,47 ,93	16246 ,69 ,92	2625 ,26 ,89	14493 ,80 ,97
Less: Expenditure & Provisions				
Interest Paid during the year on Deposits and Borrowings	6974 ,82 ,31		6971 ,06 ,82	
Operating Expenses	3849 ,01 ,28		3565 ,05 ,72	
Provisions & Contingencies	4271 ,32 ,71	15095 ,16 ,30	3407 ,43 ,27	13943 ,55 ,81
Net Increase In Cash due to Increase of Income over Expenses		**1151 ,53 ,62**		**550 ,25 ,16**
Add : Non Cash Items & Items Considered Separately				
Provisions & Contingencies	4271 ,32 ,71		3407 ,43 ,27	
Depreciation on Fixed Assets	268 ,34 ,08		188 ,11 ,12	
Profit/Loss on sale of Fixed Assets	-1 ,04 ,31		- ,44 ,88	
Interest on Bonds, PCPS and IPDI	315 ,61 ,78	4854 ,24 ,26	288 ,99 ,74	3884 ,09 ,25
		6005 ,77 ,88		4434 ,34 ,41
Less: Direct Taxes Paid (Net)		325 ,00 ,00		184 ,00 ,00
Cash Profit Generated From Operations (I)		**5680 ,77 ,88**		**4250 ,34 ,41**
Increase / (Decrease) of Operating Liabilities:				
Deposits	28288 ,67 ,27		23939 ,21 ,45	
Borrowings other than Bond Borrowings	3217 ,99 ,07		63 ,01 ,94	
Other Liabilities & Provision	-3873 ,32 ,78		-664 ,43 ,58	
Total of Increase of Operating Liabilities	**27633 ,33 ,56**		**23337 ,79 ,81**	
Less: Increase / (Decrease) of Operating Assets				
Investments	478 ,32 ,71		10370 ,79 ,33	
Advances	28765 ,27 ,21		15533 ,51 ,59	
Other Assets	-3164 ,14 ,17		-783 ,05 ,31	
Total of Increase of Operating Assets	**26079 ,45 ,75**		**25121 ,25 ,61**	
Net Increase Of Operating Liabilities Over Operating Assets (II)		**1553 ,87 ,81**		**-1783 ,45 ,80**
Cash Flow From Operating Activities (A) = (I+II)		**7234 ,65 ,69**		**2466 ,88 ,61**
B. Cash Flow From Investing Activities				
Sale of Fixed Assets	7 ,07 ,92		3 ,65 ,49	
Purchase of Fixed Assets	-309 ,05 ,16		-192 ,48 ,00	
Net Cash Flow Form Investing Activities (B)		**-301 ,97 ,24**		**-188 ,82 ,50**
C. Cash Flow From Financing Activities:				
i) Issue/ (Redemption) of Bonds	290 ,00 ,00		505 ,70 ,00	
ii) Dividend on Equity & PNCPS	-336 ,52 ,48			
iii) Dividend Distribution Tax				
iv) Interest on Bonds, PCPS and IPDI	-315 ,61 ,78		-288 ,99 ,74	
v) Issue of Equity Shares /(Share Apllication Money)	403 ,69 ,99			
Cash Flow From Financing Activities (C)		**41 ,55 ,73**		**216 ,70 ,26**
Total Cash Flow During The Year (A+B+C)		**6974 ,24 ,19**		**2494 ,76 ,37**

Note : Previous year figures have been regrouped and reclassified whenever necessary.

(Rs. in Thousand)

Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
Represented By-		
Cash and Cash equivalents at the beginning of the year		
Cash & Balance with RBI	12882 ,48 ,23	10353 ,68 ,49
Balances with Banks & Money at Call & Short notice	59 ,24 ,85	93 ,28 ,22
	12941 ,73 ,08	**10446 ,96 ,71**
Cash and Cash equivalents at the end of the year		
Cash & Balances with RBI	19721 ,92 ,62	12882 ,48 ,23
Balance with banks & money at call & Short notice	194 ,04 ,65	59 ,24 ,85
	19915 ,97 ,27	**12941 ,73 ,08**
Total Cash Flow During The Year	**6974 ,24 ,19**	**2494 ,76 ,37**

Mudit Agarwal
Asst. Gen Manager, FM&A

Kamal Kumar Thakur
Asst. Gen Manager, FM&A

V P Srivastava
General Manager & CFO

Asheesh Pandey
Executive Director

A. B. Vijayakumar
Executive Director

A. S. Rajeev
Managing Director & CEO

AS PER OUR REPORT OF EVEN DATE ATTACHED

For M/s. Batliboi & Purohit
FRN - 101048W
Chartered Accountants

CA Raman Hangekar
Partner
Membership No: 030615
UDIN: 22030615AJNXLE6110

For M/s. Abarna & Ananthan
FRN-000003S
Chartered Accountants

CA Clement Gratian Pinto
Partner
Membership No: 023238
UDIN: 22023238AJNWWE2412

For M/s. Rodi Dabir & Co.
FRN-108846W
Chartered Accountants

CA Aashish Badge
Partner
Membership No: 121073
UDIN: 22121073AJNYEO7811

For M/s. S Bhandari & Co.
FRN-000560C
Chartered Accountants

CA Pramiti Pareek
Partner
Membership No: 417124
UDIN: 22417124AJNXPD4889

Place : Pune
Date: 25th May, 2022

M/s. Batliboi & Purohit
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Fort, Mumbai - 400 001.

M/s. Abarna & Ananthan
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2nd Phase BSK 3rd Stage,
Bengaluru - 560 085.

M/s. Rodi Dabir & Co.
Chartered Accountants,
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Khare Town, Dharampeth, Nagpur – 440 010.

M/s. S Bhandari & Co.
Chartered Accountants,
P-7, TilakMarg, C-Scheme,
Jaipur - 302 005.

Revised Independent Auditors' Report

To,
The President of India and Members of "BANK OF MAHARASHTRA"
Report on Audit of the Consolidated Financial Statements (Revised)

Opinion

1. We have audited the accompanying Consolidated Financial Statements (Revised) of Bank of Maharashtra (the "Bank") which comprise the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and Notes to the Consolidated Financial Statements including Significant Accounting Policies and other explanatory information, in which following are incorporated –

   a. Audited Standalone Financial Statements of the Bank (Revised);
   b. Audited Financial Statements of one Subsidiary,
   c. Audited financial statements / financial information of 1 Regional Rural Bank (Associate),

   The Bank together with its Subsidiary are referred to as the "Group".

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements Revised give the information required by the Banking Regulation Act, 1949 ("the Act"), the requirements of the Reserve Bank of India, in the manner so required for bank and give true and fair view in conformity with accounting principles generally accepted in India including accounting standards issued by The Institute of Chartered Accountants of India (ICAI) and give,

   a. in case of Revised Balance Sheet, read with the notes thereon gives true and fair view of the state of affairs of the Bank as at 31st March, 2022;

   b. the Revised Profit and Loss Account, read with the notes thereon shows a true balance of profit for the year ended 31st March, 2022and

   c. the Revised Cash Flow Statement gives a true and fair view of the cash flows for the year ended 31st March, 2022.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the ICAI. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the ICAI, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI") from time to time 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

3. We draw attention to Note no. 15 in Schedule 18 of the Consolidated Financial Statements which explains the extent to which COVID-19 pandemic will impact the Bank's operations and financial results are dependent on future developments, which are highly uncertain. The Bank is continuously monitoring the economic conditions and any impact on the Bank's Operations and financial results is uncertain.

4. We draw attention to Note no. 16 in Schedule 18 of the Consolidated Financial Statements Revised wherein the Board of the Bank has proposed dividend of Rs. 0.50 paise per equity share (Face Value of Rs. 10/- per share) for the Financial Year 2021-22 vide its Board Meeting dated May, 25 2022 subject to requisite approval from Shareholders. Consequent to proposed dividend, the Financial Statements have been revised as required by the statute. Our Audit procedures are restricted solely to the amendment to the Financial Statements in accordance with SA 560 issued by the ICAI.

Our Opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matters	How our Audit procedures addressed the Key Audit Matters
1.	**Classification of Advances, Provisioning and other relevant compliance of RBI Guidelines:** (Refer Note No. 5 of Schedule 17 of Significant Accounting Policy to the Consolidated Financial Statements) The Group's portfolio comprises of Net Advances of 131170 Crores as at March 31, 2022 comprising of wholesale and retail banking. As required by IRAC Norms, guidelines issued by RBI and other circulars, notification and directives issued by RBI, the Bank has classified Advances and has made appropriate provisions in accordance with such guidelines. Income from Advances constitutes 52.52% of Total Income. The provision in respect of Non-Performing Asset is Rs. 2578.48 Crores which constitutes 17.76% of the total expenditure. The carrying value of these advances (net of provisions) may be materially misstated	We have tested the design and operating effectiveness of the Key controls of the system, application, process over approval, recording, monitoring, and recovery of loans, overdue and stressed accounts, identification of NPA, Provision for NPA including verification of valuation reports of experts for primary and collateral securities based on the understanding of the prudential guidelines and overall organisational IT framework of the Bank and its communication through various circulars and reports. We have evaluated the Internal Controls over sanctioning, monitoring the process and account for system overrides or bypasses to controls of advances, supervisory framework such as Internal Audit, Credit Audit, Concurrent Audit, Systems Audit, as well as Internal Check, effectiveness of such framework as per the policies and procedures of the bank and in compliance with prudential guidelines. We have tested samples of Performing Assets and assessed the application of IRAC Norms, as prescribed by RBI, individually to ensure

	if, either individually or in aggregate the IRAC Norms, are not properly followed. The Bank has significant Credit Risk Exposure to a large number of borrowers across a wide range of borrowers, products, industries and there is a high degree of complexity, uncertainty, judgement involved in recoverability of Advances, estimation of provisions thereon and identification of accounts to be written off. If such prudential guidelines are not followed by the Bank the profit for the year and the net advances position will be materially mis-stated. Hence, we consider this as a Key Audit Matter.	compliance of the same. Also reviewed approval of sanctions against Bank's credit Policy and performance of Credit Assessments and controls. Examined early warning signal reports, other exceptional reports generated by the Bank for the purpose of identifying potential NPA and steps taken for monitoring of such accounts including red flagged accounts to overcome assessed risks and ensure effective implementation of risk management and related controls. We have adopted a framework of carrying out detailed verification of corporate wholesale (including Consortium, Pool Buyout and other large borrowers) by way of review of collateral documents including valuation reports, due diligence report, servicing Agreement, deed of assignment, JLA and External Credit rating reports to assess and focus on larger exposures of the Bank and mitigating the areas of emerging risk. We have discussed with the Senior Management and performed our own assessment including internal and external macroeconomic factors and testing the timelines and the accuracy of risk assessment and risk grading against the Bank's lending policies, IRAC Norms and in accordance with Government Policies. We have examined the Retail advances portfolio of the Bank on sampling basis to ensure effective monitoring and implementation of IRAC norms including income recognition, provisioning for such loans. The Bank has adopted Loan Life Cycle Management System for retail loans which effectively monitors, controls, the retail portfolio of the Bank and is tested for its effective implementation and performance. We have also tested the completeness and accuracy of the data from the underlying source systems, tested the automated calculation and evaluated the bank's oversight of the portfolio. We have reviewed the Bank's process for granting moratorium and restructuring to borrowers as per the Regulatory Package announced by RBI. We tested the completeness and accuracy of data used for computing general provisions in line with regulatory package issued by RBI. With respect to additional provision made by the Bank on account of the impact of COVID 19 pandemic,

		we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we primarily relied on those assumptions and estimates, which are subject matter of periodic review by the Bank. Also we have relied on the compilation of the data of the restructured accounts at Head office based on the schedules audited by the statutory branch auditors. We have examined the adequacy and appropriateness of disclosures against the relevant RBI requirements relating to NPA and applicable Accounting Standards required to be made in accordance with Banking Regulation Act and RBI Circulars. We have also placed reliance on the Audit reports of the other Statutory Branch Auditors, with whom we have made specific communications.
2.	**Classification and Valuation of Investments:** (Refer Note No. 4 of Schedule 17 of Significant Accounting policies to the Consolidated Financial Statements) Investments are classified into Held for Trading (HFT), Available for Sale (AFS) and Held to Maturity (HTM) categories at the time of purchase. Investments intended to be held till maturity are classified as HTM Investments. Classification of Investments, valuation and provisioning thereof are based on RBI guidelines. Compliance of Investment Portfolio as per guidelines issued by RBI is mandatory and involves management judgement in determining the value of bonds, debentures and other securities based on the policy and the model adopted by the Bank. Impact of Impairment assessment is having overall significance to the financial results of the Bank. Interest Income from Investment of the Bank comprises 27.98% of the total income in view of these significant points including assessment of non performing	We have tested the design, implementation and operating effectiveness of management's key internal controls of the Bank towards classification, valuation process, independent price verification, including the Bank's review and approval of the estimates and assumptions used for the valuation including key authorisation and data input controls. We have examined the investment agreement / term sheet entered into during the current year, on a sample basis, to understand the relevant investment terms and identify any conditions that were relevant to the valuation of financial instruments. Our Audit approach towards Investment Portfolio of the bank is based on compliance and requirements of RBI circulars and directives in relation to valuation, classification, identification of Non Performing Investments, Provision for Investments and relevant policies and procedures adopted by the Bank including effective implementation of Internal control system and related process. We tested accuracy and completeness of adoption of RBI guidelines and directions by reperforming valuations for each category of the securities. Various sampling techniques were adopted to ensure coverage of risk weighted Investments based on the nature of security and

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	Investments and provisions we have identified this aspect as a Key Audit Matter.	were tested for its carrying value in the Financial Statements of the Bank. We have verified the non performing investments of the bank by the method of independent verification of provisions and depreciation in accordance with RBI guidelines and confirmed the compliance of such guidelines. We have reviewed the application / conversion of interest / principal towards a separate List of Investments and checking whether these Investments are classified as NPI. The samples selected for the same covers the majority categories of Investments to cover the material impact on the income of the Bank. We have verified Investment portfolio of AFS and HFT on sample basis and performed various substantive analytical procedures in determination of Income, gain / loss on sale and tracked the controls implemented by the Bank through credit / debit in the profit and loss account. We have tested the portfolio of HTM and made detailed verification of transaction of purchase / sale of such HTM and controls implemented by the TIBD in recognizing the profit / loss to profit and loss account and subsequent appropriation to Capital Reserve Account. We have examined the adequacy and appropriateness of depreciation and Impairment of each category of Investment and recomputed the provision to be maintained in accordance with the RBI Guidelines and ensured that adequate disclosures have been made in Notes to Accounts.
3.	**Information Technology Systems and Control Framework:** The Bank's key business objective is determined evaluated, controlled, monitored, implemented through complex IT architecture to support high volume of business operation by automation and application which are significant towards Banking business and plays a major role as a backbone in achieving the Business Objective. The Bank's financial accounting process in respect of recognition of Income, classification of Assets through IRAC Norms and evaluating the performance of the Bank and producing the desired output	Information Technology forms an integral part of operating requirements of the Bank by way of various applications, general, software controls and requires understanding of various systems and procedures in evaluating the Risk based and business centric requirements of the Bank. We have reviewed the various IT policies and procedures including user management, change management, system security, incident management, physical and environment security, standard operating procedures, Segregation of duty, BCP, DRP, service level agreements, security policies to ensure these are in line with business requirements of the Bank and to comply with government and RBI regulations.

	through various application and other IT general controls to ensure the required business Output and helps us to arrive at the Audit conclusion to ensure quality performance Financial & Accounting Processes. We have identified various application and control framework in implementing various products and schemes which covers majority of Bank's business and hence we consider Information Technology Systems and Control as a Key Audit Matter.	We have adopted various techniques such as enquiry, review of documentation, record, reports, observation, and re performance of various application controls by taking adequate samples of instances for our test. We have also tested validation checks using negative testing technique. We have tested various compensating controls and performed alternate procedures which were necessary and gathered a comprehensive understanding of IT applications landscape implemented by the Bank. It was followed by process understanding mapping of application to the same and understanding financial risk posed by people, process and technology. We have also assessed areas including password policies, security configuration, system interface controls over changes to applications and databases and that business users and controls to ensure that developers and production support did not have access to change applications, the operating systems or databases in the production environment to ensure proper segregation of duties is in place as per the SOP. We have tested certain critical aspects of cyber security on network security management mechanism, operational security of key information infrastructure, data and client information management, monitoring and emergency management. through certain data drill conducted by the Management and scrutinised by us and comparing the required results. We have also assessed the requirement of the implementation of Business Continuity Plan initiated by the Bank due to impact of COVID -19 pandemic and ensured sustainability and growth under COVID -19 circumstances. We have verified the testing report carried out by the Management on risk of implementation of security control in a more holistic, comprehensive way, ensuring that all business decisions are based on proper Risk assessment and management considering the overall effect of uncertainties on the Bank's Objective.
4.	**Provisions and Contingent Liability:**	We have obtained an understanding of Internal Controls relevant to the audit in order to design

	Assessment of Provisions and Contingent Liability in respect of certain litigations on various claims filed by other parties not acknowledged as debt (Note No. 11 of Schedule 17 and Note No. 14 of Schedule 18) There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgement, past experience, and advice from legal and independent experts wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in Balance Sheet. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to outcome of these matters which requires application of judgement in interpretation of Law.	our audit procedures that are appropriate in the circumstances. Understanding the current status of the litigations / tax assessments. Examining recent orders and communications received from various tax authorities / judicial forums and follow up actions thereon; Evaluated the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of experts. Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues. Verified the disclosures related to significant litigations and taxation matters. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgements / interpretation of law involved.
5.	**Modified Audit Procedures carried out in light of COVID-19 outbreak:** In view of the COVID-19 pandemic, lockdown and travel restrictions imposed by Central / State Government / Local Authorities at some of the branches and Zones during the period of our audit, the Bank too facilitated carrying out audit remotely. In some cases, audit could not be conducted by visiting the premises of some of the Branches and Zonal offices of the bank. As some of the auditors could not obtain audit evidence in person / physically and personal interactions with the officials at the Branches and Zonal offices, accordingly our Audit procedures were modified to carry out the Audit remotely. We have identified such modified Audit Procedure as Key Audit Matter.	Due to the COVID-19 Pandemic, we carried out modified audit procedures to obtain reasonable assurance to form an audit opinion. To carry out modified audit procedure, the Bank has made available to us a customized intranet portals hosted on Bank's network enabling us to access reports and documents we sought necessary for the purpose of Audit. Our modified audit procedure included; 1. Conducted verification of necessary records / documents / CBS and other application software electronically through remote access / emails in respect of some of the Branches / zones of the Bank wherever physical access was prohibited due to COVID-19. 2. Obtained and carried out verification of scanned copies of documents, deeds, certificates, and other related records. 3. Made enquiries to obtain necessary audit evidence through video conferencing, dialogues, and discussions over phone calls / conference calls, emails, and similar communication channels. Resolved our audit observations telephonically / through email instead of a face-to-face interaction with the designated officials.

Information other than the Consolidated Financial Statements and Auditors' Report thereon

The Bank's Board of Directors is responsible for other information. The other information comprises the information other than Consolidated Financial Statements and our Auditors' Report thereon and the Pillar III disclosure under the Basel III disclosures.

Our opinion on the Consolidated Financial Statements does not cover the other information and Pillar III disclosures under Basel III Disclosures we do not express any form of assurance conclusion thereon.

In connection with our Audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information, if we conclude that there is material misstatement therein, we are required to communicate the matters to 'Those charged with Governance'.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Bank's Board of Directors is responsible with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India and in accordance with the Accounting Standard 21- "Consolidated Financial Statements", and Accounting Standard 23 - "Accounting for Investment in Associates in Consolidated Financial Statements", issued by Institute of Chartered Accountants of India, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. The respective Board of Directors of the entities included in the group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of presentation of the Consolidated Financial Statements by the Directors of the Bank, as aforesaid .

   In preparing the Consolidated Financial Statements, the respective Board of Directors of the entities included in the Group and its associate are responsible for assessing the ability of the Group and its associate 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 intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

   The respective Board of Directors of the entities included in the Group and of the associate is also responsible for overseeing the Financial Reporting process of the Group and its associate.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

   As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and its associate's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

   - Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

   - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Group and its associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entity included in the Consolidated Financial Statements of which we are the independent auditors. For the other subsidiary entity and associate included in the Consolidated Financial Statements, which have been audited by other auditor and the unaudited financials approved by management of the associate, such other auditor and the management of the associate remains responsible for direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of Consolidated Financial Statements 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 effect of identified misstatements in the Consolidated Financial Statements.

We communicate with Those charged with governance of the Bank included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

8. We did not audit the Financial Statements / information of 778 branches included in the Consolidated Financial Statements of the Bank whose Financial Statements / financial information reflect total advances of Rs. 60536.11 Crores as at 31st March, 2022and total revenue of Rs. 4778.90 Crores for the year ended on that date, as considered in the Consolidated Financial Statements. The Financial Statements / information of these branches have been audited by the Statutory branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such Statutory branch auditors. Further we did not audit the Financial Statements of 1239 branches included in the Consolidated Financial Statements of the Bank whose Financial Statements reflect total advances of Rs. 19043.09 Crores as at 31st March, 2022and total revenue of Rs. 1630.65 Crores for the year ended on that date as considered in the Consolidated Financial Statements have been drawn by the management.

Also, we did not audit the Financial Statements of the subsidiary company whose Financial Statement / financial information reflects total assets of Rs. 20.65 Crores as at 31st March, 2022, Total revenue of Rs. 2.29 Crores and net profit after Tax of Rs.0.55 crore for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of Net Profit after tax of Rs. 1.79 Crores for the year ended 31st March, 2022 as considered in the Consolidated Financial Statements, in respect of one associate, whose Financial Statements / financial information have not been audited by us. The Financial Statements/financial information of the subsidiary company has been audited by the other auditors, whose reports and statements have been furnished to us by the management, the Financial Statements / financial information of the associate has not been audited and approved and furnished to us by the Management, and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and associate and our report in terms of sub section (3) of sec 143 of the Act, in so far it relates to the aforesaid subsidiary and associate, is based solely on the reports of the other auditors in respect of subsidiary company and the unaudited financial information / results as approved and furnished by the management of the associate.

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters with respect to our reliance on the work done and the report of the other auditors and the Financial Statements / financial information certified by the management.

Report on Other Legal and Regulatory Requirements

9. The Revised Consolidated Balance Sheet, the Revised Consolidated Profit and Loss Account and the Revised Consolidated Cash Flow have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;

10. Subject to the limitations of the audit indicated in paragraphs 5 to 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and subject also to the limitations of disclosure required therein, we report that:

    a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
    b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
    c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

11. As required by letter no. DOS.ARG.No.6270/08.91.001/2019- 20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

    a) In our opinion, the aforesaid Consolidated Financial Statements Revised comply with the Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

    b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.
    c) On the basis of the written representations received from the directors as on 31st March, 2022, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.
    d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.

    e) Our audit report on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting is given in Annexure A to this report. Our report expresses an unmodified opinion on the Bank's internal financial controls over financial reporting as at 31st March, 2022.

12. We further report that:

    a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

    b) the Revised Balance Sheet, the Revised Profit and Loss Account and the Revised Statement of Cash Flows dealt with by this report are in agreement with the books of accounts and with the returns received from the branches not visited by us;

c) the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and

d) in our opinion, the Revised Balance Sheet, the Revised Profit and Loss Account and the Revised Statement of Cash Flows comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

For M/s. Batliboi & Purohit Chartered Accountants	For M/s Abarna & Ananthan Chartered Accountants	For M/s. Rodi Dabir & Co. Chartered Accountants	For M/s. S Bhandari & Co. Chartered Accountants
FRN-101048W	FRN- 000003S	FRN – 108846W	FRN – 000560C
CA Raman Hangekar	CA Clement Gratian Pinto	CA Aashish Badge	CA Pramiti Pareek
Partner	Partner	Partner	Partner
M No 030615	M No 023238	M No 121073	M No 417124
UDIN: 22030615AJNZOW2893	UDIN: 22023238AJNWWS2748	UDIN: 22121073AJNYHI1726	UDIN: 22417124AJNXPW4554

Date: 25.05.2022
Place: Pune

BANK OF MAHARASHTRA

HEAD OFFICE: "LOKMANGAL", 1501 SHIVAJINAGAR, PUNE 411005

CONSOLIDATED BALANCE SHEET (REVISED) AS ON 31st March 2022

Rs. in Thousands

	Schedule	As on 31st March 2022 (Current Year)	As on 31st March 2021 (Previous Year)
CAPITAL AND LIABILITIES			
Capital	1	6730 ,49 ,64	6560 ,15 ,89
Reserves & Surplus	2	7331 ,37 ,62	5748 ,13 ,11
Minority Interest	2A	-	-
Deposits	3	202275 ,25 ,42	173989 ,29 ,67
Borrowings	4	7746 ,74 ,19	4238 ,75 ,12
Other Liabilities & Provisions	5	6699 ,59 ,47	6298 ,77 ,34
TOTAL		**230783 ,46 ,34**	**196835 ,11 ,13**
ASSETS			
Cash and Balances with Reserve Bank of India	6	19721 ,92 ,92	12882 ,48 ,44
Balances with Banks, Money at call & short notice	7	194 ,08 ,74	59 ,29 ,56
Investments	8	68761 ,56 ,32	68281 ,44 ,38
Advances	9	131170 ,43 ,89	102405 ,16 ,68
Fixed Assets	10	2241 ,66 ,01	1674 ,00 ,39
Other Assets	11	8693 ,78 ,46	11532 ,71 ,68
TOTAL		**230783 ,46 ,34**	**196835 ,11 ,13**
		, ,	, ,
Contingent Liabilities	12	30613 ,56 ,04	31127 ,72 ,44
Bills for Collection		5819 ,51 ,14	4988 ,84 ,18
Significant accounting policies	17		
Notes on Accounts	18		

The Schedules 1 to 18 form an integral part of the Accounts.

CONSOLIDATED PROFIT & LOSS ACCOUNT (REVISED) FOR THE YEAR END 31st March 2022

Rs. in Thousands

	Schedule	Year ended 31st March 2022 (Current Year)	Year ended 31st March 2021 (Previous Year)
I. INCOME			
Interest earned	13	13019 ,30 ,87	11868 ,63 ,01
Share of earnings/ loss in Associates		1 ,79 ,24	20 ,05 ,89
Other Income	14	2652 ,85 ,90	2628 ,92 ,78
TOTAL		**15673 ,96 ,01**	**14517 ,61 ,68**
II. EXPENDITURE			
Interest expended	15	6973 ,96 ,05	6970 ,18 ,36
Operating Expenses	16	3850 ,03 ,39	3565 ,90 ,68
Provisions & contingencies		3696 ,53 ,64	3410 ,06 ,24
TOTAL		**14520 ,53 ,08**	**13946 ,15 ,28**
PROFIT/LOSS			
Consolidated Net Profit for the year		1153 ,42 ,93	571 ,46 ,40
Add: Profit brought forward		167 ,95 ,65	-7254 ,91 ,63
Add: b/.f losses adjusted against Share premium and Special Reserve		, ,	7349 ,50 ,08
TOTAL		**1321 ,38 ,58**	**666 ,04 ,85**
APPROPRIATIONS			
Transfer to Statutory Reserve		287 ,88 ,40	137 ,56 ,29
Transfer to Capital Reserve		83 ,69 ,37	184 ,52 ,91
Transfer to Revenue Reserve		, ,	, ,
Transfer to Special Reserve		, ,	, ,
Transfer to Investment Fluctuation Reserve		23 ,10 ,00	176 ,00 ,00
Proposed dividend (Equity)		336 ,52 ,48	, ,
			, ,
Balance carried over to Balance Sheet		590 ,18 ,33	167 ,95 ,65
TOTAL		**1321 ,38 ,58**	**666 ,04 ,85**
Earning per share (Basic & Diluted) (Rupees)		1.73	0.91

SARDAR BALJIT SINGH
DIRECTOR

SHASHANK SHRIVASTAVA
DIRECTOR

RAKESHKUMAR
DIRECTOR

MANOJ K. VERMA
DIRECTOR

LALIT KUMAR CHANDEL
DIRECTOR

ASHEESH PANDEY
EXECUTIVE DIRECTOR

A.B. VIJAYAKUMAR
EXECUTIVE DIRECTOR

A.S. RAJEEV
MANAGING DIRECTOR & CEO

MUDIT AGARWAL
ASST. GENERAL MANAGER, FM&A

KAMAL KUMAR THAKUR
ASST. GENERAL MANAGER, FM&A

V P SRIVASTAVA
GENERAL MANAGER & CFO

- AS PER OUR REPORT OF EVEN DATE ATTACHED -

For M/s. Batliboi & Purohit
FRN-101048W
Chartered Accountants
CA Raman Hangekar
Partner
Membership No: 030615
UDIN - 22030615AJNZOW2893

For M/s Abarna & Ananthan
FRN-000003S
Chartered Accountants
CA Clement Gratian Pinto
Partner
Membership No: 023238
UDIN - 22023238AJNWWS2748

For M/s. Rodi Dabir & Co.
FRN-108846W
Chartered Accountants
CA Aashish Badge
Partner
Membership No: 121073
UDIN - 22121073AJNYHI1726

For M/s. S Bhandari & Co.
FRN-000560C
Chartered Accountants
CA Pramiti Pareek
Partner
Membership No: 417124
UDIN - 22417124AJNXPW4554

Place: Pune
Date: 25.05.2022

SCHEDULE-1 CAPITAL

₹ In Thousands

	As on 31st March 2022 (Current Year)		As on 31st March 2021 (Previous Year)	
Authorised Capital				
10,00,00,00,000 Equity Shares (Previous year 10,00,00,00,000) of Rs. 10/- each		**100,000,000**		**100,000,000**
Issued & Subscribed				
673,04,96,447 Equity Shares (Previous year 656,01,58,901) of Rs.10/- each				
Opening Balance	65,601,589		65,601,589	
Additions during the year	1,703,375	67,304,964	-	65,601,589
Paid Up Capital				
a. Held by Central Government	61,226,279		61,226,279	
612,26,27,927 (Previous year 612,26,27,927) Equity shares of Rs.10/- each				
b. Held by the Public & Others	6,078,685		4,375,310	
60,78,68,520 (Previous year 43,75,30,974) Equity Shares of Rs.10/- each				
Less: Allotment money due	-	67,304,964	-	65,601,589
		67,304,964		65,601,589
TOTAL		**67,304,964**		**65,601,589**

SCHEDULE-2 RESERVES AND SURPLUS

₹ In Thousands

	As on 31st March 2022 (Current Year)		As on 31st March 2021 (Previous Year)	
I. STATUTORY RESERVE				
Opening Balance	15,069,229		13,693,600	
Addition during the year	2,878,840	17,948,069	1,375,629	15,069,229
II. CAPITAL RESERVE				
i) Opening Balance	6,015,707		4,170,416	
ii) Addition during the year	836,937		1,845,291	
iii) Deduction during the year	-	6,852,644	-	6,015,707
III. SHARE PREMIUM				
i) Opening Balance	949,504		-	
ii) Addition during the year	2,333,624	3,283,128	949,504	949,504
IV. REVENUE AND OTHER RESERVES				
a) REVENUE RESERVE				
i) Opening Balance	17,498,470		16,613,006	
ii) Addition during the year	1,286,357		885,464	
iii) Deduction during the year	-	18,784,827	-	17,498,470
b) SPECIAL RESERVE				
i) Opening Balance	512,604		4,980,000	
ii) Deduction during the year	-	512,604	4,467,396	512,604
c) REVALUATION RESERVE				
i) Opening Balance	11,726,232		12,645,217	
ii) Addition during the year	17,056,014		-	
iii) Deduction during the year	13,012,589	15,769,657	918,985	11,726,232
d) INVESTMENT RESERVE ACCOUNT				
i) Opening Balance	4,030,000		2,270,000	
ii) Addition during the year	231,000		1,760,000	
iii) Deduction during the year	-	4,261,000		4,030,000
V. BALANCE IN PROFIT & LOSS ACCOUNT				
Balance of Profit /Loss	5,901,833	5,901,833	1,679,565	1,679,565
TOTAL (I, II, III, IV & V)		**73,313,762**		**57,481,311**

SCHEDULE-2A MINORITY INTEREST

₹ In Thousands

	As on 31st March 2022 (Current Year)		As on 31st March 2021 (Previous Year)	
I. Minority Interest	-	-	-	-

SCHEDULE-3 DEPOSITS

₹ In Thousands

	As on 31st March 2022 (Current Year)		As on 31st March 2021 (Previous Year)	
A. I. DEMAND DEPOSITS				
i) From Banks	107 ,03 ,26		64 ,56 ,44	
ii) From others	28070 ,00 ,08	28177 ,03 ,34	18478 ,23 ,50	18542 ,79 ,94
II. SAVINGS BANK DEPOSITS		88856 ,24 ,34		75401 ,53 ,00
III. TERM DEPOSITS				
i) From Banks	459 ,91 ,52		242 ,38 ,92	
ii) From others	84782 ,06 ,22	85241 ,97 ,74	79802 ,57 ,81	80044 ,96 ,73
TOTAL (i, ii & iii)		**202275 ,25 ,42**		**173989 ,29 ,67**
B. i) Deposits of subsidiaries in India including foreign offices, if any		, ,		, ,
ii) Deposits of subsidiaries outside India including Indian offices, if any		, ,		, ,
iii) Deposits of Parent		202275 ,25 ,42		173989 ,29 ,67
TOTAL (i, ii & iii)		**202275 ,25 ,42**		**173989 ,29 ,67**
C. i) Deposits of parent in India		202275 ,25 ,42		173989 ,29 ,67
ii) Deposits of subsidiaries in India		, ,		, ,
iii) Total Deposits in India (i + ii)		202275 ,25 ,42		173989 ,29 ,67
iv) Deposits of parent outside India		, ,		, ,
v) Deposits of subsidiaries outside India		, ,		, ,
vi) Total Deposits outside India (iv + v)				
TOTAL (C iii + C vi)		**202275 ,25 ,42**		**173989 ,29 ,67**

SCHEDULE-4 BORROWINGS

₹ In Thousands

	As on 31st March 2022 (Current Year)		As on 31st March 2021 (Previous Year)	
I. BORROWINGS IN INDIA				
i) Reserve Bank Of India	500 ,00 ,00		500 ,00 ,00	
ii) Other Banks	, ,		, ,	
iii) Other Institutions and Agencies	3351 ,04 ,19		51 ,59 ,79	
iv) Debentures	, ,		, ,	
v) Other Borrowings				
a) Innovative Perpetual Debt Instruments (IPDI)	290 ,00 ,00		, ,	
b) Hybrid Debt Capital Instruments issued as Bonds	, ,		, ,	
c) Subordinated Debt Bonds	3605 ,70 ,00		2605 ,70 ,00	
d) Infra Bonds	, ,	7746 ,74 ,19	1000 ,00 ,00	4157 ,29 ,79
II. BORROWINGS OUTSIDE INDIA		, ,		81 ,45 ,33
TOTAL (I & II)		**7746 ,74 ,19**		**4238 ,75 ,12**
III. SECURED BORROWINGS INCLUDED IN I & II ABOVE		3694 ,69 ,19		500 ,04 ,79

SCHEDULE-5 OTHER LIABILITIES AND PROVISIONS

₹ In Thousands

	As on 31st March 2022 (Current Year)		As on 31st March 2021 (Previous Year)	
I. Bills Payable		809 ,96 ,29		726 ,94 ,18
II. Inter-office adjustments (net)				
a. Parent Company		749 ,26 ,05		644 ,22 ,49
b. Subsidiary		, ,		, ,
III. Inter group adjustment (net)		, ,		, ,
IV. Interest Accrued		272 ,75 ,75		318 ,25 ,89
V. Others (including provisions):				
a) Provision against standard assets	1635 ,62 ,85		1339 ,57 ,47	
b) Other liabilities (including provisions)	3231 ,98 ,53	4867 ,61 ,38	3269 ,77 ,31	4609 ,34 ,78
TOTAL		**6699 ,59 ,47**		**6298 ,77 ,34**

Batliboi & Purohit, Mumbai, Chartered Accountants
Abarna & Ananthan, Bangalore, Chartered Accountants
Rodi Dabir & Co., Nagpur, Chartered Accountants
S. Bhandari & Co., Jaipur, Chartered Accountants

SCHEDULE - 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA

₹ In Thousands

	As on 31st March 2022 (Current Year)		As on 31st March 2021 (Previous Year)	
I. Cash in hand (including foreign currency notes)		1123 ,44 ,13		1006 ,85 ,77
II. Balances with Reserve Bank of India				
i) In Current Accounts	9898 ,48 ,79		6390 ,62 ,67	
ii) In other Accounts	8700 ,00 ,00	18598 ,48 ,79	5485 ,00 ,00	11875 ,62 ,67
TOTAL (I & II)		**19721 ,92 ,92**		**12882 ,48 ,44**

SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

₹ In Thousands

	As on 31st March 2022 (Current Year)		As on 31st March 2021 (Previous Year)	
I. In India				
i) Balances with Banks in				
(a) Current Accounts	13 ,80 ,22		26 ,19 ,79	
(b) Other Deposit Accounts	15 ,18 ,56	28 ,98 ,78	15 ,18 ,57	41 ,38 ,36
ii) Money at call and short notice				
(a) With Banks	, ,		, ,	
(b) With Other Institutions	139 ,05 ,27	139 ,05 ,27	, ,	, ,
TOTAL (i & ii)		168 ,04 ,05		**41 ,38 ,36**
II. Outside India				
i) Balances with Banks in				
(a) Current Accounts	26 ,04 ,69		, ,	
(b) Other Deposit Accounts	, ,		17 ,91 ,20	
(c) Money at Call & Short Notice	, ,	26 ,04 ,69	, ,	17 ,91 ,20
TOTAL		26 ,04 ,69		17 ,91 ,20
GRAND TOTAL (I & II)		194 ,08 ,74		59 ,29 ,56

SCHEDULE-8 INVESTMENTS

₹ In Thousands

	As on 31st March 2022 (Current Year)		As on 31st March 2021 (Previous Year)	
I. Investments in India in				
a) Government Securities (inclusive of treasury bills & zero coupon bonds)		63410 ,30 ,39		61115 ,15 ,64
b) Other approved securities		, ,		, ,
c) Shares		274 ,40 ,56		292 ,61 ,34
d) Debentures and Bonds		4308 ,80 ,21		4985 ,23 ,01
e) Investment in Associates		244 ,02 ,52		242 ,23 ,28
(Including Goodwill of ₹ 231822, previous year ₹ 231822)				
f) Others				
i) Units of U T I/ Mutual funds	235 ,21 ,94		373 ,36 ,27	
ii) Certificate of Deposits	288 ,80 ,70		1272 ,84 ,84	
iii) Commercial Papers	, ,		, ,	
iv) PTCs	, ,		, ,	
v) Others	, ,	524 ,02 ,64	, ,	1646 ,21 ,11
TOTAL		**68761 ,56 ,32**		**68281 ,44 ,38**
II. Investments outside India				
i) Government Securities (including local authorities)		, ,		, ,
ii) Investment in Associates		, ,		, ,
iii) Other Investments (to be specified)		, ,		, ,
TOTAL		, ,		, ,
GRAND TOTAL (I & II)		68761 ,56 ,32		68281 ,44 ,38
III Investments in India				
i) Gross Value of Investments		69264 ,27 ,61		68816 ,49 ,80
ii) Aggregate of Provisions for Depreciation		502 ,71 ,29		535 ,05 ,42
iii) Net Investment (i-ii)		68761 ,56 ,32		68281 ,44 ,38
Details of Investments:				
I. Investment in Associates		244 ,02 ,52		242 ,23 ,28
II. Other Investments		68517 ,53 ,80		68039 ,21 ,10
TOTAL (I & II)		68761 ,56 ,32		68281 ,44 ,38

SCHEDULE-9 ADVANCES

₹ In Thousands

	As on 31st March 2022 (Current Year)		As on 31st March 2021 (Previous Year)	
A. i) Bills purchased and discounted	679 ,62 ,70		801 ,41 ,17	
ii) Cash Credits, Overdrafts & Loans repayable on demand	42528 ,16 ,13		34428 ,65 ,34	
iii) Term Loans	87962 ,65 ,06		67175 ,10 ,17	
iv) Lease Receivable	, ,	131170 ,43 ,89	, ,	102405 ,16 ,68
TOTAL		**131170 ,43 ,89**		**102405 ,16 ,68**
B. i) Secured by tangible assets (includes advances against Book Debts)	109090 ,23 ,49		87752 ,12 ,98	
ii) Covered by Bank/Government Guarantees	866 ,87 ,40		476 ,47 ,29	
iii) Unsecured	21213 ,33 ,00	131170 ,43 ,89	14176 ,56 ,41	102405 ,16 ,68
TOTAL		**131170 ,43 ,89**		**102405 ,16 ,68**
C. I. Advances in India				
i) Priority Sector	54204 ,22 ,28		45549 ,81 ,00	
ii) Public Sector	23366 ,24 ,69		15264 ,01 ,06	
iii) Banks	,8 ,93		,47 ,50	
iv) Others	53599 ,87 ,99	**131170 ,43 ,89**	41590 ,87 ,12	**102405 ,16 ,68**
II. Advances outside India				
i) Due from banks	, ,		, ,	
ii) Due from others	, ,		, ,	
a) Bills purchased and discounted	, ,		, ,	
b) Syndicated Loans	, ,		, ,	
b) Others	, ,	, ,	, ,	, ,
TOTAL (C.I & C.II)		**131170 ,43 ,89**		**102405 ,16 ,68**

SCHEDULE-10 FIXED ASSETS

₹ In Thousands

	As on 31st March 2022 (Current Year)		As on 31st March 2021 (Previous Year)	
I. Premises *		, ,		
1. At cost as on 31st March of the preceding year	1704 ,12 ,63		1661 ,51 ,26	
(includes increase in the value on account of revaluation of certain premises in earlier years)				
2. Addition during the Period	16 ,73 ,42		42 ,61 ,37	
3. Addition on account of revaluation during the year	207 ,81 ,37		, ,	
	1928 ,67 ,42		1704 ,12 ,63	
4. Deductions during the year	, ,		, ,	
	1928 ,67 ,42		1704 ,12 ,63	
5. Depreciation to date	208 ,72 ,59	1719 ,94 ,83	402 ,10 ,25	1302 ,02 ,38
II. Capital Work in progress		205 ,22 ,63		52 ,01 ,01
III. Other Fixed Assets (including furniture and fixtures)				
1. At cost as on 31st March of the preceding year	1528 ,45 ,27		1384 ,86 ,26	
2. Addition during the Period	139 ,48 ,12		166 ,27 ,84	
	1667 ,93 ,39		1551 ,14 ,10	
3. Deduction during the Period	31 ,15 ,10		22 ,69 ,17	
	1636 ,78 ,29		1528 ,44 ,93	
4. Depreciation to date	1320 ,29 ,74	316 ,48 ,55	1208 ,47 ,93	319 ,97 ,00
TOTAL (I & II)		**2241 ,66 ,01**		**1674 ,00 ,39**

SCHEDULE-11 OTHER ASSETS

₹ In Thousands

	As on 31st March 2022 (Current Year)		As on 31st March 2021 (Previous Year)	
I. Inter-office adjustments (net)				
a. Parent Company		, ,		, ,
b. Subsidiary Companies				
II. Interest accrued		1326 ,31 ,50		1409 ,20 ,71
III. Tax paid in advance/tax deducted at source		2020 ,17 ,43		1740 ,08 ,19
IV. Stationery and Stamps		3 ,22 ,66		2 ,45 ,36
V. Non-banking assets acquired in satisfaction of claims		, ,		, ,
VI. Others *(incl RIDF)		5344 ,06 ,87		8380 ,97 ,42
TOTAL (I, II, III, IV, V & VI)		**8693 ,78 ,46**		**11532 ,71 ,68**

*Includes Differed Tax if any

SCHEDULE-12 CONTINGENT LIABILITIES

₹ In Thousands

	As on 31st March 2022 (Current Year)		As on 31st March 2021 (Previous Year)	
I. Claims against the Bank not acknowledged as debts		1375 ,40 ,50		1396 ,64 ,66
II. Liability for partly paid investments		, ,		, ,
III. Liability on account of outstanding forward exchange contracts*		19718 ,99 ,45		19947 ,68 ,29
IV. Guarantees given on behalf of constituents				
(a) In India	7475 ,87 ,39		7959 ,46 ,35	
(b) Outside India	146 ,43 ,93	7622 ,31 ,32	76 ,72 ,98	8036 ,19 ,33
V. Acceptances,endorsements and obligations		1287 ,12 ,25		1252 ,30 ,69
VI. Other items for which Bank is contingently liable		609 ,72 ,52		494 ,89 ,47
TOTAL (I, II, III, IV, V & VI)		**30613 ,56 ,04**		**31127 ,72 ,44**

* Contingent liabilities in respect of forward exchange contracts include both sale and purchase contracts

SCHEDULE-13 INTEREST EARNED

₹ In Thousands

	Period ended 31st March 2022 (Current Year)		Period ended 31st March 2021 (Previous Year)	
I. Interest/Discount on Advances/Bills		8231 ,55 ,72		7153 ,92 ,92
II. Interest on Investments	4520 ,16 ,46		4296 ,73 ,46	
Less - Amortisation of Investments	135 ,39 ,67	4384 ,76 ,79	143 ,24 ,07	4153 ,49 ,39
III. Interest on balances with Reserve Bank of India & other inter bank funds		90 ,69 ,88		315 ,07 ,38
IV. Others (incl RIDF)		312 ,28 ,48		246 ,13 ,32
TOTAL (I, II, III & IV)		**13019 ,30 ,87**		**11868 ,63 ,01**

SCHEDULE-14 OTHER INCOME

₹ In Thousands

	Period ended 31st March 2022 (Current Year)		Period ended 31st March 2021 (Previous Year)	
I. Commission, exchange, and brokerage		1233 ,34 ,21		1001 ,50 ,45
II. Profit on sale of investments	537 ,87 ,67		602 ,09 ,48	
Less : Loss on sale of Investments	13 ,00 ,54	524 ,87 ,13	35 ,93 ,60	566 ,15 ,88
III. Profit on revaluation of Investments	, ,		, ,	
Less: Loss on revaluation of Investments	97 ,81 ,63	-97 ,81 ,63	-2 ,40 ,14	2 ,40 ,14
IV. Profit on sale of land, buildings and other assets	3 ,09 ,90		2 ,15 ,15	
Less : Loss on sale of land, buildings and other assets	2 ,05 ,59	1 ,04 ,31	1 ,70 ,27	,44 ,88
V. Profit on Exchange Transactions	129 ,05 ,30		153 ,34 ,10	
Less: Loss on Exchange Transactions	, ,	129 ,05 ,30	, ,	153 ,34 ,10
VI. Income earned by way of dividends etc. from subsidiaries/ companies and/or Joint Ventures abroad/in India		2 ,05 ,51		1 ,35 ,27
VII. Miscellaneous Income		860 ,31 ,07		903 ,72 ,06
TOTAL (I, II, III, IV, V, VI & VII)		**2652 ,85 ,90**		**2628 ,92 ,78**

SCHEDULE-15 INTEREST EXPENDED

₹ In Thousands

	Period ended 31st March 2022 (Current Year)		Period ended 31st March 2021 (Previous Year)	
I. Interest on deposits		6457 ,30 ,35		6525 ,06 ,37
II. Interest on Reserve Bank of India / inter-bank borrowings		30 ,91 ,39		49 ,65 ,06
III. Others		485 ,74 ,31		395 ,46 ,93
TOTAL (I, II & III)		**6973 ,96 ,05**		**6970 ,18 ,36**

SCHEDULE-16 OPERATING EXPENSES

₹ In Thousands

	Period ended 31st March 2022 (Current Year)		Period ended 31st March 2021 (Previous Year)	
I. Payments to and provisions for employees		2071 ,36 ,31		2255 ,77 ,54
II. Rent, taxes and lighting		228 ,08 ,53		218 ,23 ,32
III. Printing and stationery		22 ,29 ,74		17 ,69 ,06
IV. Advertisement and publicity		29 ,84 ,14		39 ,29 ,07
V. Depreciation on Bank's property (Net of depreciation transferred to Revaluation Reserve)		268 ,34 ,13		188 ,11 ,12
VI. Directors' fees, allowances and expenses		,52 ,02		,33 ,46
VII. Auditors' fees and expenses (incl. branch auditors' fees and expenses)		17 ,20 ,35		19 ,59 ,87
VIII. Law Charges		39 ,39 ,52		18 ,35 ,88
IX. Postage, Telegrams, Telephones, etc		42 ,98 ,27		56 ,70 ,52
X. Repairs and maintenance		192 ,82 ,91		168 ,26 ,01
XI. Insurance		224 ,34 ,53		198 ,67 ,14
XII. Other expenditure		712 ,82 ,94		384 ,87 ,69
TOTAL (I, II, III, IV, V, VI, VII, VIII, IX, X, XI & XII)		**3850 ,03 ,39**		**3565 ,90 ,68**

1778 ,67 ,08 1310 ,13 ,14

BATLIBOI & PUROHIT MUMBAI Chartered Accountants

ABARNA & ANANTHAN BANGALORE Chartered Accountants

RODI DABIR & CO. NAGPUR Chartered Accountants

S. BHANDARI & CO. JAIPUR Chartered Accountants

बैंक ऑफ महाराष्ट्र वि.प्र.और ले. F.M.& A. H.O. PUNE-5 BANK OF MAHARASHTRA

BANK OF MAHARASHTRA
(F.Y. 2021-22)

SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES

(ANNEXED TO AND FORMING PART OF THE REVISED CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2022.)

1. Basis of Preparation of Financial Statements:

1.1 The financial statements are prepared under the historical cost conventions except as otherwise stated and conform to the Generally Accepted Accounting Principles (GAAP) which include statutory provisions, practices prevailing within the Banking Industry in India, the regulatory/ Reserve Bank of India ("RBI") guidelines, applicable Accounting Standards/ Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI).

1.2 **Use of Estimates**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of Assets and Liabilities (including contingent liabilities) as of the date of financial statements and reported income and expenses for the period under report. Management is of the view that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates. Any revisions to the accounting estimates shall be recognized prospectively unless otherwise stated.

1.3 The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 – "Consolidated Financial Statements" and Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India.

1.4 Revenue and costs are accounted for on accrual basis except as stated in para 7.1 below.

1.5 The accounting policies with regard to Revenue Recognition, Investments and Advances in relation to Banking Business are in conformity with the prudential norms issued by the Reserve Bank of India from time to time.

1.6 The financial statements of the subsidiary and associate considered in preparation of Consolidated Financial Statement are drawn up to 31st March 2022.

2. Principles of Consolidation:

A. **Parent Entity**: The Financial Statements are consolidated for Bank of Maharashtra, the parent entity and its subsidiary along with associated enterprise as follows.

B. **Related Entity**:
The following subsidiary has been consolidated as per Accounting Standard 21 – "Consolidated Financial Statement".

Name of the company	Country / Residence	Relationship	Ownership Interest
The Maharashtra Executor & Trustee Co. Pvt. Ltd. (hereafter referred to as "METCO")	India	Wholly Owned Subsidiary	100%

The following associate enterprise has been accounted for under the Equity Method as per Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated Financial Statements"

Name of the company	Country / Residence	Relationship	Ownership Interest
Maharashtra Gramin Bank (sponsored by Bank of Maharashtra)	India	Associate Enterprise	35%

C. Basis of Preparation of Consolidated Financial Statements & its impact

The Consolidated Financial Statements of the Group have been prepared on the basis of : -

i. Audited financial statement of Bank of Maharashtra.

ii. Line by line aggregation of each item of asset/ liability/ income/ expense of the subsidiary with the respective item of the Parent, and after eliminating all material intra-group balances/transactions in accordance with Accounting Standard 21 – "Consolidated Financial Statements" issued by ICAI.

iii. Accounting for investment in 'Associates' under the 'Equity Method' as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI. The excess of carrying cost of bank's investment in associate is recognized in the financial statements as goodwill.

iv. The difference between cost to the group of its investment in the subsidiary entities and the group's portion of the equity of the subsidiaries is recognized in the financial statements as goodwill / capital reserve.

The subsidiary has used accounting policies other than those adopted by the Bank in certain cases for like transactions & events in similar circumstances. No adjustments have been made to the financial statements of the subsidiary, when they are used in preparing the consolidated financial statements. However, the proportion of the items in the consolidated financial statements to which the different accounting policies are applied by the subsidiary is insignificant.

The financial statements of the subsidiary have been regrouped with that of the parent bank, wherever necessary.

3. Foreign Exchange Transactions:

3.1 The foreign currency transactions are translated at the weekly average closing rates for the preceding week as published by Foreign Exchange Dealers' Association of India (FEDAI). Revaluation of foreign currency assets and liabilities as on Balance Sheet date is done at the closing exchange rate published by FEDAI and the resultant profit/loss is accounted for in the Profit & Loss Account.

3.2 Outstanding Forward Foreign Exchange Contracts are stated at contracted rates and revalued/ marked to market as on quarterly basis and on Balance Sheet date at the exchange rates published by FBIL for specified maturities by discounting the same at the applicable MIFOR rate published by Financial Benchmarks India Pvt. Ltd. [FBIL] i.e. on PV01 basis. The resulting profit/loss, on revaluation, is recognized in the Profit & Loss Account in accordance with RBI / FEDAI guidelines and the effect is taken to "Other Assets" in case of gain or to "Other Liabilities" in case of loss.

3.3 Contingent Liabilities on account of Guarantees and Letters of Credit issued in foreign currency are stated in the Balance Sheet at the closing exchange rates published by FEDAI.

3.4 Credit exposure of the un-hedged foreign currency exposure, if any, of the constituents shall attract provisioning and capital requirements as per RBI guidelines.

4. Investments:

As per Reserve Bank of India guidelines, the investments are classified and valued as under:

4.1 Investments are classified in the following categories:

- a. Held to Maturity (HTM)
- b. Available for sale (AFS)
- c. Held for trading (HFT)

4.2 All the investments are further classified in the following six baskets in conformity with the requirement of Form-A of Third Schedule to the Banking Regulation Act, 1949:

- a. Government Securities
- b. Other approved Securities
- c. Shares
- d. Debentures and Bonds
- e. Subsidiaries and Joint Ventures
- f. Others (Commercial Papers, Mutual Fund Units etc.)

4.3 Bank decides the category of each investment at the time of acquisition and classifies the same accordingly. Shifting of securities from one category to another, other than shifting / transfer from HFT to AFS category, is done once in a year with the approval of Board of Directors, at the least of acquisition cost / book value / market value on the date of shifting. The depreciation, if any, on such shifting is provided for and the book value of the security is adjusted accordingly. The transfer of securities from one category to another is made as per permission from or guidelines of RBI. Transfer / shifting of investments from HFT to AFS category will be executed under exceptional circumstances, like not being able to sell the securities within 90 days due to tight liquidity conditions, or extreme volatility, or market becoming unidirectional.

4.4 **REPO / Reverse REPO**

The Bank has adopted the Uniform Accounting Procedure prescribed by the RBI for accounting of market Repo and Reverse Repo transactions. Repo and Reverse Repo transactions are treated as Collateralized Borrowing / Lending Operations with an agreement to repurchase on the agreed terms. Securities sold under Repo are continued to be shown under investment and Securities purchased under Reverse Repo are not included in investment. Outstanding Repo / Term Repo is disclosed as borrowing and outstanding Reverse Repo is disclosed as lending. Costs and revenues are accounted for as interest expenditure / income, as the case may be.

4.5 Cost of investments is determined on the basis of Weighted Average Price method.

Interest paid for broken period / interest received for broken period at the time of purchase / sale of fixed income securities is treated as revenue expenditure / income.

Brokerage / incentive received / paid at the time of purchase/sale of investment is deducted / added from the amount of investment.

4.6 Valuation of investments:

a. Held to Maturity:

i. Securities under the category 'Held to Maturity' are valued at weighted average acquisition cost. Wherever the cost of security is higher than the face value, the premium is amortized over the remaining period of maturity on straight line basis. In case of investments, where the cost price is less than the face value, the difference is ignored.

ii. In case of investments in subsidiaries and joint ventures permanent diminution in value is recognized and provided for; investment in RRB is valued at carrying cost.

iii. On sale of investments in this category (a) the net profit is initially taken to profit and loss account and thereafter such profit net of applicable taxes and proportionate transfer to statutory reserve is appropriated to the 'Capital Reserve account'; and (b) the net loss is charged to the Profit & Loss Account.

b. Available for Sale:

The individual securities under this category are marked to market on a quarterly basis and on each balance sheet date. Central/ State Government securities are valued at market rates declared by FBIL. Other approved securities, debentures and bonds are valued as per the yield curve, average credit spread rating and methodology suggested by FIMMDA. Quoted shares are valued at market rates. Unquoted shares are valued at break-up value ascertained from the latest available Balance Sheet i.e. Balance Sheet of immediate preceding year and in case the latest Balance Sheet is not available, the same is valued at Re.1/- per company / scrip.

Investments in discounted instruments, viz. Treasury Bills, Certificate of Deposits, Commercial Papers, Zero Coupon Bonds are valued at carrying cost. Mutual Fund Instruments are valued at market rate or repurchase price or net asset value in that order depending on their availability. Investments in Security Receipts (SRs) /Pass Through Certificates (PTCs) issued by Asset Reconstruction Companies (ARCs) in respect of financial assets sold to ARCs are carried at lower of redemption value and net book value (i.e. book value less provision held) of the financial assets.

Based on the above valuation under each of six-sub classifications under `Available for Sale':

i. If it results in appreciation, the same is ignored.

ii. If it results in net depreciation, the same is charged to Profit & Loss account and credited to Provision for Depreciation on Investments (AFS) in the liability side.

Provided that, depreciation, if any, on equity shares allotted consequent to implementation of Strategic Debt Restructuring (SDR) shall be provided for over a maximum of 4 calendar quarters on straight line basis from the date of conversion of debt into equity.

iii. The book value of securities is not changed in respect of marked to market (MTM) except as required by the RBI guidelines.

iv. The book value of securities is not changed in respect of marked to market (MTM) except as required by the RBI guidelines.

v. Profit or Loss on sale of investment in this category is accounted for in the Profit and loss account.

c. Held for Trading:

i. The individual securities under this category are held at original cost and are marked to market every month and each balance sheet date. Central/ State Government securities are valued at market rates declared by FIBL. Other approved securities, debentures and bonds are valued as per the yield curve; average credit spread rating and methodology suggested by FIMMDA. Quoted Shares are valued at market rates.

ii. Investments in discounted instruments, viz. Treasury Bills, Certificate of Deposits, Commercial Papers, Zero Coupon Bonds are valued at carrying cost. Mutual Fund Instruments are valued at market rate or repurchase price or net asset value in that order depending on their availability. Investments in SRs / PTCs issued by ARCs in respect of financial assets sold to ARCs are carried at lower of redemption value and net book value (i.e. book value less provision held), of the financial assets.

iii. Net basket-wise depreciation if any, is charged to Profit & Loss Account and credited to Provision on Depreciation on Investment (HFT) under liability. Net appreciation, if any is ignored. The book value of the securities is not changed after revaluation except as required by the RBI guidelines.

iv. Profit or loss on sale of investment in this category is accounted for in the Profit & Loss Account.

d. Classification of and provisions on investments, including on restructured investments, are made in accordance with the prudential norms prescribed by and guidelines of RBI from time to time.

e. Costs such as brokerage, fees, commission, taxes etc. incurred at the time of acquisition of securities are capitalized

4.7 Derivatives:

Interest Rate Swaps:

i. Valuation:

a. **Hedging Swaps**: Interest Rate Swaps for hedging assets and liabilities are not marked to market.

b. **Trading Swaps**: Interest Rate Swaps for trading purpose are marked to market.

ii. Accounting of income on derivative deals:

a. **Hedging Swaps:** Income is accounted for on realization basis. Expenditure, if any, is accounted for on accrual basis, if ascertainable.

b. **Trading Swaps:** Income or expenditure is accounted for on realization basis on settlement date.

iii. Accounting of gain or loss on termination of swaps:

a. **Hedging Swaps:** Any gain or loss on the terminated swap is recognized over the shorter of (a) the remaining contractual life of the swap or (b) the remaining life of the asset/ liability.

b. **Trading Swaps:** Any gain or loss on terminated swap is recognized as income or expenditure in the year of termination.

4.8 Investment Fluctuation Reserve:

As per RBI circular number RBI/DOR/2021-22/81 DOR.MRG.42/21.04.141/2021-22 DATED AUG 25,2021 as updated till March 31,2022 Investment Fluctuation Reserve (IFR) is created to build up of adequate reserves to protect the bank against increase in yields.

Transfer to IFR is lower of the following –
a. Net profit on sale of Investments during the year or
b. Net profit for the year less mandatory appropriations, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis

5. Advances:

5.1 Advances shown are net of write offs, provisions made for non-performing assets, claims settled with the credit guarantee institutions, provision for diminution in fair value for restructured advances and bills rediscounted.

5.2 Classification of advances and provisions thereon are made in accordance with the prudential norms prescribed by and guidelines of RBI from time to time, except in respect of following category of advances, provision on NPAs are made higher than the rate prescribed by RBI -

Sub-Standard - 20%
Doubtful Assets One to three years - 50% on secured portion

5.3 Provision for performing assets, other than provision on standard restructured advances, is shown under the head "Other liabilities and provisions".

5.4 In respect of Rescheduled/ Restructured accounts, provision for diminution in fair value of restructured advances is made on present value basis as per RBI guidelines.

In respect of advances under SDR, provision is made in accordance with RBI guidelines, within a maximum period of four quarters.

5.5 In case of financial assets sold to Asset Reconstruction Company (ARC)/ Securitization Company (SC), if the sale is at a price higher than the NBV, the surplus is retained and utilised to meet the shortfall/loss on account of sale of other financial assets to SC/ARC. If the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is to be debited to the Profit and Loss account. However, if surplus is available, such shortfall will be absorbed in the surplus. Any shortfall arising due to sale of NPA will be amortised over a period of two years if not absorbed in the surplus.

Excess provision arising out of sale of NPAs are reversed only when the cash received (by way of initial consideration only/or redemption of SRS/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision will be limited to the extent to which cash received exceeds the NBV of the asset.

6. Fixed Assets and Depreciation:

6.1 Premises and Other Fixed Assets are carried at cost less accumulated depreciation/ amortization, except for certain premises, which were revalued and stated at revalued amount.

Cost includes cost of purchase, taxes as per GST law and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability

6.2 Depreciation on fixed assets is provided for at the rates specified below, except revalued assets where, depreciation is provided over the remaining useful life of the assets on revalued amount, so as to write down value of assets to Rupee One over the residual life of the assets.

S.N.	Category of Asset	Useful Life of Assets	Rate of Depreciation (%)	Method of depreciation
1	Building & Premises	60	1.667	SLM
2	General Items including Safe	10	10	SLM
3	Electrical – Television, Mobile Phones, Home Theater, Printer, Camera	3	33.33	SLM
4	Electrical Equipment's- Others	10	10	SLM
5	Office Machinery	5	20	SLM
6	Motor Vehicles	8	12.50	SLM
7	Safe Deposit Vaults	10	10	SLM
8	Computers & Laptops	3	33.33	SLM
9	ATM	7	14.29	SLM
10	UPS	5	20	SLM
11	BNA	7	14.29	SLM
12	Cash Re-cycler	7	14.29	SLM

*SLM means Straight Line Method

6.3 In respect of assets acquired during the year, depreciation is provided on proportionate basis for the number of days the assets have been put to use during the year. Similarly, in respect of assets sold / discarded during the year, depreciation is provided on proportionate basis till the number of days the assets had been put to use during the year.

6.4 Eligible fixed assets are revalued once in every three years. Revalued portion of fixed assets (over and above the cost of fixed assets) is depreciated on diminishing balance method over the residual life of the assets as certified by approved valuers at the time of valuation.

Revaluation reserve pertaining to lease hold lands, is amortised on straight line method over the residual life of the lease period.

Depreciation on revalued portion of fixed assets, over and above the cost is debited to Profit & Loss account. Amount of Revaluation Reserve to the extent of depreciation related to revalued portion of fixed assets over and above the cost debited to profit & loss account is transferred to Revenue Reserve from Revaluation Reserve.

6.5 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease on SLM basis in accordance with AS 19.

In case of the subsidiary:

6.7 In the case of METCO, fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost includes all expenditure necessary to bring the asset to its working conditions for its intended use. Assets sold are reduced from the fixed assets and after taking effect of depreciation, profit / loss has been calculated. Depreciation is provided on the written down value basis applying new standards as per Companies Act 2013, on the basis of useful life of assets.

7. Revenue Recognition

7.1 All revenues and costs are accounted for on accrual basis except the following items, which are accounted for on cash basis:-

a. Interest on Advances and Investments identified as Non-Performing Assets according to the prudential norms issued by Reserve Bank of India, from time to time.

b. Income from commission viz on Guarantees, Letter of Credit, Government business, Mutual Fund business, credit & debit cards issued, Annual Maintenance Charges for cards and Locker Rent.

c. Interest for overdue period on bills purchased and bills discounted.

d. Insurance claims.

e. Remuneration on Debenture Trustee Business.

f. Processing Fees.

g. Income from Merchant Banking Operations and Underwriting Commission.

h. Transaction processing fees received on utility bill pay services through internet banking.

7.2 Pursuant to RBI guidelines, the interest payable on overdue term deposit is provided on accrual basis at rate of interest as applicable to saving account or contracted rate of interest on the matured TD, whichever is lower from 02.07.2021

8. Employees' Benefits:

Defined Contribution Plan: The contribution paid/ payable under defined contribution benefit schemes are charged to Profit & Loss Account.

Defined Benefit Plans: All eligible employees are entitled to receive benefits under the Bank's Gratuity and Pension schemes which are valued based on the principles laid down in AS -15, Employees Benefit (Revised) issued by Institute of Chartered Accountants of India. Bank's liabilities towards defined benefit schemes are determined by way of provisions and adjusted on the basis of an actuarial valuation report provided by the Actuaries appointed by the bank and made at the end of each quarter/financial year. Actuarial gains and losses are recognized in the Profit & Loss Account.

Other Employee Benefits such as Leave Fare Concession, Privilege Leave, Silver jubilee Award, resettlement allowance, and retirement benefit are provided based on Actuarial valuation.

9. Segment Reporting:

The Bank recognizes Business Segment as its Primary Segment in compliance with the RBI Guidelines and in compliance with the Accounting Standard 17 issued by ICAI.

10. Impairment of Assets

Impairment losses if any, on fixed assets including revalued fixed assets are recognized in accordance with Accounting Standard 28- Impairment of Assets issued by the ICAI and charged to Profit & Loss Account. Assets are reviewed for Impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable.

11. Provisions, Contingent Liabilities and Contingent Assets:

As per the Accounting Standard 29-"Provisions, Contingent Liabilities and Contingent Assets" issued by ICAI, the Bank recognizes provisions only when it has a present obligation as a result of a past event not 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 the income that may not be realized.

12. Net Profit, Provisions and Contingencies:

The Net Profit disclosed is after making the Provisions and Contingencies which include adjustment to the value of investments, write off of bad debts, provision for taxation (including deferred tax), and provision for advances including cases identified as fraud and contingencies /others.

13. Income tax:

The provision for tax for the year comprises liability towards current Income Tax, and Deferred Tax. The deferred tax asset/ liability is recognized, subject to the consideration of prudence, taking into account the timing differences between the taxable income and accounting income, in terms of the Accounting Standard 22 issued by ICAI. The effect of change in tax rates on deferred tax assets and liabilities is recognized in the Profit & Loss Account in the period of applicability of the change.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized and re-assessed at each reporting period based on management judgement as to whether their realization is considered as reasonable certain.

In cases of unabsorbed depreciation or carried forward loss under taxation laws, all deferred tax assets are recognized only if there is virtual certainty of realization of such assets supported by convincing evidence.

Interest income on refund of Income Tax is accounted for in the year; the order is passed by the concerned authority.

The demand raised by the Tax authorities including the interest thereon is provided for when such demand is accepted by the bank and the same is not contested before appellate authority **OR** when such demand is upheld by jurisdictional tribunal and there is no favorable judgement of other tribunal on identical issue and bank does not prefer to go before High Court **OR** when such demand is upheld by High Court.

14. Earnings Per Share

The bank reports basic and diluted earnings per equity share in accordance with the Accounting Standard (AS-20) "Earnings Per Share" issued by ICAI. Basic Earnings per share is arrived by dividing net profit after tax by the weighted average number of equity shares outstanding for the period. The diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

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BANK OF MAHARASHTRA
(F.Y. 2021-2022)

SCHEDULE 18: NOTES ON ACCOUNTS
(*Note: Figures in bracket relate to previous year*)

(ANNEXED TO AND FORMING PART OF THE REVISED CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2022.)

1. **Investments:**
   The Bank has classified the investment portfolio into three categories i.e. "Held to Maturity", "Available for Sale" and "Held for Trading" and valued the investments in terms of the Reserve Bank of India guidelines.

   The Bank has made an appropriation of Rs. 23.10 crores (Rs. 176 crores) to Investment Fluctuation Reserve (IFR) out of profit of current year

2. The Bank has complied with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable as under:

   2.1 Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies.

   As prior period items of income/expenditure are not material, the same have been charged/accounted for in respective heads of accounts.

   2.2 Accounting Standard 9 – Revenue Recognition

   As per Accounting Policy No. 7.2, given in Schedule -17 – Significant Accounting Policies, the interest payable on overdue term deposit is provided on accrual basis at rate of interest as applicable to saving account or contracted rate of interest on the matured TD, whichever is lower from 02.07.2021.

3. **Fixed Assets**

   i. In accordance with the As-10 "Property, Plant and Equipment" depreciation of Rs. 128.64 Crore (Rs. 88.55) crore for the year on revalued portion of fixed assets has been charged to Profit and Loss Account. Equivalent amount of Rs.128.64 crore (Rs.88.55 crore) has been transferred from Revaluation Reserve to Revenue Reserve.

   ii. Certain premises of banks are stated at revalued amount. The gross amount of such revaluation included in premises at the end of the year is Rs.1705.60 crore and net of depreciation the revaluation amounts to Rs. 1576.97 crore

   iii. There are cases pending for leased premises where no contingent liability is recognized as the Bank is defending all these cases filed against it by landlords of Branch premises due to expiration of lease deeds. Out of these, Bank accounts for its liability to around Rs.0.22 crore.

   iv. Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Capital work in progress amounting to Rs.3.49 crore includes construction of building.

   v. With effect from April 01, 2021, Bank has changed the method of charging depreciation from Written Down Value method to Straight Line Method on all the fixed assets. In the opinion of Management, this change in the estimate has no material financial impact.

4. **Accounting Standard (AS) 15 (Revised 2005)- "Employee Benefits" (Parent Bank)**

A. Defined Contribution Plans: **(Amount in ₹ crore)**

Particulars	**31.03.2022**	**31.03.2021**
a. Provident Fund	45.43	70.61
b. Contribution to Staff Welfare –Welfare Fund Contingency	15.00	15.00

B. Defined Benefit Plans:

a) **Pension Plan-** This is a post-employment benefit, which is 50% of final pay for a maximum of 33 years of pensionable service. This is a funded scheme.

b) **Gratuity Plan-** This is a post-employment benefit and is payable as higher of Gratuity as per Company's Rules and Gratuity under Payment of Gratuity Act 1972 as amended. This is a funded scheme.

c) **Leave Encashment/ Compensated Absences-**This is a post-employment benefit and is payable for a maximum limit of 240 days of accumulated leave based on final pay. This is an unfunded scheme.

I. **Change in the Present value of Defined Benefit Obligations:**

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
1	Opening Present Value of Defined Benefit Obligation	6449.25	6114.28	578.29	537.17	298.29	272.40
2	Interest Cost	428.27	391.17	37.43	32.54	19.74	17.52
3	Current Service Cost	325.73	367.27	33.28	45.62	71.58	80.47
4	Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00
5	Benefits Paid	(627.17)	(569.19)	(123.72)	(138.92)	(51.98)	(41.47)
6	Actuarial (Gains)/Losses for the year	349.29	145.72	7.91	101.88	(8.17)	(30.63)
7	Closing Present Value of Defined Benefit Obligation	**6925.37**	**6449.25**	**533.19**	**578.29**	**329.46**	**298.29**

II. Change in the Fair Value of Plan Assets:

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
1	Opening fair value of plan assets	6201.15	6029.68	504.82	560.74
2	Expected return on plan assets	432.84	449.81	36.58	44.90
3	Contributions made	841.22	300.59	112.06	42.00
4	Benefits paid	(627.17)	(569.19)	(123.72)	(138.92)
5	Actuarial gains/losses	27.08	(9.74)	27.88	(3.90)
6	Closing fair value of plan assets	**6875.12**	**6201.15**	**557.62**	**504.82**

III. Amount recognized in the Balance Sheet:

(Amount in ₹ crore)

S N	Particulars	FUNDED DEFINED BENEFIT OBLIGATIONS						UNFUNDED DEFINED BENEFIT OBLIGATIONS	
		PENSION PLANS		GRATUITY PLANS		TOTAL		LEAVE ENCASHMENT	
		31.03.22	31.03.21	31.03.22	31.03.21	31.03.22	31.03.21	31.03.22	31.03.21
1	**Present Value of Defined Benefit Obligations**	6925.37	6449.25	533.19	578.29	7458.56	7027.54	329.46	298.29
2	**Fair Value of Plan Assets**	(6875.12)	(6201.15)	(557.62)	(504.82)	(7432.74)	(6705.97)	0.00	0.00
3	**Net liability to be recognized**	50.25	248.09	(24.42)	73.47	25.83	321.56	329.46	298.29
4	**Other amount recognized in the Balance Sheet**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	**Net liability recognized in the Balance Sheet**	**50.25**	**248.09**	**(24.42)**	**73.47**	**25.83**	**321.56**	**329.46**	**298.29**

IV. Amount recognized in Profit and Loss Account:

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
1	Current Service Cost	325.73	367.27	33.28	45.62	71.58	80.47
2	Interest Cost	428.27	391.17	37.43	32.54	19.74	17.52
3	Expected Return on Plan Assets	(432.84)	(449.81)	(36.58)	(44.90)	0.00	0.00
4	Actuarial (Gains)/Losses for the year	322.21	155.46	(19.97)	105.78	(8.17)	-30.63
5	Past Service Cost	0.00	0.00	0.00	0.00	0	0
6	**Expense to be recognized**	**643.37**	**464.09**	**14.16**	**139.04**	**83.16**	**67.36**
7	Additional provision made / (write back) during the year	0.00	0.00	0.00	0.00	0	0
8	**Net expense recognized in Profit & Loss Account and included in Staff Cost**	**643.37**	**464.09**	**14.16**	**139.04**	**83.16**	**67.36**

V. Reconciliation in the Net Liability recognized in the Balance Sheet

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
1	Opening Net Liability	248.09	84.59	73.48	(23.56)	298.29	272.40
2	Expense recognized	643.37	464.09	14.16	139.04	83.16	67.36
3	Contributions/ Benefits paid	(841.22)	(300.59)	(112.06)	(42.00)	(51.98)	(41.47)
4	**Closing Net Liability**	**50.25**	**248.09**	**(24.42)**	**73.48**	**329.46**	**298.29**

VI. Actual Return on Plan Assets

(Amount in ₹ crore)

S N	Particulars	PENSION PLANS		GRATUITY PLANS	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
1	Expected return on plan assets	432.84	449.81	36.58	44.90
2	Actuarial gain (loss) on plan assets	27.08	(9.74)	27.88	(3.90)
3	**Actual return on plan assets**	459.92	440.07	64.46	41.00

VII. Principal Actuarial Assumptions (expressed as weighted averages)

S N	Particulars	PENSION PLANS		GRATUITY PLANS		LEAVE ENCASHMENT	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
1	Discount rate	6.98%	6.71%	7.25%	6.96%	7.25%	6.96%
2	Expected return on plan assets	6.98%	7.46%	7.25%	8.01%	NA	NA
3	Expected rate of salary increases	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%

C. Other Long Term Benefits:

(Amount in ₹ crore)

S N	Particulars	Recognized in Profit & Loss Account	
		31.03.2022	31.03.2021
1	Resettlement Allowance	0.00	0.00
2	Leave Fare Concession	12.35	9.71
3	Silver Jubilee Award	0.04	0.03
	Total	**12.39**	**9.74**

The additional liability on account of enhancement in family pension in line with Government guidelines, works out to Rs. 217.70 Crore as per Actuarial valuation. The Bank has fully recognized the said liability and charged to the Profit & Loss Account during the FY 2021-22.

5) Accounting Standard 17- Segment Reporting: Bank has identified its primary reportable segments as under:

Part A: Business segments **(Amount in ₹ crore)**

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
Particulars	**2021-22**	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Revenue	5094.00	5223.27	4537.40	3744.42	5438.13	5170.16	604.43	379.77	15673.96	14517.61
Result	1398.46	1657.84	399.40	(105.20)	(200.59)	(629.29)	360.43	52.22	1957.70	975.57
Unallocated expenses									0	0
Operating profit									4850.00	3981.53
Taxes including deferred taxes									804.26	404.11
Extraordinary profit/ loss	Nil	-	-	Nil	Nil	Nil	Nil	Nil	-	-
Net profit									1153.44	571.46
Other Information:										
Segment assets	78679.17	74885.33	87029.25	68381.15	47398.10	36651.23	13552.92	12269.19	226659.44	192186.90
Unallocated assets									4124.02	4648.21
Total assets									230783.46	196835.11
Segment liabilities	77470.27	73629.73	81883.93	64502.50	44519.17	34473.25	12098.97	11277.11	215972.33	183882.60
Unallocated liabilities									749.26	644.22
Capital & Other Reserves									14061.87	12308.29
Total liabilities									230783.46	196835.11

a) Treasury segment includes Investment, balances with Banks outside India, Interest accrued on investments and related income there from.

b) Corporate/Wholesale Banking Segments include all advances to trusts, partnership firms, companies, statutory bodies and individuals etc. which are not included in Retail Banking Segments.

c) Retail Banking Segments include exposure to entity/concern where
   i. Total average annual turnover less than Rs. 50.00 crore and
   ii. Aggregate exposure to one counter party does not exceed 0.2% of the overall retail portfolio of the Bank and
   iii. The maximum aggregated retail exposure to one counterpart is up to Rs. 5.00 crore.

d) Other Banking Operations segment includes all other banking transaction not covered under segments, specified above.

e) The interest income is allocated on the basis of actual interest received from wholesale banking operations. The total interest received less interest of wholesale banking is taken to retail banking operations

f) Expenses not directly attributable are allocated on the basis of Interest income earned by the wholesale banking / retail banking segment. Expenses of treasury operations are as per the details available from treasury operations

g) Capital employed for each segment has been allocated proportionate to the assets of the respective segment.

Part B: Geographical Segment

Since the operations of the Bank are within India only, Geographical Segment is not applicable.

6) Accounting Standard 18 – Related party disclosures

The details in this regard are asunder:

Name of the Related Parties and their relationship:

(a) Subsidiary of the Bank –The Maharashtra Executor & Trustee Co. Pvt. Limited
(b) Associate of the Bank – Maharashtra Gramin Bank
(c) Key Management Personnel-

(Amount in ₹ crore)

S.N.	Name	Designation	Remuneration	
			2021-22	**2020-21**
1	Shri A S Rajeev	MD & CEO (from 01.12.2018 to till date)	0.34	0.30
2	Shri Hemant Kumar Tamta	Executive Director (from 31.12.2018 to 30.12.2021)	0.22	0.26
3	Shri Nageswara Rao Y	Executive Director (from 01.04.2020 to 21.01.2021)	-	0.23
4	Shri A. B. Vijayakumar	Executive Director (from 10.03.2021 to till date)	0.36	0.02
5	Shri Asheesh Pandey	Executive Director (from 31.12.2021 to till date)	0.07	-
6	Shri V P Srivastava	Chief Financial Officer (CFO) (till 16.06.2020) and (From 03.05.2021)	0.24	0.06
7	Shri Prashant R. Khatawkar	Chief Financial Officer (CFO) (from 17.06.2020 to 02.05.2021)	0.02	0.26
		Total	**1.25**	**1.13**

Note: The disclosure of CFO as key management personnel has been made as advised by RBI in its risk assessment report for the year 2018-19.

Transactions with Related parties:

No disclosure is required in respect of related parties, which are "State Controlled Enterprises" as per paragraph no 9 of Accounting Standard (AS 18). Further in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

7) Accounting Standard 19 - Leases

Finance Leases: Lease under which the Bank assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at fair value of the asset or present value of the lease payments (after due amortization), whichever is lower.

Operating Leases: Bank has no non-cancellable Operating Leases during Financial Year. Hence additional disclosure under AS-19 is not applicable. The Lease payments under operating leases are recognized as an expense on straight line basis in Profit and Loss over the lease term. Amount of lease payments recognized in the Profit and Loss Account for operating leases amount to Rs. 171.47 crore for the year 2021-22 (Previous year Rs. 162.42 crore).

8) Accounting Standard 20- Earnings per Share

Particulars	**31.03.2022**	**31.03.2021**
Basic E.P.S.	1.73	0.91
Diluted E.P.S.	1.73	0.91
Calculation of Basic /Diluted EPS.		
a) Net Profit after Tax (in Crore)	1153.43	571.46
b) Weighted Average number of Equity Shares (in Crore)	668.06	625.36
c) Basic/ Diluted Earnings per share [(a) divided by (b)]	Rs. 1.73	Rs. 0.91
d) Nominal Value per Share	Rs. 10.00	Rs. 10.00

9) Accounting Standard 21 – Consolidated Financial Statements: The financial results of the Associate viz. Maharashtra Gramin Bank and subsidiary viz. Maharashtra Executor & Trustee Company Private Limited have been consolidated with the parent bank in compliance with Accounting Standard 23 and Accounting Standard 21 respectively.

10) Accounting Standard 22 – Accounting for Taxes on Income: Based on the review by the bank and on reasonable certainty of availability of future taxable income against which timing differences arising on account of provision for accumulated losses, Bad & Doubtful Debts (NPA), employee benefits etc. can be realized, the bank has accounted for taxes on income in compliance with AS 22. Accordingly, Deferred Tax Assets and Deferred Tax Liabilities are as under:

(Amount in ₹ crore)

Particulars	**31.03.2022**	**31.03.2021**
Deferred Tax Assets		
1) On account of Accumulated Losses	432.68	859.91
2) On account of provisions for Employees benefits	106.02	207.65
3) Other Provisions where DTA is created	1577.89	1857.91
Sub-Total (A)	**2116.59**	**2925.47**
Deferred Tax Liability		
1) On account of Special Reserve u/s 36(1) (viii)	12.42	17.24
Sub-Total (B)	**12.42**	**17.24**
Net Deferred Tax Asset (A-B)	**2104.17**	**2908.23**

With effect from Assessment Year 2021-22, the Bank has exercised the option of lower tax rate permitted under Section 115 BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Consequently, during the year, the Bank has re-measured its Deferred Tax Assets and Deferred Tax Liabilities and reversed the amount of Rs.716.87 crores by debiting the Profit and Loss A/c.

The Bank has not made any tax provision for MAT liabilities in view of opting new tax regime u/s 115BAA of the Income Tax Act 1961 for AY 2021-22.

11) Accounting Standard -24- Discontinuing Operations: The Bank, during the financial year 2021-22, has not discontinued any of its business activities/ operations which resulted in discharging of liabilities and realization of the assets and no decision has been finalized to discontinue a business activity in its entirety which will have the above effects.

12) Accounting Standard 26—Accounting for Intangible Assets:

Computer Software – other than internally generated:

Useful life - 3 years.
Amortization Rate - 33.33 %
Amortization Method - Straight line at cost

(Amount in ₹ crore)

Particulars	**31.03.2022**	**31.03.2021**
Software at the beginning of the year	33.24	24.01
Software acquired during the year	11.01	31.25
Amortization during the year	16.63	22.02
Net carrying amount at the end of the year	27.62	33.24

13) Accounting Standard 28- Impairment of Assets: Assets are reviewed for impairment at the end of the year whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of an asset to be held and used is measured by a comparison for the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset. If such an asset is considered to be impaired, the impairment to be recognized and is measured by the amount by which the carrying amount of the asset exceeds the recoverable amount of the asset. However, in the opinion of the Bank's Management, there is no indication of material impairment to the assets during the year to which Accounting Standard 28 - "Impairment of Assets" applies.

14) Accounting Standard 29- Provisions, Contingent Liabilities and Contingent Assets Claim against the bank not acknowledged as debt on year end

(Amount in ₹ crore)

Category	**2021 – 22**	**2020 – 21**
Balance Outstanding	1375.41	1352.53
Provision Held	2.05	1.99

Contingent liabilities include expired Guarantees amount Rs.898.43 crore (P.Y. Rs.761.47 crore), which has not been cancelled because of pending completion formalities. Claims pending and to be preferred with ECGC amounting to Rs.163.80 crores (P.Y Rs.97.92crore) have been considered as realizable for the purpose of computing provision.

15) During F.Y. 2020-21, the COVID-19 pandemic resulted in nationwide lockdown which sustainably impacted overall economic activity in India as well as abroad. In F.Y. 2021-22 two more waves of COVID-19 pandemic were faced by India resulting again localized/ regional lockdown steps in various parts of country. Considering the impact of Covid-19 situation and uncertainty, the Bank holds COVID-19 related adhoc provision of Rs.1200 crores as contingency provision as on 31st March 2022 including a sum of Rs.446 crores made during the current year.

16) The Board has proposed dividend of Rs. 0.50 paise per equity share (Face Value of Rs. 10/- per share) for the Financial Year 2021-22 in Board Meeting dated May, 25 2022 subject to requisite approval from Shareholders. Consequent to proposed dividend, the Financial Statements have been revised as required by the statute.

17) Other significant Notes on Accounts.

The "Notes on Accounts" as set out in the standalone financial statements of the bank are also applicable to Consolidated Financial Statement.

Previous year's figures have been regrouped / reclassified wherever considered necessary to make them comparable with current year's figures.

Statement of Consolidated Cash Flow (Revised) for the Year Ended 31st March 2022

(Rs. in Thousands)

Particulars	Year Ended 31-03-2022		Year Ended 31-03-2021	
A. Cash Flow From Operating Activities:				
Income				
Interest received during the year from advances, Investments etc.	13594 ,30 ,87		11868 ,63 ,01	
Share of earnings/ loss in Associates	1 ,79 ,24		20 ,05 ,89	
Other Income	2652 ,85 ,90	16248 ,96 ,01	2626 ,52 ,64	14515 ,21 ,54
Less: Expenditure & Provisions				
Interest Paid during the year on Deposits and Borrowings	6973 ,96 ,05		6970 ,18 ,36	
Operating Expenses	3850 ,03 ,39		3565 ,90 ,68	
Provisions & Contingencies	4271 ,53 ,64	15095 ,53 ,08	3407 ,66 ,10	13943 ,75 ,14
Net Increase In Cash due to Increase of Income over Expenses		**1153 ,42 ,93**		**571 ,46 ,40**
Add : Non Cash Items & Items Considered Separately				
Provisions & Contingencies	4271 ,53 ,64		3407 ,66 ,10	
Depreciation on Fixed Assets	268 ,34 ,13		188 ,11 ,12	
Profit/Loss on sale of Fixed Assets	-1 ,04 ,31		- ,44 ,88	
Share of Earnings/Loss in associates	-1 ,79 ,24		-20 ,05 ,89	
Interest on Bonds, PCPS and IPDI	315 ,61 ,78	4852 ,66 ,00	288 ,99 ,74	3864 ,26 ,19
		6006 ,08 ,93		4435 ,72 ,59
Less: Direct Taxes Paid (Net)		325 ,00 ,00		184 ,23 ,58
Cash Profit Generated From Operations (I)		5681 ,08 ,93		4251 ,49 ,01
Increase / (Decrease) of Operating Liabilities:				
Deposits	28285 ,95 ,75		23939 ,27 ,79	
Borrowings other than Bond Borrowings	3217 ,99 ,07		63 ,01 ,94	
Other Liabilities & Provision	-3870 ,71 ,51		-666 ,19 ,09	
Total of Increase of Operating Liabilities	**27633 ,23 ,31**		**23336 ,10 ,64**	
Less: Increase / (Decrease) of Operating Assets				
Investments	480 ,11 ,94		10390 ,85 ,24	
Advances	28765 ,27 ,21		15533 ,51 ,59	
Other Assets	-3163 ,93 ,22		-783 ,59 ,61	
Total of Increase of Operating Assets	**26081 ,45 ,93**		**25140 ,77 ,22**	
Net Increase Of Operating Liabilities Over Operating Assets (II)		**1551 ,77 ,38**		**-1804 ,66 ,58**
Cash Flow From Operating Activities (A) = (I+II)		**7232 ,86 ,31**		**2446 ,82 ,43**
B. Cash Flow From Investing Activities				
Sale of Fixed Assets	7 ,07 ,92		3 ,65 ,49	
Purchase of Fixed Assets	-309 ,05 ,17		-192 ,48 ,00	
Share of Earnings/Loss in associates	1 ,79 ,24		20 ,05 ,89	
Net Cash Flow Form Investing Activities (B)		**-300 ,18 ,00**		**-168 ,76 ,61**
C. Cash Flow From Financing Activities:				
i) Issue/ (Redemption) of Bonds	290 ,00 ,00		505 ,70 ,00	
ii) Dividend on Equity & PNCPS	-336 ,52 ,48		, ,	
iii) Dividend Distribution Tax	, ,		, ,	
iv) Interest on Bonds, PCPS and IPDI	-315 ,61 ,78		-288 ,99 ,74	
v) Issue of Equity Shares /(Share Aplication Money)	403 ,69 ,99			
Cash Flow From Financing Activities (C)		**41 ,55 ,73**		**216 ,70 ,26**
Total Cash Flow During The Year (A+B+C)		**6974 ,23 ,66**		**2494 ,75 ,92**

Note : Previous year figures have been regrouped and reclassified whenever necessary.

(Rs. in Thousands)

Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
Represented By-		
Cash and Cash equivalents at the beginning of the year		
Cash & Balance with RBI	12882 ,48 ,44	10353 ,68 ,78
Balances with Banks & Money at Call & Short notice	59 ,29 ,56	93 ,33 ,30
	12941 ,78 ,00	**10447 ,02 ,08**
Cash and Cash equivalents at the end of the year		
Cash & Balances with RBI	19721 ,92 ,92	12882 ,48 ,44
Balance with banks & money at call & Short notice	194 ,08 ,74	59 ,29 ,56
	19916 ,01 ,66	**12941 ,78 ,00**
Total Cash Flow During The Year	**6974 ,23 ,66**	**2494 ,75 ,92**

Mudit Agarwal
Asst. Gen Manager, FM&A

Kamal Kumar Thakur
Asst. Gen Manager, FM&A

V P Srivastava
General Manager & CFO

Asheesh Pandey
Executive Director

A. B. Vijayakumar
Executive Director

A. S. Rajeev
Managing Director & CEO

BANK OF MAHARASHTRA F.M.& A. H.O., PUNE-5

AS PER OUR REPORT OF EVEN DATE ATTACHED

For M/s. Batliboi & Purohit
FRN - 101048W
Chartered Accountants
CA Raman Hangekar
Partner
Membership No: 030615
UDIN: 22030615AJNZOW2893

For M/s. Abarna & Ananthan
FRN-000003S
Chartered Accountants
CA Clement Gratian Pinto
Partner
Membership No: 023238
UDIN: 22023238AJNWWS2748

For M/s. Rodi Dabir & Co.
FRN-108846W
Chartered Accountants
CA Aashish Badge
Partner
Membership No: 121073
UDIN: 22121073AJNYHI1726

For M/s. S Bhandari & Co.
FRN-000560C
Chartered Accountants
CA Pramiti Pareek
Partner
Membership No: 417124
UDIN: 22417124AJNXPW4554

Place : Pune
Date: 25th May, 2022

DECLARATION

Our Bank certifies that all relevant provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Bank's business have been obtained, are currently valid and have been complied with.

Our Bank further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by:

NIDHU SAXENA Managing Director and Chief Executive Officer	**VIJAY PRAKASH SRIVASTAVA** Chief Financial Officer

Place: Pune

Date: September 30, 2024

HEAD OFFICE OF OUR BANK

Bank of Maharashtra
“Lokmangal”, 1501, Shivajinagar, Pune – 411005, Maharashtra, India.
Telephone: +91 20 2553 2731, 2553 2728; **Website:** www.bankofmaharashtra.in,
Email: investor_services@mahabank.co.in

BOOK RUNNING LEAD MANAGERS

IDBI Capital Markets & Securities Limited
6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005, Maharashtra, India

Systematix Corporate Services Limited
The Capital, A-Wing, No. 603-606, 6th Floor, Plot No. C-70, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India.

Emkay Global Financial Services Limited
7th Floor, The Ruby, Senapati Bapat Marg, Dadar (W), Mumbai – 400 028

Batlivala & Karani Securities India Private Limited
11th Floor, Hallmark Business Plaza
Sant Dnyaneshwar Marg, Bandra East
Mumbai 400 051

JM Financial Limited
7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025

Centrum Capital Limited
Level 9, Centrum House, C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai 400098, Maharashtra, India

Motilal Oswal Investment Advisors Limited
Motilal Oswal Tower, Rahimtullah, Sayani Road, Opposite Parel S.T. Depot, Prabhadevi
Mumbai-400025, Maharashtra, India

Legal Advisor to the Bank	Legal Advisors to the Book Running Lead Managers	Legal Advisors to the Bank and Book Running Lead Managers as to international selling restrictions
M/s. Crawford Bayley & Co. State Bank Buildings N.G. N. Vaidya Marg Fort, Mumbai 400 023 Maharashtra, India	**Dentons Link Legal** Vakils House 18 Sprott Road, Ballard Estate Mumbai - 400 001 Maharashtra, India	**Dentons US LLP**100 Crescent Court 900, Dallas Texas 75201 United States

STATUTORY AUDITORS

M Kirtane & Pandit LLP, Chartered Accountants
5th Floor, Wing A, Gopal House, S. Number 127/1B/11, Opposite Harshal Hall, Above HDFC Limited, Karve Road, Pune – 411038
Maharashtra, India
FRN: 105215W/W100057

M/s. Sundaram & Srinivasan, Chartered Accountants
23, CP Ramaswamy Road, Alwarpet,
Chennai-600 018, Tamil Nadu, India
FRN: 004207S

M/s. G D Apte & Co., Chartered Accountants
D – 509, Neelkanth Business Park, Nathani Road, Vidhya Vihar West, Mumbai – 400 086
Maharashtra, India
FRN: 100515W

SAMPLE APPLICATION FORM

Following is the indicative Application Form that formed part of this Preliminary Placement Document

BANK OF MAHARASHTRA
Head Office: “Lokmangal”, 1501, Shivajinagar, Pune – 411005, Maharashtra, India.
Website: www.bankofmaharashtra.in**, Tel:** +91 20 2553 2731, 2553 2728 **Email:** investor_services@mahabank.co.in

APPLICATION FORM

(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 ₹[●] MILLION IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”), THE BANKING COMPANIES (ACQUISITION AND TRANSFER OF UNDERTAKINGS) ACT, 1970, AS AMENDED (“THE BANKING COMPANIES ACT”), THE BANKING REGULATION ACT, 1949, AS AMENDED (THE “BANKING REGULATION ACT”), THE BANK OF MAHARASHTRA (SHARES AND MEETINGS) REGULATIONS, 2004, AS AMENDED (THE “BANK OF MAHARASHTRA REGULATIONS”) AND THE NATIONALISED BANKS (MANAGEMENT AND MISCELLANEOUS PROVISIONS) SCHEME, 1970, AS AMENDED (THE “NATIONALISED BANKS SCHEME”), BY BANK OF MAHARASHTRA (THE “BANK”) (AND SUCH ISSUE, THE “ISSUE”). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 60.37 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 270. Also see, “*Transfer Restrictions*” on page 278 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.

To,

The Board of Directors
Bank of Maharashtra

STATUS (Please tick for applicable category)			
FI	Scheduled Commercial	**IC**	Insurance Companies

Head Office: "Lokmangal", 1501, Shivajinagar, Pune – 411005, Maharashtra, India.

Dear Sir/ Madam,

On the basis of the serially numbered PPD of the Bank and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, on the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179 of the SEBI ICDR Regulations or other applicable laws, including foreign exchange related laws; or (b) been prohibited or debarred by any regulatory authority from buying, selling or dealing in securities, and are eligible to invest in this Issue. We are not a promoter of the Bank (as defined in the SEBI ICDR Regulations) or any person related to the promoter of the Bank, directly or indirectly.

	Bank and Financial Institutions		
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.*

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, Systematix Corporate Services Limited, Batlivala & Karani Securities India Private Limited, Centrum Capital Limited, Emkay Global Financial Services Limited, JM Financial Limited, and Motilal Oswal Investment Advisors 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 PPD (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 Issuetogether 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 Bank of Maharashtra 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)

DEPOSITORY ACCOUNT DETAILS

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	Bank of Maharashtra QIP 2024 Escrow Account	**Account Type**	Escrow Account
Name of Bank	Bank of Maharashtra	**Address of the Branch of the Bank**	Kashinath Prasad Building, 364/365/4, Shivajinagar, Pune 411 005
Account No.	60507420445	**IFSC**	MAHB0000043
LEI Number	3358006F5LXCNN65HW12	**Email**	brmgr43@mahabank.co.in

The Bid Amount should be transferred pursuant to this Application Form only by way of electronic fund transfers, towards the Escrow Account. Payment of the entire Bid Amount should be made along with this Application Form on or before the closure of the Issue Period i.e. prior to or on the Bid/Issue Closing Date. All payments must be made in favor of "*Bank of Maharashtra QIP 2024 Escrow Account*". The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in this Application Form.

You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by you. The Bank and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)

Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

DETAILS OF CONTACT PERSON

Name: ______________________________

Address: ______________________________

____

Tel. No: ______________________ Fax No: ______________________

Mobile No. ______________________ Email: ______________________

OTHER DETAILS

PAN**	
Signature of Authorised Signatory (may be signed either physically or digitally)	

ENCLOSURES ATTACHED

- Copy of PAN Card or PAN allotment letter**
- FIRC
- Copy of the SEBI registration certificate as a Mutual Fund
- Copy of the SEBI registration certificate as an Eligible FPI
- Copy of the SEBI registration certificate as an AIF
- Copy of the SEBI registration certificate as a VCF
- Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
- Copy of the IRDA registration certificate
- Intimation of being part of the same group
- Certified true copy of the power of attorney
- Other, please specify __________________

**A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.*

****Please note that the Bidder should not mention the GIR number or any other identification number instead of the PAN, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961, as the application is liable to be rejected on this ground.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD.

Note 2: This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Bank in consultation with the BRLMs.

The Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.

(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.)