



महाराष्ट्र MAHARASHTRA

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BOND TRUST DEED

PX 043512



THIS BOND TRUST DEED (this "Deed" or "Bond Trust Deed") is made at Mumbai on this 25<sup>th</sup> day of November 2016 between:

STATE BANK OF INDIA, a body corporate constituted under the State Bank of India Act, 1955 (Act No. XXIII of 1955) and having its Central Office at State Bank Bhavan, Madame Cama Road, Mumbai-400021, (hereinafter referred to as "the Bank" or "the Issuer", which expression shall include its successors and assigns wherever the context or meaning shall so require or permit) of the ONE PART

AND

IDBI TRUSTEESHIP SERVICES LIMITED, a company under Section 2(20) of the Companies Act, 2013 with Corporate Identification Number (CIN) U65991MH2001GOI131154 and having its registered office at Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001 (hereinafter referred to as "the Trustee", which expression shall include its successors and assigns wherever the context or meaning shall so require or permit) of THE OTHER PART.

(The Issuer and the Trustee are hereinafter collectively referred to as the "Parties" and individually as a "Party", as the subject or context may require)

Issuer	Trustee
	

प्रधान मुद्रांक कार्यालय, मुंबई  
प.स.सि.क्र. ८००००१०  
14 OCT 2016

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**WHEREAS:**

- (A) With a view to augment the Additional Tier 1 Capital and overall capital base of the Bank for further strengthening its Tier 1 capital adequacy and for enhancing its long-term resources, the Central Board of the Bank, at its meeting held on 14<sup>th</sup> November, 2014 & 30<sup>th</sup> March 2016, and the Committee of Directors, at its meeting held on 24<sup>th</sup> August, 2016 and 2<sup>nd</sup> September, 2016 approved the issuance of non-convertible, perpetual, subordinated, unsecured Basel III compliant Additional Tier 1 Bonds in the nature of debentures of the face value of Rs. 10 lakhs (Rupees Ten Lakhs only) each, in the dematerialised form, for cash at par, aggregating Rs. 2,100 crores (Rupees Two Thousand and One Hundred crores only).
- (B) In relation to the aforesaid, on 06.09.2016 the Bank has issued the Bonds (as defined hereinafter) on a private placement basis under the disclosure document dated September 2, 2016 (the "Information Memorandum" or "Disclosure Document").
- (C) At the request of the Bank, IDBI Trusteeship Services Limited has agreed to act as the Trustee for the benefit of the Bondholders vide their letter dated 02.09.2016.

प्रधान मुद्रांक कार्यालय, मुंबई  
प. नु. वि. क्र. ८००००१०  
14 OCT 2016  
सहस्रमुखी

Issuer	Trustee
	
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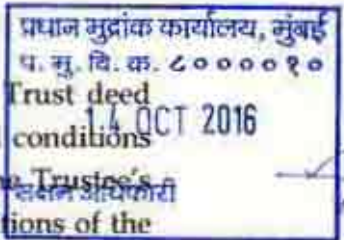


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- (D) The parties hereto now proposes to execute a Debenture Trust deed being these presents for setting out the detailed terms and conditions and stipulations of the Bonds as well as the Bank's and the Trustee's obligation in respect of the Bonds and the terms and conditions of the appointment of the Trustee.



NOW THIS BOND TRUST DEED WITNESSETH and it is hereby mutually agreed and declared by and between the parties hereof as under:

## 1. DEFINITIONS AND INTERPRETATIONS

### 1.1. Definitions

In these presents unless there is anything inconsistent to the subject or context therewith, all capitalised terms used herein, unless otherwise defined elsewhere in this document, shall have the following meanings:

"Applicant" or "Investor" shall mean a person who makes an offer to subscribe the Bonds pursuant to the terms of the Disclosure Document and the Application Form.



**"Application Form"** shall mean the form in which the Applicant shall make an offer to subscribe to the Bonds and which will be considered as the application for allotment of Bonds in the Issue.

**"Bondholder(s)"** shall mean any person or entity holding the Bonds and whose name appears in the list of Beneficial Owners provided by the Depositories and including such initial Bondholders, who subscribed to the Bonds at the primary stage of issuance of the Bonds and whose names appear in Schedule I hereof.

**"Beneficial Owner(s)"** shall mean Bondholder(s) holding Bond(s) in dematerialized form (Beneficial Owner of the Bond(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996).

**"Board" or "Board of Directors"** shall mean the Central Board of State Bank of India or a Committee thereof, unless otherwise specified.

**"Bond(s)"** shall mean the Non-Convertible, Perpetual, Unsecured taxable Basel III compliant Additional Tier 1 Bonds in the nature of debentures having face value of Rs. 10 lakh each issued by State Bank of India for inclusion in its Tier 1 Capital.

**"Business Day"** shall mean a day (other than Sunday and a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 and any other day on which banks are closed for customer business) on which commercial banks are open for business in the city of Mumbai, Maharashtra.

**"Call Option Date"** shall mean such date as may be specified as the 'Call Option Date' when a Call Option is exercised in terms of the Information Memorandum.

**"Coupon"** shall have the meaning ascribed to the term in the Information Memorandum.

**"Coupon Payment Date"** shall mean the anniversary date of the Deemed Date of Allotment each year, subject to RBI Regulations (up to Call Option Date, in case the Call Option is exercised by the Bank)

**"Deemed Date of Allotment"** shall mean 6<sup>th</sup> September 2016.

**"Depository"** shall mean either the Central Depository Services Limited or the National Securities Depository Limited.



**"Depositories Act"** shall mean the Depositories Act, 1996, as amended from time to time

**"Depository Participant" or "DP"** shall mean a Depository Participant as defined under Depositories Act.

**"Disclosure Document" or "Information Memorandum"** shall mean Disclosure Document dated 2<sup>nd</sup> September, 2016 prepared in compliance with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and issued by State Bank of India (the Issuer) to potential investors for private placement of the Bonds.

**"Financial Year"** shall mean the accounting period commencing from April 1 of each year and ending on March 31 of the next year.

**"Issuer" or "SBI" or "Bank"** shall mean State Bank of India, a statutory corporation constituted under the State Bank of India Act, 1955 and having its central office at, State Bank Bhavan, Madame Cama Road, Mumbai - 400 021.

**"Law"** shall mean all applicable statutes, enactments, Acts of any legislative body in India, ordinance, rule, bye-laws, regulations, notifications, guidelines, policies, directions, directives, judgments, decree, and orders of any Governmental Authority, statutory authority, tribunal, board, court recognised stock exchange, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any statutory or regulatory authority (each having the force of law) whether in effect as of the date of this Deed or thereafter and in each case any modification or reenactment thereof.

**"Majority Bondholders"** shall mean such of the Bondholders who represent not less than  $\frac{3}{4}$  (three fourths) of the aggregate Unpaid Principal Amounts of all Bonds outstanding for the time being and from time to time.

**"NEFT"** shall mean the 'National Electronic Funds Transfer' system established by RBI for carrying out inter-bank funds transfers within India (and from India to Nepal).

**"NSDL"** shall mean National Securities Depository Limited.



**"PAN"** shall mean Permanent Account Number.

**"PONV"** shall mean the Point of Non Viability for the Bank as determined by the RBI as per the RBI Guidelines.

**"Principal Amount"** shall mean the face value of the bonds.

**"Rs."** or **"INR"** or **"₹"** shall mean the official currency of India or the currency sign for the Indian Rupee.

**"RBI"** shall mean Reserve Bank of India.

**"RBI Norms"** or **"RBI Guidelines on Basel III"** or **"Basel III Guidelines"** shall mean the Basel III Capital Regulations issued by RBI vide Master Circular No. RBI/2015 -16/ 58 DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 and Clarification issued by RBI vide Master Circular RBI/2015-16/285 DBR.No.BP.BC.71/ 21.06.201/ 2015-16 dated January 14, 2016, and amendments made thereto from time to time.

**"RTGS"** shall mean RBI operated Real Time Gross Settlement system which facilitates on-line real time settlement of payments either on gross basis or through multilateral settlement batches.

**"Record Date"** shall mean 15 (fifteen) days prior to each Coupon Payment Date / Call Option Date (as the case may be). In the event the Record Date falls on a day which is not a Business Day, the succeeding Business Day will be considered as Record Date.

**"Registrar"** shall mean Datamatics Financial Services Limited acting as registrar to the Issue

**"SBI Act"** shall mean State Bank of India Act, 1955 as amended from time to time.

**"SEBI"** shall mean the Securities and Exchange Board of India, constituted under the SEBI Act, 1992.

**"SEBI Debt Regulations"** shall mean the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time.



**"SEBI Act"** shall mean the Securities and Exchange Board of India Act, 1992, as amended from time to time.

**"The Companies Act"** shall mean "The Companies Act, 1956 to the extent not repealed, and the Companies Act, 2013 to the extent provisions of the Companies Act, 2013 have been notified by the Government of India.

**"The Issue"** shall mean the private placement of Bonds by State Bank of India as per the terms of the Transaction Documents.

**"Transaction Documents"** shall mean collectively the documents executed and or to be executed by the Bank in connection with the Bond issue including but not limited to the following:

- (a) this Deed;
- (b) the Disclosure Document;
- (c) the letter appointing the Trustee
- (d) Listing Agreement;
- (e) Letter appointing the Registrar and the agreement entered into between the Bank and Registrar; and
- (f) any other document designated as a Transaction Document by the Trustee.

**"Trustee"** shall mean IDBI Trusteeship Services Limited in its capacity as the Trustee for the Bondholders.

**"Unpaid Principal Amount"** shall mean the outstanding part of the Principal Amount.

## 1.2 Interpretation

- (i) In this Deed, unless the context or meaning thereof otherwise requires: Terms defined in this Deed by reference to any other agreement, document or instrument shall have the meanings assigned to them in such Deed, document or instrument;



- (ii) A reference to a document or any other Agreement is a reference to that document or other Agreement as may be amended, replaced, novated or supplemented;
- (iii) A reference to 'knowledge' of the Issuer shall mean the actual knowledge of any director or executive officer of the Issuer after due inquiry;
- (iv) A reference to an "amendment" includes a supplement, modification, novation, replacement or re-enactment and "amended" is to be construed accordingly;
- (v) A reference to "authorisation" or "clearance" includes an authorisation, consent, clearance, approval, permission, resolution, licence, exemption, filing and registration;
- (vi) A reference to "control" includes the power to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise;
- (vii) Unless the context otherwise requires, the singular includes the plural and vice versa;
- (viii) The words 'hereof', 'herein', and 'hereto' and words of similar import when used with reference to a specific Section/Clause/Article in, or Schedule to, this Deed shall refer to such Section/Clause/Article in, or Schedule to, this Deed, and when used otherwise than in connection with specific Sections or Schedules, shall refer to the Deed as a whole;
- (ix) Headings and the use of bold typeface shall be ignored in its construction;
- (x) A reference to a Clause, Section, Article or Schedule is, unless indicated to the contrary, a reference to a clause, section, article or schedule to this Deed;
- (xi) References to this Deed shall be construed as references also to any separate or independent stipulation or agreement contained in it;
- (xii) The words "other", "or otherwise" and "whatsoever" shall not be construed ejusdem generis or be construed as any limitation

Issuer	Trustee
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upon the generality of any preceding words or matters specifically referred to;

- (xiii) References to the word "includes" or "including" are to be construed without limitation;
- (xiv) References to a person shall include companies and bodies corporate and also include such person's successors and permitted assignees or transferees;
- (xv) All references to Agreements, documents or other instruments include (subject to all relevant approvals) a reference to that agreements, document or instrument as amended, supplemented, substituted, novated or assigned from time to time;
- (xvi) Words importing a particular gender include all genders;
- (xvii) References to the terms "repay" or "repayment" shall include "redemption" and vice-versa and repaid, repayable, repayment, redeemed, redeemable and redemption shall be construed accordingly;
- (xviii) References to "Party" shall mean a party to this Deed and references to "Parties" shall be construed accordingly;
- (xix) References to any law shall include any constitution, statute, law, rule, regulation, ordinance, judgement, order, decree, authorisation, or any published directive, guideline, requirement or governmental restriction having the force of law, or any determination by, or interpretation of any of the foregoing by, any judicial authority, whether in effect as of the date of this Deed or thereafter and each as amended from time to time;
- (xx) Interest payable on the Bonds will be calculated on the basis of actual number of days elapsed in a year of 365 (three hundred sixty five) days in a normal year and 366 (three hundred and sixty six) days in a leap year (actual/actual);
- (xxi) Words and abbreviations which have, well known technical or trade/commercial meanings are used in the Deed in accordance with such meanings;



- (xxii) All references in these presents to any provision of any statute shall be deemed also to refer to the statute, modification or re-enactment thereof or any statutory rule, order or regulation made thereunder or under such re-enactment.

## 2. APPOINTMENT OF TRUSTEE AND DECLARATION OF TRUST

2.1. At the request of the Bank, IDBI Trusteeship Service Ltd. (ITSL) has agreed to act as the Trustee for the Bondholders in respect of the Bonds.

2.2. The Issuer hereby appoints the IDBI Trusteeship Services Limited as trustee for the Bondholders and the Trustee hereby accepts such appointment and pursuant thereto the Issuer hereby settles in trust with the Trustee a sum of Rs. 1,000/- (Rupees One Thousand only) for the benefit of the Bondholders. The Trustee has accepted the above amount of Rs. 1,000/- (Rupees One Thousand only) in trust declared and, subject to the terms and conditions in this Deed, agreed to act as trustee for the benefit of the Bondholders and their successors and assigns (the trust declared hereinafter referred to as the "SBI Additional TierI Bond Trust") and in such trust capacity, the Trustee agrees and is authorised;

- (a) to execute and deliver the Deed, all other Transaction Documents to which it is a party and all other documents, agreements and instruments contemplated by this Deed or the other documents which are to be executed and delivered by the Trustee or as the Trustee shall deem advisable and in the best interests of the Bondholders;
- (b) to take whatever action as shall be required to be taken by the Trustee by the terms and provisions of the Transaction Documents, and subject to the terms and provisions of this Deed or any other Transaction Documents, to exercise its rights and perform its duties and obligations under each of the documents, agreements and instruments referred to in this clause; and
- (c) subject to the terms and provisions of this Deed and the other Transaction Documents, to take such other action in connection with the foregoing as the Majority Bondholders may from time to time direct.

Issuer 	Trustee 
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### 3. DESCRIPTION OF BONDS

#### 3.1. Amount of Bonds

For the purpose of augmenting Additional Tier 1 capital, and overall capital of the Bank, for strengthening its capital adequacy & for enhancing its long-term resources at the request of the Bank, the banks/other body corporates whose names and addresses are set out in Schedule I hereto and/or their respective transferees (hereinafter referred to as "the Bondholders", which expression shall unless excluded or repugnant to the context or meaning thereof include any one or more of them or their respective successors and assigns) have agreed to subscribe to the Bank's non-convertible, perpetual, subordinated, unsecured Basel III compliant Additional Tier 1 Bonds in the nature of debentures having face value of Rs. 10 Lakhs (Rupees Ten Lakhs only) each at par aggregating Rs. 2,100 crores (Rupees Two Thousand One Hundred crores only) (hereinafter referred to as the "Bonds") to the maximum extent set out against their respective names in Schedule I hereto on the terms and conditions contained in the Information Memorandum issued by the Bank.

#### 3.2. Form of Bonds

3.2.1. All Bonds constituted and issued for the time being in demat form and privately placed with the Bondholders for cash at par as specified in the Information Memorandum are non-convertible, perpetual, subordinated, unsecured Basel III compliant Additional Tier 1 Bonds in the nature of debentures having face value of Rs. 10 Lakh each, for an aggregate Principal Amount of Rs. 2,100 crores (Rupees Two Thousand One Hundred crores only).

3.2.2. The claims of the Bondholders in the Bonds (pursuant to and subject to the terms of the Information Memorandum), shall rank pari passu amongst the Additional Tier 1 Bondholders without any preference or priority whatsoever on account of date of issue or allotment, or otherwise.

It is clarified that the Bonds are unsecured in nature and the Issuer shall not create any charge, lien or encumbrance on any assets and/or other properties (whether existing or future) of the Issuer and/or its



Affiliates as security for the Bonds and/or the outstanding amounts thereunder.

- 3.2.3. The terms of the Bonds specified in the Disclosure Document as 'Issue Details' (herein referred as the "Terms of the Bonds") shall be binding on the Issuer, the Bondholders and all persons claiming by, through or under any of them. In the event of any conflict between this Deed and the Terms of the Bonds, the Terms of the Bonds shall prevail. It is hereby clarified that in case this Deed provides for any additional terms which are not present in the Disclosure Document, such additional terms as provided in this Deed shall not be deemed contradictory to the Terms of the Bonds. The Trustee shall be entitled to enforce the obligations of the Issuer under or pursuant to the Terms of the Bonds as if the same were set out and contained in these presents which shall be read and construed as one document.

3.3. Allotment of Bonds

The Bonds will be deemed to have been allotted to the Bondholders on 06.09.2016 (hereinafter referred to as the "Deemed Date of Allotment") as mentioned in the Disclosure Document dated 02-09-2016. All benefits relating to the Bonds will be available to the Bondholders from the Deemed Date of Allotment.

4. **INTEREST**

4.1. Interest on application money

- 4.1.1. Subject to the terms and conditions stipulated in the Information Memorandum, interest at 9% per annum i.e., the Coupon Rate (as stipulated in the Information Memorandum) (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds.
- 4.1.2. Such interest shall be paid for the period starting from and including the date of realization of application money in Issuer's bank account up to one day prior to the Deemed Date of Allotment. The interest on application money will be computed as per Actual/Actual day count convention. Such interest would be paid on all valid applications, including the refunds.



- 4.1.3. Where the entire subscription amount has been refunded, the interest on application money will be paid along with such refund orders. Where an applicant is allotted lesser number of Bonds than applied for, the excess amount paid on application will be refunded to the applicant along with such interest on refunded money.

Provided that, notwithstanding anything to the contrary contained hereinabove, Bank shall not be liable to pay any interest on the application monies liable to be refunded in case of invalid applications or applications liable to be rejected.

- 4.1.4. The interest cheque(s) / demand draft(s) for interest on application money along with refund of application money, if any, shall be made by way of cheque(s)/demand draft(s)/ credit through direct credit/ NECS/RTGS/ NEFT mechanism in INR to the designated Account of the Applicant within 15 days from the Deemed Date of Allotment and the relative interest warrant(s), if any, along with the refund order(s), as the case may be, will be dispatched by registered post to the sole/ first applicant, at the sole risk of the applicant.

#### 4.2. Interest on Bonds

- 4.2.1. Subject to 'Coupon Discretion' and/or 'Loss Absorbency' (as the case may be) and such conditions as mentioned in the Information Memorandum the Bonds shall carry at a fixed rate of 9% per annum (i.e., the Coupon Rate) and payable on the Coupon Payment Dates (as stipulated in the Information Memorandum) falling at annual intervals from the Deemed Date of Allotment.
- 4.2.2. The first Coupon Payment Date shall be on 06-09-2017 and Coupon Payment will be made until Call Option is exercised, interest on Bonds will cease on Call Option Date (if exercised) in all events.
- 4.2.3. Interest payable on the first Coupon Payment Date shall be calculated for the period commencing from, and including the Deemed Date of Allotment up to, but excluding the next Coupon Payment Date. Interest payable on the Subsequent Coupon Payment Dates shall be calculated from, and including one Coupon Payment Date to the next Coupon Payment Date /Call Option Date (if exercised), on the outstanding Principal Amount of Bonds till the Call Option Date (if exercised), to the



Bondholders whose name appear in the list of Beneficial Owners given by the Depository to the Bank as of the relevant Record Date.

- 4.2.4. Interest on Bonds will cease from the Call Option Date (if exercised) in all events. The payment of interest will be made by way of cheque(s)/ interest warrant(s) /demand draft(s)/ credit to the designated account of the Bondholders through direct credit/ NECS/ RTGS/ NEFT mechanism in INR.
- 4.2.5. If any Coupon Payment Date falls on a day which is not a Business Day, then the payment of interest will be made on the next day i.e. a Business Day with interest for the intervening period without any liability for payment of interest on interest amount.
- 4.2.6. The interest for each of the interest periods shall be calculated on Actual/ Actual basis (as per SEBI Circular no CIMMD/DF/18/2013 dated 29th October 2013) on the outstanding Principal Amount of the Bonds at the Coupon Rate rounded off to the nearest Rupee.

#### 4.3. Deduction of Tax at Source

Tax as applicable from time to time under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source out of interest payable on Bonds for which a certificate will be issued by the Bank,. Interest payable on the outstanding Principal Amount of the Bonds on the Coupon Payment Dates until the Call Option is exercised by the Bank shall be treated as "Interest on Securities" as per Income Tax Rules. Bondholders desirous of claiming exemption from deduction of income tax at source on the interest payable on Bonds should submit tax exemption certificate/ document, under Section 193 of the Income Tax Act, 1961, if any, with the Registrars, or to such other person(s) at such other address (es) as the Issuer may specify from time to time through suitable communication, at least 45 days before the payment becoming due. It is hereby clarified that the Bondholders shall be responsible for payment of their respective taxes (payable under applicable Laws).

### 5. LOSS ABSORBENCY

#### 5.1. Perpetual Debt Instruments



The Bonds (including all claims, demands on the Bonds and interest thereon, whether accrued or contingent) are issued subject to loss absorbency features applicable for non-equity capital instruments issued in terms of Basel III Guidelines including in compliance with the Criteria stipulated in Annex 4 thereof for inclusion of Perpetual Debt Instruments in Additional Tier 1 Capital and are subject to certain loss absorbency features as described herein and required to ensure loss absorbency of Additional Tier 1 instruments at Pre-Specified Trigger Level and at the Point of Non Viability as provided for in Annex 16 of the aforesaid circular. Accordingly, the Bonds and any claims or demands of any Bondholder or any other person claiming for or on behalf of or through such Bondholder, against the Bank, may be written-off, in whole or in part, upon the occurrence of the following trigger events:

- (a) Pre-Specified Trigger Level;
- (b) Point of Non-Viability.

## 5.2 Loss Absorption at Pre-Specified Trigger Level

- (a) Each of the following is a Pre-Specified Trigger Points in respect of the Bonds for principal loss absorption:
  - (i) if the Common Equity Tier 1 capital (hereinafter referred to as "CET1") of the Bank falls below 5.5% of Risk Weighted Assets (RWA) before 31st March, 2019; and
  - (ii) if CET1 falls below 6.125% of RWA on or after 31st March 2019.
- (b) On the occurrence of each of the trigger levels referred to hereinabove called the "Pre-Specified Trigger Level" principal loss absorption will be made through either (i) conversion of the Bonds to common equity share capital of the Bank; or (ii) a write-down mechanism which allocates losses to the Bonds.
- (c) A write-off of the Bonds may have the following effects:
  - (i) reduce the claim of the Bond (up to nil) in liquidation;

- (ii) reduce the amount to be re-paid on the Bond when Call Option is exercised (up to nil);
  - (iii) partially or fully reduce Coupon payments on the Bond
- (d) No write-down of any Common Equity Tier 1 capital shall be required before a write-down of the Bonds. The Bank shall have full discretion to determine the amount of the Bonds to be written down subject to the amount of write-down not exceeding the amount which would be required to bring the CET1 ratio to 8% of RWAs. Further, the aggregate amount to be written-down for all AT1 Instruments on breaching the trigger level shall be at least the amount needed to immediately return the bank's CET1 ratio to the trigger level (i.e. CET from write-down generated under applicable Indian Accounting Standards or RBI Instructions net of contingent liabilities, potential tax liabilities etc., if any) or, if this is not possible the full Principal Amount of the Bonds.
- (e) When the Bank breaches a Pre-Specified Trigger Level and the equity is replenished through write-down, such replenished amount of equity will be excluded from the total equity of the Bank for the purpose of determining the proportion of earnings to be paid out as dividend in terms of rules laid down for maintaining capital conservation buffer. However, once the Bank has attained total Common Equity ratio of 8% without counting the replenished equity capital that point onwards, the Bank may include the replenished equity capital for all purposes.
- (f) The Bank shall have the discretion to write-down the Bonds multiple times in case the Bank hits Pre-Specified Trigger Level subsequent to the first write-down.
- (g) The Bonds which have been written down can be written up (partially or full) at the absolute discretion of the Bank and subject to compliance with RBI instructions (including permission, consent if any).

### 5.3. Loss Absorption at the Point of Non-Viability ("PONV")



- (a) A write-off of the Bonds at the PONV may have the following effects:
- (i) reduce the claim of the Bond (up to nil) in liquidation;
  - (ii) reduce the amount to be re-paid on the Bond when call is exercised (up to nil);
  - (iii) partially or fully reduce coupon payments on the Bond.
- (b) PONV trigger event shall be as defined in the aforesaid Basel III Guidelines and shall be determined by the RBI.
- (c) RBI may in its imminence alter or modify the PONV trigger whether generally or in relation to the Bank or otherwise. In any case it should be noted that following writing-off of the Bonds and claims and demands as noted above neither the Bank, nor any other person on the Bank's behalf shall be required to compensate or provide any relief, whether absolutely or contingently, to the Bondholder or any other person claiming for or on behalf of or through such Bondholder and all claims and demands of such persons, whether under law, contract or equity, shall stand permanently and irrevocably extinguished and terminated.
- (d) Unless otherwise specified in the Information Memorandum, the write-off of any common equity or any other regulatory capital (as understood in terms of the aforesaid circular or any replacement/amendment thereof), whether senior or pari passu or subordinate, and whether a Tier 1 capital or otherwise shall not be required before the write-off of any of the Bonds and there is no right available to the Bondholders or any other person claiming for or on behalf of or through such Bondholder to demand or seek that any other regulatory capital be subject to prior or simultaneous write-off or that the treatment offered to holders of such other regulatory capital be also offered to the Bondholders.

## 6. COUPON DISCRETION

- 6.1. The Bank shall have full discretion at all times to cancel the Coupon either in part or full. On cancellation of payment of Coupon, these



payments shall be extinguished and the Bank shall have no obligation to make any distribution/Coupon Payment in cash or kind.

- 6.2. The Bonds do not carry a 'dividend pusher' feature i.e. if the Bank makes any payment (coupon/dividend) on any other capital instrument or share, the Bank shall not be obligated to make Coupon payment on the Bonds;
- 6.3. Cancellation of Coupon shall not be an event of default.
- 6.4. Bank shall have full access to cancelled Coupon to meet obligations as they fall due
- 6.5. Cancellation of Coupon shall not impose any restrictions on the Bank except in relation to distributions to common stakeholders.
- 6.6. Coupons, unless cancelled by the Bank, shall be paid out of distributable items. In this context, Coupon may be paid out of current year profits. However, if current year profits are not sufficient, Coupon may be paid subject to availability of sufficient revenue reserves (those which are not created for specific purposes by the Bank) and / or credit balance in profit and loss account, if any.
- 6.7. However, payment of Coupons on the Bonds from the revenue reserves is subject to the Bank meeting minimum regulatory requirements for CET1, Tier 1 and Total Capital ratios (as stipulated in the Basel III Guidelines and/or other relevant guidelines issued by the RBI from time to time) at all times and subject to the requirements of capital buffer frameworks (i.e. capital conservation buffer, countercyclical capital buffer and Domestic Systemically Important Banks).
- 6.8. Coupon on the Bonds shall not be cumulative. If Coupon is cancelled or not paid or paid at a rate lesser than the Coupon Rate, such unpaid and/or cancelled Coupon will not be paid in future years.
- 6.9. All instances of non-payment of Coupon shall be notified by the Bank to the Chief General Managers-in-Charge of Department of Banking Regulation and Department of Banking Supervision of the Reserve Bank of India, Mumbai.



## 7. REDEMPTION

- 7.1. The Bonds are perpetual in nature and hence irredeemable, save and except upon the exercise of a Call Option, if any with the prior written approval of RBI (Department of Banking Regulation and in accordance with the terms of the Information Memorandum, and provided further that the Bond(s) has not been written-off on account of Pre-specified Trigger Level & PONV and/or any other event on account of RBI Guidelines/Information Memorandum.
- 7.2. No Redemption Date is specified for the Bonds, as they are issued as perpetual debt instruments for inclusion in the Tier 1 Capital of the Bank.
- 7.3. The exercise of Call Option is at the absolute discretion of the Bank and no Bondholder has any right require the Bank to exercise the Call Option. The bank may exercise the Call Option on the Bond:
- (a) only after the Bond has run for at least five years;
  - (b) the Bank must receive prior approval of RBI (Department of Banking Regulation);
- 7.4. The Bank will not exercise a call unless (a) the Bank replaces the Bonds with capital of the same or better quality and the replacement is done at conditions which are sustainable for the income capacity of the Bank; or (b) the Bank demonstrates that its capital position is well above the minimum capital requirements after the Call Option is exercised.
- 7.5. The use of tax event and regulatory event calls may be permitted subject to the fulfilment of the following:
- (a) the Bank must receive prior approval of RBI (Department of Banking Regulation);
  - (b) The Bank replaces the Bonds with capital of the same or better quality and the replacement is done at conditions which are sustainable for the income capacity of the Bank; and
  - (c) The Bank demonstrates that its capital position is well above the minimum capital requirements after the Call Option is exercised.

RBI may permit the Bank to exercise the call only if the RBI is convinced that the Bank was not in a position to anticipate these events at the time of issuance of PDIs.

## 8. REDEMPTION AMOUNT

8.1. In case of exercise of the Call Option, at the discretion of the Bank and with the prior written approval of RBI (Department of Banking Regulation), the Bonds shall be redeemed at par along with Interest accrued (subject to 'Coupon Discretion') thereon till one day prior to the Call Option Date subject to adjustments and write-off on account of 'Coupon Discretion', 'Loss Absorbency' and 'Other Events' (as mentioned in the Information Memorandum), and in such cases, payment on the Bonds shall be made to those Bondholders whose names appear as Beneficial Owners (in case of joint holders, to the person whose name stands first) as per the list to be furnished by the Depositories in respect of the Bonds and on the 'Register of Bondholders' of the Bank, at the close of the business hours on the Record Date to be fixed by the Bank for this purpose in the 'Register of Bondholders'.

8.2. After redemption of all amounts due on the Bonds (as per the terms of the Information Memorandum), the Bonds shall automatically stand cancelled. No surrender of Bond certificate, if any, shall be required for this purpose and the Bank's liability to the Bondholders, including for payment of Coupon or otherwise shall stand extinguished from the Call Option Date in all events and on the Bank paying the redemption amount to the Bondholders. Other than the amounts payable upon exercise of Call Option in terms of the Information Memorandum, the Bank shall not be liable to pay any other amounts (including any Coupon, income or compensation of any kind) from the Call Option Date of the Bonds.

## 9. COMPUTATION OF INTEREST AND OTHER CHARGES

9.1. Interest (subject to 'Coupon Discretion') for each of the interest periods shall be computed as per Actual / Actual day count conversion on the Principal Amount of the Bonds then outstanding at the Coupon Rate rounded off to the nearest rupee.



- 9.2. Interest Period means each period beginning on (and including) the Deemed Date of Allotment or any Coupon Payment Date and ending on (but excluding) the next Coupon Payment Date/ Call Option Date.

## 10. EXERCISE OF CALL OPTION AND OTHER OPTIONS

- 10.1. Notwithstanding anything to the contrary stipulated herein, the Bank may, at its sole discretion but subject always to the 'Conditions for Exercise of Call Option' (as specified in the Information Memorandum), elect to exercise a call option on the Bonds ("Call Option") exercisable by the Bank on 6th September, 2021, being the 5<sup>th</sup> anniversary of the Deemed Date of Allotment, (the "Issuer Call Date") or any Coupon Payment Date thereafter, subject to the conditions mentioned below and in the Information Memorandum. Further, the Bank shall have the right to exercise a Tax Call and/or Regulatory Call subject to conditions (b) and (c) mentioned below and subject to the terms mentioned in the Information Memorandum. The Call may be exercised subject to all the conditions mentioned below:

- (a) Call Option may be exercised only after a minimum period of five years from the Deemed Date of Allotment;
- (b) To exercise a call option the Bank shall require prior approval of RBI ; and
- (c) Bank shall not exercise a call unless
  - (i) The Bond is replaced with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the Bank; or
  - (ii) The Bank demonstrates that its capital position is well above the minimum capital requirements after the call option is exercised.

## 11. DUE DATE OF PAYMENT

The Interest (subject to 'Coupon Discretion' and 'Loss Absorbency') on the Bonds will be paid on 6<sup>th</sup> of September every year till ("Coupon Payment Date") the Call Option Date (if exercised). If the date of



Coupon Payment Date does not fall on a Business Day, then the succeeding Business Day will be considered for such payment of Interest with Interest for such additional period. Such additional interest will be deducted from the Interest payable on the next Coupon Payment Date.

**12. RIGHT TO ACCELERATE PAYMENTS**

The Bondholders shall have no put option in respect of the Bonds i.e. they shall have no right to accelerate the repayment of future scheduled payments (Coupon or Principal Amount).

**13. RESTRICTION ON PREFERENTIAL PAYMENTS**

Subject to the terms of the Information Memorandum, the Bank shall pay and discharge all its liabilities to the Bondholders under this Deed without preference or priority to one over the other.

**14. PLACE AND MODE OF PAYMENT BY THE BANK**

Payment of Interest and/or repayment of Principal Amount of the Bonds shall be made by way of cheque(s)/interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ NECS/RTGS/ NEFT mechanism.

**15. MODE OF TRANSFER OF BONDS**

The Bonds may be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/ Depository Participant of the transferor/transferee and any other applicable Laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of the Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, Interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Bank.

Transfer of Bonds to and from NRIs/ OCBs, in case they seek to hold



and/or transfer the Bonds and are eligible to do so, will be governed by the then prevailing guidelines of RBL.

**16. BONDS FREE FROM EQUITIES**

The Bondholders will be entitled to their Bonds free from equities or cross claims by the Bank against the original or any intermediate holders thereof.

**17. BONDHOLDERS NOT ENTITLED TO SHAREHOLDERS' RIGHTS**

The Bonds shall not confer upon the Bondholders any rights or privileges other than such rights available to the Bondholders under applicable Laws. The Bondholders will not be entitled to any of the rights and privileges available to the shareholders of the Bank. The Bond(s) shall not confer upon the Bondholders the right to receive notice of, or to be present or attend and/or vote in person or by proxy at the general meetings of the Bank or to receive annual report of the Bank.

**18. BONDS IN DEMATERIALISED FORM**

18.1. The Bank shall issue Bonds in dematerialised form in accordance with applicable Laws, and subject to the completion of all statutory formalities within time frame prescribed in the relevant regulations/Act/rules etc., the initial credit akin to a 'Letter of Allotment' in the beneficiary account of the investor would be replaced with the number of Bonds allotted.

18.2. The Bonds shall be issued in electronic (dematerialized) form and will be governed as per the provisions of the Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable Laws and rules notified in respect thereof.

**19. LISTING OF BONDS**

The Bonds are/ will be listed on Wholesale Debt Market Segment (WDM) of the National Stock Exchange of India Limited and BSE Limited.



## 20. ARTICLES OF DEED

This document shall be read in conjunction with the Information Memorandum and it is specifically agreed between the Trustee and the Bank that in case of any repugnancy, inconsistency or where there is a conflict between the conditions as are stipulated in the Information Memorandum and this Deed, the provisions as contained in the Information Memorandum shall prevail and override the provisions of this Deed to such extent of inconsistency.

## 21. SENIORITY OF CLAIMS

The claims of the Bondholders in the Bonds shall -

- (a) Be superior to the claims of investors in equity shares and perpetual non-cumulative preference shares issued by the Bank;
- (b) Be subordinated to the claims of depositors, general creditors and subordinated debt of the Bank other than any subordinated debt qualifying as Additional Tier 1 Capital (as defined in the Basel III Guidelines);
- (c) neither be secured nor covered by a guarantee of the Issuer or its related entity or other arrangement that legally or economically enhances the seniority of the claim vis -à-vis creditors of the Bank;
- (d) Unless the terms of any subsequent issuance of bonds/debentures by the Bank specifies that the claims of such subsequent bond holders are senior or subordinate to the Bonds issued under this Disclosure Document or unless the RBI specifies otherwise in its guidelines, the claims of the Bondholders shall be pari passu with claims of holders of such subsequent debentures/bond issuances of the Bank;
- (e) rank pari passu without preference amongst themselves.

Notwithstanding anything to the contrary stipulated herein, the claims of the Bondholders shall be subject to the provisions of Coupon Discretion, Loss Absorbency and Other Events mentioned in this Information Memorandum.



## 22. BONDS REDEMPTION RESERVE

The Bank does not intend to create and would not create any redemption reserve, as the Bonds are in the nature of perpetual subordinated debt instruments. Further as per the Companies (Share Capital and Debentures) Rules, 2014, no Debenture Redemption Reserve is required for debentures issued by Banking Companies whether by public issue or by private placement.

## 23. BANK'S COVENANTS

### 23.1. Utilisation of Proceeds of the Bonds

The Bank shall utilise the moneys received towards subscription of the Bonds for the purpose mentioned in the Information Memorandum. The Bonds are issued for the purpose of augmenting the Tier 1 Capital of the Bank under Basel III Capital Regulations as laid out by RBI and the proceeds thereof shall be utilized for the regular business activities of the Bank, but not for financing any particular project.

### 23.2. Affirmative Covenants

The Bank hereby covenants with the Trustee subject to applicable Laws, the Bank will at all times during the currency of this Deed:

### 23.3. Notice of Winding Up or Other Legal Process

Promptly inform the Trustee if it has notice of any order of winding up by the Central Government.

### 23.4. Costs and Expenses

The Bank shall reimburse all sums paid by the Bondholders and/or the Trustee (in relation to the expenses incurred by the Trustee towards protection of Bondholders' interests under this Deed including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating thereto) within 30 days from the date of notice of demand from the Bondholders and/or the Trustee, as the case may be. However, the Trustee shall not be obligated to incur any costs and expenses in performance of its duties under this Deed.



### 23.5. Pay Stamp Duty

Pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Bank may be required to pay according to the laws for the time being in force in the State in relation to the Bonds and the Transaction Documents, and in the event of the Bank failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Trustee will be at liberty (but shall not be bound) to pay the same and the Bank shall reimburse the same to the Trustee on demand, within 10 (ten) Business Days of such demand.

### 23.6. Furnish Information to Trustee

23.6.1. Give to the Trustee or its nominee(s) such information/copies of relevant extracts as may be required to be furnished by the Bank under the SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulation, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (and amendments thereto from time to time) and other SEBI/statutory regulations, to the extent applicable to the Bank. It is hereby clarified that the Trustee shall have the right to inspect the registers of the Issuer and to take copies and extracts thereof (in accordance with applicable Laws).

23.6.2. In the performance of the duties of the Trustee, the Bank shall bear all costs, charges and expenses incidental to such examination and investigation.

23.6.3. During the effectiveness of this Deed, the Issuer shall:

- (a) Maintain the Register of Bondholders with the Registrar (currently, Datamatics Financial Services Ltd., at Plot No. B-5, Part B, Cross Lane MIDC, Marol Andheri (E), Mumbai-93);
- (b) Keep proper books of account as required under applicable Laws and keep the said books of account at its registered office or, where permitted by law, at other place or places where the books of account and documents of a similar nature may be kept and the Issuer will ensure that all entries in the same shall at all reasonable times be open for inspection of the Trustee;



- (c) Furnish to the Trustee such information (including copies of the reports, balance sheets, profit and loss accounts etc.) as may be reasonably required by the Trustee;
- (d) Inform the Trustee (if required under applicable Laws):
  - (i) prior to declaring or distributing dividend;
  - (ii) before any change in nature and conduct of its business;
  - (iii) of any change in composition of its Board of Directors (when such change may lead to change in control as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
- (e) Comply with all guidelines/directions issued by any regulatory authority in relation to the Issue;
- (f) Furnish to the Trustee, on a quarterly basis, quarterly report containing the following particulars:
  - (i) updated list of the names and addresses of the Bondholders;
  - (ii) details of interest due but unpaid and reasons thereof;
  - (iii) The number and nature of grievances received from the Bondholders and (a) resolved by the Issuer, and (b) unresolved by the Issuer and reasons for the same.

### 23.7. Grievance Redressal

Promptly and expeditiously attend to and redress the grievances, if any, of the Bondholders. The Bank further undertakes that it shall consider the suggestions and directions that may be given in this regard, from time to time, by the Trustee and shall advise the Trustee periodically of the compliance.

- 23.8. The Bank hereby further agrees and undertakes that during the currency of this deed it shall abide by the guidelines/listing requirements if any, issued from time to time by the Securities and Exchange Board of India (SEBI)/Reserve Bank of India (RBI).



### 23.9. Register of Bondholders

A Register of Bondholders shall be maintained with the Registrar at Datamatics Financial Services Ltd., Plot No. B-5, Part B, Cross Lane MIDC, Marol Andheri (E), Mumbai-93 and such Register shall be closed fifteen (15) days prior to each Interest Payment Date and Redemption Date.

In case of dissolution/bankruptcy/insolvency/winding up of Bondholder(s), the Bond shall be transmittable to the legal representative(s) / successor(s) or the liquidator, as the case may be, in accordance with the applicable provisions of law on such terms as may be deemed appropriate by the Bank.

The Issuer shall request the Depository viz., NSDL and CDSL to provide a list of Bondholder(s)/ Beneficial Owner(s) as at the end of day, 1 (one) day prior to the start of the Record Date. All interest and principal sums becoming due and payable in respect of the Bonds will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Bondholders, at such address or to the credit of such account as is available with the Issuer on the relevant Record Date.

### 24. MISCELLANEOUS

24.1. The Bank hereby confirms that it has taken all necessary steps to make appropriate disclosures (as required under applicable Laws) in the Information Memorandum. Notwithstanding the aforesaid, the Bondholders are believed:

- (a) to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments (including the Bonds),
- (b) to have carefully read and noted the contents of the Information Memorandum and made their own independent assessment of the merit of the investment in Bonds,
- (c) to have consulted their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from investment in the Bonds, and
- (d) to have made their own independent evaluation and judgment before making investment in the Bonds.



- 24.2. The Trustee "ipso facto" do not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by Bondholders for subscription of the Bonds.
- 24.3. Provided however that notwithstanding anything to the contrary contained herein, the obligations stated in Section 23 hereof and other covenants undertaken by the Issuer hereunder and the Information Memorandum shall only be applicable to the Issuer to the extent such covenants are not barred and/or not applicable to the Bank under applicable Laws prevailing at such point of time.

## 25. WAIVER

- 25.1. The Trustee may, from time to time, or at any time, after obtaining the consent of the Majority Bondholders, waive on such terms and conditions as to them shall deem expedient any breach by the Bank of any of the covenants and provisions contained in this Deed without prejudice to the rights of the Trustee in respect of any subsequent breach thereof.
- 25.2. Notwithstanding the aforesaid, where the Trustee determines such breach to be of a formal, negligible, minor or technical nature, the Trustee may, at any time, without prejudice to the rights of the Trustee in respect of any subsequent breach thereof, waive on such terms and conditions as it shall deem expedient any such breach by the Issuer.

## 26. EVENT OF DEFAULT

- 26.1. Any non-payment principal on account of RBI Guidelines (on Basel III capital regulations), including adjustments/write-off on account of PONV, Loss Absorption at Pre-specified Trigger Level, and such other terms specified in the Information Memorandum shall not be considered as an event of default.
- 26.2. The Bank shall have full discretion at all times to cancel Coupon either in part or full. On cancellation of payment of Coupon, these payments shall be extinguished and the Bank shall have no obligation to make any distribution/Coupon payment in cash or kind. Cancellation of Coupon shall not be an event of default. Further, any non-payment interest on account of RBI Guidelines (on Basel III capital regulations),

including adjustments/write-off on account of 'Coupon Discretion', 'Loss Absorption' and such other terms specified in the Information Memorandum shall not be considered as an event of default.

26.3. Occurrence of any of the following events shall be deemed to be an 'event of default':

26.3.1. Default in Performance of Covenants and Conditions

Default has occurred in the performance of any material covenants, conditions or agreement on the part of the Bank under this Agreement and/or the Information Memorandum and such default has continued for a period of 30 (thirty) days after notice in writing thereof has been given to the Bank by the Trustee (with a copy marked to the Bondholders).

26.3.2. Supply of Misleading Information

Any material information given by the Bank in this Agreement and/or or in the reports and other information furnished by the Bank to the Trustee quarterly/half yearly (as required to be furnished in terms of applicable Laws) or in the Information Memorandum and the warranties given/deemed to have been given by the Bank thereunder is found to be misleading or incorrect in any material respect.

26.3.3. Proceedings against the Bank

The Bank has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law or the Bank is voluntarily or involuntarily dissolved. An order has been made by the Tribunal or a special resolution has been passed by the members of the Bank for winding up of the Bank.

26.3.4. Liquidation of the Bank

The Bank has taken or suffered to be taken any action for its liquidation.

26.3.5. Ceases to carry Business

Issuer	Trustee
	

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The Bank without the consent of Bondholders ceases to carry on its business or gives notice of its intention to do so.

## 27. Remedies

27.1. Upon the occurrence of any event which the Trustee deems to be a default (including events specified in Section 26 hereof) (of which the Trustee has furnished at least 30 days' notice to the Bank), the Trustee may, in its discretion, and shall, upon request in writing of the Majority Bondholders or by a special resolution duly passed at the meeting of the Bondholders (held in accordance with the provisions set out in Schedule III hereto), by a notice in writing to the Bank initiate the following course of action:

- (a) take up the matter regarding default with the Bank and seek clarification in relation to remedial steps being taken in relation to such event;
- (b) initiate necessary steps in terms of SEBI/statutory/regulatory guidelines/applicable and subject to the provisions of State Bank of India Act, 1955, in accordance with the terms of the Information Memorandum.

*Provided that remedy available to the Trustee and/or the Bondholders pursuant to the occurrence of an event of default identified in Section 26.3.3 and/or Section 26.3.4 hereof shall be subject to 'Loss Absorbency' (as per the terms of hereof, the Information Memorandum and applicable Laws).*

27.2. Such action shall be taken for and on behalf of all the Bondholders then outstanding and the Trustee shall request the Bondholders to make available the funds for taking legal action.

27.3. The amount that may be recovered from the Bank by the Trustee, whether by such legal action or otherwise, shall be distributed by the Trustee amongst the Bondholders pro-rata in proportion to the amounts then outstanding and due to them, provided however the Trustee shall be entitled to first deduct from the amount so recovered all the costs and expenses incurred by the Trustee for realisation of the amount and the remuneration of the Trustee then outstanding.



- 27.4. It is hereby clarified that notwithstanding anything to the contrary contained herein, the Bondholders and/or the Trustee shall not have the right to demand repayment of Principal Amount of the Bonds or Coupon payments in relation to the Bonds upon the occurrence of any event described herein or in the Information Memorandum, other than in the case of bankruptcy and liquidation of the Bank.
- 27.5. It is hereby clarified that, subject to the terms of the SBI Act, if the Issuer goes into liquidation:
- A. Before the Bonds have been written-off: then the Bonds will absorb losses in accordance with the order of seniority as specified in the Information Memorandum and as per usual legal provisions governing priority of claims; or
  - B. After the Bonds have been written-off: the Bondholders will have no claim on the proceeds of liquidation.
- 27.6. It is hereby clarified that, subject to the provisions of the SBI Act and the Banking Regulation Act, 1949 (as amended from time to time and to the extent applicable to the Issuer), if the Issuer is amalgamated with any other bank:
- A. Before the Bonds have been written-off: the Bonds will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger; or
  - B. After the Bonds have been written-off: the Bonds will not be written-up by the amalgamated entity.
- 27.7. It is hereby clarified that any expenses/costs incurred by the Trustee in undertaking any actions under this section 27 shall be borne by the Bank at actual.

## 28. RIGHTS, POWERS AND DISCRETIONS OF THE TRUSTEE

### 28.1. General Rights, Powers and Discretions

- 28.1.1. In addition to the other powers conferred on the Trustee and provisions for their protection and not by way of limitation or derogation of anything contained in this Deed nor of any statute limiting the liability of the Trustee, it is expressly declared as follows :-



- (i) The Trustee may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Bank or by the Trustee or otherwise;

The Trustee shall not be bound to take any steps to ascertain whether any event of default has happened;

- (ii) Save as herein otherwise expressly provided the Trustee shall, as regards all trusts, powers, authorities and discretions, have absolute and uncontrolled discretion as to the exercise thereof and to the mode and time of exercise thereof to protect the interest of the Bondholders;
- (iii) With a view to facilitating any dealing under any provisions of these presents the Trustee shall have full power to consent (where such consent is required) to a specified transaction or class of transactions conditionally to protect the interest of the Bondholders;
- (iv) The Trustee shall have full power to determine all questions and doubts arising in relation to any of the provisions hereof and every such determination bonafide made (whether or not the same shall relate wholly or partially to the acts or proceedings of the Trustee) shall be conclusive and binding upon all persons interested hereunder;
- (v) The Trustee shall have the right to do all acts or deeds and take such actions as may be required to be taken by the Trustee as per the terms and provisions of this Deed and/or under the SEBI Debt Regulations, the SEBI (Debenture Trustees) Regulations, 1993 (to the extent such laws and regulations are applicable to the Issuer), for the purpose of exercising its rights and performing its duties and obligations under the Deed, the SEBI Debt Regulations, the SEBI (Debenture Trustees) Regulations, 1993 (to the extent such laws and regulations are applicable to the Issuer), writings and instruments referred to in this Deed.

28.1.2. It is hereby clarified that:



- (i) According to the terms of the Issue, as incorporated in the Information Memorandum, the Bondholders shall be deemed to have irrevocably given their consent to and authorised the Trustee or any other agents or authorised officials of the Trustee to do all such acts, deeds and matters and things in respect of or relating to the Bonds as the Trustee may in its absolute discretion deemed necessary or required to be done in the interest of the Bondholders.
- (ii) All rights and remedies under this Deed and/or other Transaction Documents shall rest in and be exercised by the Trustee subject to Section 27.1 hereof without having it further referred to the Bondholders.
- (iii) Any payment made by the Issuer to the Trustee on behalf of the Bondholders shall discharge the Issuer *pro tanto* to the Bondholders.
- (iv) No Bondholder shall be entitled to proceed directly against the Issuer unless the Trustees, having become so bound to proceed, fail to do so.
- (v) The Trustee shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the Bondholders and shall further conduct itself, and comply with the provisions of all applicable Laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustee.
- (vi) The Trustee shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the SEBI (Debenture Trustees) Regulations, 1993 (to the extent such laws and regulations are applicable to the Issuer), this Deed, Disclosure Document and all other related Transaction Documents, with due care and diligence (including the Trustee's duty to carry out such acts as are necessary for the protection of the Bondholders' rights and resolving their grievances).

## 28.2. Power of Trustee to Delegate



The Trustee hereof being a body corporate, may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in them act by an officer or officers for the time being of the Trustee and the Trustee may also, whenever they think it expedient, delegate by power of attorney or otherwise to any such officer all or any of the trusts, powers, authorities and discretions vested in them by these presents and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Trustee may think fit. The Trustee shall, in case of delegation of any powers/rights, intimate the Issuer within 3 (three) days of such delegation.

### 28.3. Powers of Trustee to Employ Agents

The Trustee may, in carrying out the trust business, employ and pay any person to transact or concur in transacting any business and do or concur in doing all acts required to be done by the Trustee including the receipt and payment of moneys and shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by them in connection with the trust hereof and also their reasonable charges in addition to the expenses incurred by them in connection with matters arising out of or in connection with these presents including matters which might or should have been attended to in person by the Trustee.

### 28.4. Limitation of Liabilities of the Trustee

- (a) The Trustee and its employees shall not be liable for anything whatsoever except for a breach of trust knowingly and intentionally committed by the Trustee;
- (b) The Trustee and its employees shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts expressed in these presents or contained or any of them or in enforcing the covenants contained therein or any of them or in giving notice to any person or persons of the execution thereof or in taking any other steps which may be necessary, expedient or desirable or for any loss or injury which may be occasioned by reason thereof unless the Trustee shall have been previously requested by notice in writing to perform, exercise or



do any such steps as aforesaid by the Majority Bondholder(s) or by a Special Resolution duly passed at a meeting of the Bondholder(s)/ Beneficial Owner(s) and the Trustee shall not be bound to perform, exercise or do any such acts, powers or things or to take any such steps unless and until sufficient moneys shall have been provided or provision to the satisfaction of the Trustee made for providing the same by or on behalf of the Bondholder(s) Beneficial Owner(s) or some of them in order to provide for any costs, charges and expenses which the Trustee may incur or may have to pay in connection with the same and the Trustee are indemnified to their satisfaction against all further costs, charges, expenses and liabilities which may be incurred in complying with such request.

- (c) PROVIDED NEVERTHELESS that nothing contained in this clause shall exempt the Trustee from or indemnify them against any liability for breach of trust nor any liability which by virtue of any rule or law would otherwise attach to them in respect of any gross negligence, or wilful default which they may be guilty in relation to their duties thereunder.

#### 28.5. Trustee May Contract with the Bank

Neither the Trustee nor any agent of the Trustee shall be precluded from making any contract or entering into any arrangement or transaction with the Bank or with itself in the ordinary course of business of the Trustee.

### 29. RETIREMENT AND REMOVAL OF TRUSTEE

#### 29.1. Resignation

- (a) The Trustee may at any time, after giving 30 (thirty) days prior written notice to the Issuer, without assigning any reason and without being responsible for any loss or costs occasioned thereby, resign as the trustee, provided that such Trustee shall continue to act as Trustee until a successor trustee is appointed by the Bank.
- (b) The Bank shall, upon receipt of notice of resignation issued by the Trustee, take prompt steps to appoint another entity



competent to act as trustee for the Bondholders in place of the Trustee (the "Successor Trustee").

- (c) In case of resignation of the Trustee, the Trustee shall, within a period of 7 (seven) days from the date it ceases to act as the Trustee, refund/ return to the Issuer the pro rata Annual Service Charges (under Section 29.1 hereof) paid to the Trustee by the Issuer.

## 29.2. Removal

The Bondholders may for sufficient cause but, after giving not less than 2 (two) months' notice in writing to the Trustee and the Bank, remove the Trustee by passing a Special Resolution (in accordance with Schedule III hereof) to that effect, and by the same resolution nominate an entity competent to act as their trustee and require the Bank to appoint such entity as the "Successor Trustee". The Bank shall within 15 days of receipt of such resolution passed by the Bondholders take all necessary steps to appoint the entity named in the resolution as the Successor Trustee and complete all necessary formalities to give effect to such appointment.

## 29.3. Successor Trustee as the Trustee

Upon identification of a Successor Trustee, pursuant to sub-section 29.1 or 29.2 above (as the case may be), and upon execution of the deed of accession (substantially in the form set out in Schedule IV hereof), the Successor Trustee shall be deemed to have been appointed as the Trustee and all references in this Deed to the 'Trustee' shall, upon execution of the aforesaid deed of accession (substantially in the form set out in Schedule IV hereof), unless repugnant to the context, mean and refer to the Successor Trustee, and the Successor Trustee shall without any further act or deed succeed to all the powers and authorities of the Trustee as if it had been originally appointed as the Trustee.

## 30. TRUSTEE'S REMUNERATION

- 30.1. The Bank shall pay to the Trustee remuneration for their services (as Trustee), as per the Trustee's consent letter no. 02.09.2016.

Issuer	Trustee
	



- 30.2. The Issuer shall not be required to pay any compensation to the Trustee on premature termination of this Deed, save and except for pro-rata fees that the Trustee may be entitled to for the period of time already served by it as a Trustee. Provided that if at the time of the premature termination of this Deed, the Trustee had already been paid in excess of such pro-rata amounts that it was entitled to for the period of time served by it as a Trustee, the excess amounts shall be reimbursed to the Issuer without any interest thereon.

**31. TRUST / REALISATION OUT OF COMPENSATION MONEY**

- 31.1. The Trustee shall hold UPON TRUST the monies, received by them from the Issuer in relation to the Bonds.
- 31.2. The amount that may be recovered from the Bank by the Trustees, whether by such legal action or otherwise, shall be distributed by the Trustees amongst the Bondholders pro-rata in proportion to the amounts then outstanding and due to them, provided however the Trustees shall be entitled to first deduct from the amount so recovered all the costs and expenses incurred by the Trustees for realisation of the amount and the remuneration of the Trustees then outstanding.
- 31.3. The Bondholder shall be entitled to proceed directly against the Bank with prior intimation to the Trustees. In the event of such Bondholder/s joining the Trustees as "Party Defendant", the Trustees shall be entitled to reimbursement of expenses for defending such suit from such Bondholder.

**32. PROVISIONS FOR MEETING OF BONDHOLDERS AND OTHER PROVISIONS IN RELATION TO BONDS**

- 32.1. The provisions set out in Schedule III hereto shall apply to the meetings of the Bondholders.
- 32.2. The Bonds shall not, except as provided in the State Bank of India Act and/or State Bank of India Regulations, confer upon the holders thereof any rights or privileges available to the shareholders of the Issuer including the right to receive notices or Annual Reports of, or to attend and/or vote, at the General Meeting of the Issuer.

Issuer	Trustee
	

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- 32.3. The Issuer shall be entitled, from time to time, to undertake further issue bonds or incur further indebtedness in any manner as deemed fit by it in its discretion, without consent of or notice to the Bondholders, or any of them and/or the Trustee, including by issuance of debentures, bonds, loans, certificate of deposits, inter-corporate deposits, borrowings and/or indebtedness by or under co-acceptances and/or guarantees, and/or any other means as deemed fit by it, and on such terms as deemed fit by it, including on interest / coupon rate, tenor, ranking, etc, and from any Person as deemed fit by it.

### 33. NOTICES

- 33.1. All notices required to be given by the Issuer or by the Trustees to the Bondholders shall be deemed to have been given if sent by ordinary post/ courier to the original sole/ first holder of the Bonds and/ or if published in one English daily newspaper having nation -wide circulation and one regional language newspaper.
- 33.2. All notices required to be given by the Bondholder(s), shall be sent by registered post or by hand delivery to the Issuer or to such persons at such address as may be notified by the Issuer from time to time.
- 33.3. Unless otherwise stated, all notices, approvals, instructions and other communications for the purposes of this Deed may be given by facsimile, by email or by personal delivery or by sending the same by prepaid registered mail addressed to the Party concerned at its address or the fax numbers set out hereunder and/or any other address subsequently notified to the other Party for the purposes of this Section 33 and shall be deemed to be effective (a) in the case of email, upon the sending of the email by the author thereof; (b) in the case of registered mail, 3 (three) calendar days after posting, (c) in the case of facsimile at the time when dispatched with a report confirming proper transmission or (d) in the case of personal delivery, at the time of delivery.

#### Notices to State Bank of India:

Address: 14th Floor, State Bank Bhavan,  
Madame, Cama Road, Mumbai-21

Attention: General Manager



Fax Number: 91-22-22855348

Email: gm.snb@sbi.co.in

Notices to the Trustee: IDBI Trusteeship Services Limited

Address: Asian Building, Ground Floor,  
17, R. Kamani Marg, Ballard Estate,  
Mumbai-400 001

Attention: [Please insert designation]

Fax Number: 91-22-6631 1776

Email: ajit.guruji@idbitrustee.com

#### 34. MISCELLANEOUS

##### 34.1. Governing Law and Jurisdiction

This Deed and any disputes or claims arising out of or in connection with it, its subject matter or formation (including non-contractual disputes or claims) is governed by and shall be construed in accordance with the laws of India the courts and tribunals at Mumbai, Maharashtra, India shall have exclusive jurisdiction to decide any disputes or adjudicate on any matter in relation to this Deed.

##### 34.2. Information Memorandum to Prevail

In the event of any repugnancy or inconsistency between these presents, or any other agreement or undertaking that the Bank may enter into with or execute in favour of the Trustee in relation to the present Issue, the Information Memorandum will prevail for all purposes and for all intents.

It is hereby expressly agreed by and between the Parties that the obligations of the Issuer shall be governed by the provisions contained in the Information Memorandum and these presents, and in the event of there being any inconsistency or repugnancy between the provisions contained in the Information Memorandum, and these presents, the provisions contained in the Information Memorandum shall prevail for all purposes and to all intents.



## 35. OTHER TERMS

### 35.1. Severability

- (a) Each provision of these presents shall be considered severable and if for any reason any provision of these presents is determined by a court of competent jurisdiction to be invalid or unenforceable and contrary to Indian law or existing or future applicable Laws, such invalidity shall not impair the operation of or affect those provisions of these presents which are valid. In that case, these presents shall be construed so as to limit any term or provision so as to make it enforceable or valid within the requirements of any applicable Laws, and in the event such term or provision cannot be so limited, these presents shall be construed to omit such invalid or unenforceable provisions. Following the determination that any provision of these presents is unenforceable, the Parties shall negotiate in good faith a new provision that, as far as legally possible, most nearly reflects the intent of the Parties and that restores these presents as nearly as possible to its original intent and effect.
- (b) If any condition, clause or provision of this Deed not being of a fundamental nature is held to be illegal or unenforceable, the validity or enforceability of the remainder of this Deed shall not be affected thereby

### 35.2. No Waiver, Cumulative Remedies

- (a) No failure to exercise, and no delay in exercising any right, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude or require any other or future exercise thereof or the exercise of any right, power or privilege hereunder.
- (b) All powers and remedies granted to any Party hereto the intention being that all other agreements, instruments and documents executed in connection with this Deed shall be cumulative may be exercised singly or concurrently and shall not be exclusive of any rights or remedies provided by law.



### 35.3. Authority to Sign Deed

Each Party to this Deed represents and warrants that the person signing this Deed on behalf of such Party is duly authorised by the Party for and on whose behalf he is signing this Deed to execute the same in a manner binding upon the said Party and that all corporate approvals and procedures necessary for vesting such authority in him have been duly obtained and complied with.

### 35.4. Counterparts

This Deed may be executed in duplicate of documents or counterparts, each in the like form and all of which when taken together shall constitute one and the same document, and any Party may execute this Deed by signing any one or more such documents or counterparts.

### 35.5. Variation

No variation, modification, amendment or waiver of any provision of this Deed shall be binding on any Party unless and to the extent that such variation is recorded in a written document executed by each Party hereto, but where any such document exists and is so signed, such Party shall not allege that such document is not binding by virtue of an absence of consideration.

### 35.6. Stamp Duty

Each Party agrees that this Deed is subject to a stamp duty as applicable and as has been paid on this Deed and each Party hereby irrevocably waives any defence to its admission in evidence that this Deed is inadequately stamped.

### 35.7. Effectiveness of the Deed

This Deed shall be effective on and from the date first hereinabove written and shall be in force till the monies in respect of the Bonds have been paid-off or written-off, as per the terms of the Information Memorandum.



### 35.8. Disclosures

The Issuer confirms that necessary disclosures in accordance with the regulatory requirements have been made in the Information Memorandum, as provided/to be provided to the Investors. It is understood and acknowledged that the Investors deem to have carefully read and noted the contents of the Information Memorandum; the Bondholders have made their own independent assessment, evaluation and judgment of the merit of investment in the Bonds and the Issuer by consulting their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Bonds and also possess the appropriate resources to analyse such investments and suitability of such investment to such Investor's particular circumstance and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments.



### SCHEDULE - I

The list of Bondholders, as on the Deemed Date of Allotment i.e. September 6, 2016, is as specified below.

Coupon rate is fixed rate of 9.00 % p.a. subject to Call Option after a minimum of five years as well as tax and regulatory call.

Sr. No.	Name of Bondholder	Amount (Rs. Crores) in	No. of Bonds
1.	Yes Bank Limited	2,100	21,000
	Total Amount Collected	2,100	21,000



## SCHEDULE - II

[Summary Term Sheet to be appended here]

Security Name	9% SBI
Series	Series I
Issuer	State Bank of India
Type Nature of Instrument	Non-convertible, Perpetual, Subordinated, Unsecured Basel III compliant Additional Tier I Bonds in the nature of debentures of Rs.10,00,000 each (each a "Bond")
Nature of Instrument	Unsecured The bonds are neither secured nor covered by a guarantee of the Bank nor related entity or other arrangements that legally or economically enhances the seniority of the claim vis-à-vis other creditors of the Bank.
Seniority	<p>The claims of the Bondholders in the Bonds shall -</p> <ul style="list-style-type: none"> <li>(i) Be superior to the claims of investors in equity shares and perpetual non-cumulative preference shares issued by the Bank;</li> <li>(ii) Be subordinated to the claims of depositors, general creditors and subordinated debt of the Bank other than any subordinated debt qualifying as Additional Tier 1 Capital (as defined in the Basel III Guidelines);</li> <li>(iii) neither be secured nor covered by a guarantee of the Issuer or its related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis creditors of the Bank;</li> <li>(iv) Unless the terms of any subsequent issuance of bonds/debentures by the Bank specifies that the claims of such subsequent bond holders are senior or subordinate to the Bonds issued under this Disclosure Document or unless the RBI specifies otherwise in its guidelines, the claims of the Bondholders shall be pari passu with claims of holders of such subsequent debentures/bond issuances of the Bank;</li> <li>(v) rank pari passu without preference amongst themselves</li> </ul> <p>Notwithstanding anything to the contrary stipulated herein, the claims of the Bondholders shall be subject to the provisions of Coupon Discretion, Loss Absorbency and Other Events mentioned in this Disclosure Document.</p> <p>The Bonds shall not contribute to liabilities exceeding assets of the Bank if such a balance sheet test forms part of a requirement to prove insolvency under any law or otherwise.</p>
Mode of Issue	Private Placement
Eligible Investors	<p>The following class of investors are eligible to participate in the offer:</p> <p>Mutual Funds, Public Financial Institutions as defined in section 2(72) of the Companies Act, 2013, Scheduled Commercial Banks, Insurance Companies, Provident Funds, Gratuity Funds,</p>



Trustee

*[Signature]*



	<p>Superannuation Funds and Pension Funds, Co-operative Banks, Regional Rural Banks authorized to invest in bonds/debentures, Companies and Bodies Corporate authorized to invest in bonds/debentures, Societies authorized to invest in bonds/debentures, Trusts authorized to invest in bonds/debentures, Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/debentures, etc., Foreign Institutional Investors*.</p> <p>This being a private placement Issue, the eligible investors who have been addressed through this communication directly, are only eligible to apply.</p> <p>Prior to making any investment in these Bonds, each investor should satisfy and assure himself/herself/itself that he/she/it is authorized and eligible to invest in these Bonds. The Bank shall be under no obligation to verify the eligibility/authority of the investor to invest in these Bonds. Further, mere receipt of this Disclosure Document (and/or any Transaction Document in relation thereto and/or any draft of the Transaction Documents and/or the Disclosure Document) by a person shall not be construed as any representation by the Bank that such person is authorized to invest in these Bonds or eligible to subscribe to these Bonds. If after applying for subscription to these Bonds and/or allotment of Bonds to any person, such person becomes ineligible and/or is found to have been ineligible to invest in/hold these Bonds, the Bank shall not be responsible in any manner.</p> <p>The following class of investors are not eligible to participate in the offer:</p> <p>Resident Individual Investors, Foreign Nationals, A related party over which the bank exercises control or significant influence (as defined under relevant Accounting Standards), Persons resident outside India, Venture Capital Funds, Alternative Investment Funds, Overseas Corporate Bodies, Partnership firms formed under applicable laws in India in the name of the partners, Hindu Undivided Families through Karta, Person ineligible to contract under applicable statutory/ regulatory requirements.</p> <p>*Investment by FIIs in these Bonds raised in Indian Rupees shall be subject to compliance with terms and conditions stipulated by SEBI/other regulatory authorities on investment in these instruments and shall be within an overall limit of 49% of the Issue, respectively subject to the investment by each FII not exceeding 10% of the Issue.</p>
Listing	Proposed on the Wholesale Debt Market (WDM) Segment of NSE and/or BSE
Rating	"CRISIL AA+/Stable" by CRISIL and "CARE AA+ (Double A Plus)" by CARE
Issue Size	Rs.2,100 crores
Option to retain oversubscription	NA



Objects of the Issue	Augmenting Additional Tier 1 Capital and overall capital of the Bank for strengthening its capital adequacy and for enhancing its long-term resources in accordance with RBI Guidelines
Details of Utilization of funds	The Bank shall utilize the proceeds of the issue for augmenting Additional Tier 1 Capital and overall capital base and for the purpose of its regular business activities & other associated business objectives.
Coupon Rate	9% p.a. subject to "Coupon Discretion" and/or "Loss Absorbency" (as the case may be).
Step Up/Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Annual subject to "Coupon Discretion" and/or "Loss Absorbency" (as the case may be).
Coupon Payment Dates	6 <sup>th</sup> September every year till call date (if exercised).
Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	Not Applicable
Day Count Basis	<p>Interest for each of the interest periods shall be computed as per Actual / Actual day count conversion on the face value/principal outstanding at the Coupon rate rounded off to the nearest rupee.</p> <p>Interest Period means each period beginning on (and including) the deemed date of allotment(s) or any Coupon Payment Date and ending on (but excluding) the next Coupon Payment Date/ Call Option Date (if exercised).</p> <p>Sample interest calculation is provided in the Information Memorandum in Annexure IV</p>
Interest on Application Money	<p>Interest at the Coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds for the period starting from and including the date of realization of application money in Issuer's Bank Account upto one day prior to the Date of Allotment.</p> <p>Provided that, notwithstanding anything contained hereinabove, Bank shall not be liable to pay any interest on monies liable to be refunded in case of invalid Applications or Applications liable to be rejected including Applications made by persons ineligible to apply for and/or hold the Bonds.</p>
Default Interest Rate	Not Applicable
Tenor	Perpetual
Redemption Date	Not Applicable
Redemption Amount	NA. However in case of redemption due to exercise of call option or otherwise in accordance with RBI Guidelines, the Bonds shall

<p>Issuer</p> 	<p>Trustee</p> 
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	be redeemed at par along with interest (subject to "Coupon Discretion") accrued till one day prior to the Call Date subject to adjustments and/or write-off on account of "Coupon Discretion", "Loss Absorbency" & "Other Events" mentioned in the Summary Term Sheet.
Premium/Discount on redemption	Nil
Issue Price	At par (Rs.10 lacs per Bond)
Discount on Issue	Nil
Put Date	Not Applicable
Put Price	Not Applicable
Issuer Call Date	The Bank may, at its sole discretion but subject always to the "Condition to exercise of call option", elect to exercise a call on the Bonds (in whole but not in part) on 6 <sup>th</sup> September 2021 [being the 5th anniversary of the Deemed Date of Allotment] (the "Issuer Call Date") or any Coupon Payment Date thereafter.
Tax Call	<p>If there is any change in, or amendment to, the laws affecting taxation (or regulations or rulings promulgated thereunder) in India or any change in the official application of such laws, regulations or rulings (a "Tax Event") like the Issuer will no longer being entitled to claim a deduction in respect of computing its taxation liabilities with respect to coupon on the Bonds, Issuer may, at its option, redeem the Bonds, in whole but not in part, at a redemption price equal to outstanding principal amount subject to adjustment on account of "Loss Absorbency" and Other Events mentioned in the Term Sheet, together with any accrued but unpaid interest (subject to Coupon Discretion) to (but excluding) the date fixed for exercising call option on such Bonds. Any redemption upon the occurrence of a Tax Event will be subject to the provisions described under "Call Notification Time" and conditions (ii) and (iii) enumerated under "Condition for exercise of Call Option"</p> <p>RBI may permit the Issuer to exercise the Tax Call only if the RBI is convinced that the Issuer was not in a position to anticipate the Tax Event at the time of issuance of the Bonds and if the Bank demonstrates to the satisfaction of RBI that the Bank's capital position is well above the minimum capital requirements after the call option is exercised.</p>
Regulatory Call	If there is a change in the regulatory classification of the Bonds that occurs on or after the issue date of the Bonds (a "Regulatory Event"). Issuer may, at its option, redeem the Bonds, in whole but not in part, at a redemption price equal to outstanding principal amount subject to adjustment on account of "Loss Absorbency" and Other Events mentioned in the Summary Term Sheet, together with any accrued but unpaid interest (subject to Coupon Discretion) to (but excluding) the date fixed for exercising call option on such Bonds. Any redemption upon the occurrence of a Regulatory Event will be subject to the provisions described under "Call Notification Time" and conditions (ii) and (iii) enumerated under "Condition for exercise of Call Option"

	RBI may permit the Issuer to exercise the Regulatory Call only if the RBI is convinced that the Issuer was not in a position to anticipate the Regulatory Call at the time of issuance of the Bonds and if the Bank demonstrates to the satisfaction of RBI that the Bank's capital position is well above the minimum capital requirements after the call option is exercised.
Condition for exercise of Call Option	<p>Exercise of Call Option on the Bonds by the Bank will be subject to all the conditions mentioned below:</p> <p>(i) Call Option may be exercised only after a minimum period of five years from the Deemed Date of Allotment;</p> <p>(ii) To exercise a call option the Bank shall require prior approval of RBI; and</p> <p>(iii) Bank shall not exercise a call unless</p> <p>(a) The Bond is replaced with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the Bank; or</p> <p>(b) The Bank demonstrates that its capital position is well above the minimum capital requirements after the call option is exercised</p>
Put Notification Time	Not Applicable
Call Notification Time	Any redemption of the Bonds on account of exercise of Call Option shall be subject to the Issuer giving not less than twenty one (21) calendar days prior notice to the bondholders/ trustee.
Face Value	Rs. 10 Lacs per Bond
Minimum Application	10 (Ten) Bonds and in multiples of 1 (One) Bond thereafter
Issue Timing:	
1. Issue Opening Date	6 <sup>th</sup> September, 2016
2. Issue Closing Date	6 <sup>th</sup> September, 2016
3. Pay-in Date	6 <sup>th</sup> September, 2016
4. Deemed Date of Allotment	6 <sup>th</sup> September, 2016
Issuance mode	In Demat mode only
Trading Mode	In Demat mode only
Settlement	Payment of interest and repayment of principal shall be made by way of cheque(s)/interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ NECS/RTGS/ NEFT mechanism
Depository	National Securities Depository Limited and Central Depository Services (India) Limited
Business Day Convention/ Effect of Holidays	'Business Day' shall be a day on which commercial banks are open for business in the city of Mumbai, Maharashtra. If the date of payment of interest does not fall on a Business Day, then the succeeding Business Day will be considered for such payment of interest with interest for such additional period. Such additional interest will be deducted from the interest payable on the next Coupon Payment Date. In case the Call Option Date (if exercised)

<p>Issuer</p> 	<p>Trustee</p> 
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	does not fall on a Business Day, the payment will be made on the preceding Business Day, along with coupon/interest accrued on the Bonds until but excluding the date of such payment.
Record Date	15 days prior to each Coupon Payment Date / Call Option Date (as the case may be). In the event the Record Date falls on a day which is not a Business Day, the succeeding Business Day will be considered as Record Date.
Security	Unsecured
Transaction documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> <li>1. Letter appointing, as Trustee to the Bondholders;</li> <li>2. Letter appointing Arranger to the Issue</li> <li>3. Debenture Trusteeship Agreement/ Bond Trustee Agreement / Debenture Trust Deed (as required);</li> <li>4. Rating Letter from rating agency;</li> <li>5. Tripartite Agreement between the Issuer; Registrar to the Issue and NSDL for issue of Bonds in dematerialized form;</li> <li>6. Tripartite Agreement between the Issuer, Registrar to the Issue and CDSL for issue of Bonds in dematerialized form;</li> <li>7. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar;</li> <li>8. Application made to BSE and/or NSE for seeking its in-principle approval for listing of Bonds;</li> <li>9. Listing Agreement with BSE and/or NSE</li> </ol>
Conditions precedent to subscription of Bonds	<p>The subscription from applicants shall be accepted for allocation and allotment by the Bank, subject to the following:</p> <ol style="list-style-type: none"> <li>a) Rating Letters from CARE Ratings and CRISIL Limited</li> <li>b) Consent Letter from the Trustees to act as Trustee to the Bondholder(s)</li> <li>c) Letter from BSE and/ or NSE conveying in-principle approval for listing &amp; trading of Bonds</li> </ol>
Conditions subsequent to subscription of Bonds	<p>The Bank shall ensure that the following documents are executed/ activities are completed as per terms of this Disclosure Document:</p> <ol style="list-style-type: none"> <li>a) Credit of Demat Account(s) of the Allottee(s) by number of Bonds allotted within 2 Business Days from the Deemed Date of Allotment</li> <li>b) Making application to BSE and/ or NSE within 15 days from the Deemed Date of Allotment to list the Bonds and seek listing permission within 20 days from the Deemed Date of Allotment</li> <li>c) Neither the Bank nor any related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor would the Bank directly or indirectly fund the purchase of the Bonds. The Bank shall not grant advances against the security of the Bonds issued by it</li> </ol>
Events of Default	Not Applicable. It is further clarified that cancellation of discretionary payments shall not be deemed to be an event of default. The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation.



Treatment in Bankruptcy / Liquidation	The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation. The Bond will not contribute to liabilities exceeding assets of the Bank if such a balance sheet forms part of a requirement to prove insolvency under any law or otherwise.
Cross Default	Not Applicable
Dividend Stopper	<p>If any interest is cancelled, then from the date of which such cancellation has first been notified (a "Dividend Stopper Date"), the Bank will not so long as any of the Bonds are outstanding:</p> <ul style="list-style-type: none"> <li>(i) Declare or pay any discretionary distribution or dividend or make any other payment on, or directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire its Common Equity Tier 1 Capital (other than to the extent that any such distribution, dividend or other payment is declared before such Dividend Stopper Date or where the terms of the instrument do not at the relevant time enable the Bank to cancel or defer such payment); or</li> <li>(ii) Pay discretionary interest or any other distribution on, or directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire, any of its instruments or securities ranking, as to the right of payment of dividend, distributions or similar payments, pari passu with the Bonds (excluding securities the terms of which stipulate mandatory redemption).</li> </ul> <p>in each case unless or until (i) the next Coupon Payment Date, following the Dividend Stopper Date, on which of payment of Coupon amount has resumed and such Coupon (payable on such Coupon payment date) has been paid in full, or (ii) the prior approval of the Bondholders has been obtained via an extraordinary resolution (as per the mechanism stipulate in the Debenture Trust Deed). It is hereby clarify that Coupon on the bonds shall not be cumulative. If Coupon is cancelled or not paid or paid at a rate lesser than the Coupon rate, such unpaid and / or cancelled Coupon will not be paid in future years.</p> <p>For the avoidance of doubt, the Dividend Stopper will not:</p> <ul style="list-style-type: none"> <li>a) stop payment on another instrument where the payments on such an instrument are not fully discretionary;</li> <li>b) prevent distributions to shareholders for a period that extends beyond the point in time at which interest on the Bonds is resumed;</li> <li>c) impede the normal operation of the Bank, including actions in connection with employee share plans or any restructuring activity, including acquisitions and disposals; or</li> <li>d) impede the full discretion that the Bank has, at all times, to cancel distributions or payments on the Bonds nor act in a way that could hinder the recapitalization of the Bank</li> </ul>
Role and Responsibilities of Trustees to the Issue	The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustees. The Trustees shall carry out its duties and



Trustee



	perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.
Coupon Discretion	<p>(i) The Bank shall have full discretion at all times to cancel Coupon either in part or full. On cancellation of payment of Coupon, these payments shall be extinguished and the Bank shall have no obligation to make any distribution/Coupon payment in cash or kind.</p> <p>(ii) The bonds do not carry a 'dividend pusher' feature i.e. if the Bank makes and payment (coupon/dividend) on any other capital instrument or share, the Bank shall not be obligated to make coupon payment on the bonds.</p> <p>(iii) Cancellation of Coupon shall not be an event of default.</p> <p>(iv) Bank shall have full access to cancelled Coupon to meet obligations as they fall due.</p> <p>(v) Cancellation of Coupon shall not impose any restrictions on the bank except in relation to distributions to common stakeholders.</p> <p>(vi) Coupons, unless cancelled by the Bank, shall be paid out of distributable items. In this context, Coupon may be paid out of current year profits. However, if current year profits are not sufficient, Coupon may be paid subject to availability of sufficient revenue reserves (those which are not created for specific purposes by the Bank) and / or credit balance in profit and loss account, if any.</p> <p>However, payment of Coupons on the Bonds from the revenue reserves is subject to the Bank meeting minimum regulatory requirements for CET1, Tier 1 and Total Capital ratios (as stipulated in the Basel III Guidelines and/or other relevant guidelines issued by the RBI from time to time) at all times and subject to the requirements of capital buffer frameworks (i.e. capital conservation buffer, countercyclical capital buffer and Domestic Systemically Important Banks).</p> <p>(vii) Coupon on the Bonds shall not be cumulative. If Coupon is cancelled or not paid or paid at a rate lesser than the Coupon Rate, such unpaid and/or cancelled Coupon will not be paid in future years.</p>
Loss Absorbency	<p>The Bonds (including all claims, demands on the Bonds and interest thereon, whether accrued or contingent) are issued subject to loss absorbency features applicable for non-equity capital instruments issued in terms of Basel III Guidelines including in compliance with the requirements of Annex 4 thereof and are subject to certain loss absorbency features as described herein and required of Additional Tier 1 instruments at Pre-Specified Trigger Level and at the Point of Non Viability as provided for in Annex 16 of the aforesaid circular.</p> <p>Accordingly, the Bonds and any claims or demands of any Bondholder or any other person claiming for or on behalf of or through such Bondholder, against the Bank, may be written-off, in whole or in part, upon the occurrence of the following trigger events:</p> <p>(i) Pre-Specified Trigger Level</p>



	<p>(ii) Point of Non-Viability</p> <p>(i) Loss Absorption at Pre-Specified Trigger Level</p> <p>If the CET1 of the Bank falls below 5.5% of RWA before 31<sup>st</sup> March, 2019 and if CET1 falls below 6.125% of RWA on or after 31<sup>st</sup> March 2019. Each of the trigger levels referred to hereinabove is called the "Pre-Specified Trigger Level"</p> <p>A write-off of the Bonds may have the following effects:</p> <ul style="list-style-type: none"> <li>(i) reduce the claim of the Bond (up to nil) in liquidation;</li> <li>(ii) reduce the amount to be re-paid on the Bond when call is exercised (up to nil);</li> <li>(iii) partially or fully reduce Coupon payments on the Bond</li> </ul> <p>The write-down of any Common Equity Tier 1 capital shall not be required before a write-down of any AT1 instruments (including the Bonds). The Bank shall have full discretion to determine the amount of AT1 Instruments (including the Bonds) to be written down subject to the amount of write-down not exceeding the amount which would be required to bring CET1 ratio to 8% of RWAs. Further, the aggregate amount to be written-down for all AT1 Instruments on breaching the trigger level shall be at least the amount needed to immediately return the bank's CET1 ratio to the trigger level (i.e. CET from write-down generated under applicable Indian Accounting Standards or RBI Instructions net of contingent liabilities, potential tax liabilities etc., if any) or, if this is not possible the full principal value of the instruments. When the Bank breaches a Pre-Specified Trigger Level and the equity is replenished through write-down, such replenished amount of equity will be excluded from the total equity of the Bank for the purpose of determining the proportion of earnings to be paid out as dividend in terms of rules laid down for maintaining capital conservation buffer. However, once the Bank has attained total common equity ratio of 8% without counting the replenished equity capital that point onwards, the Bank may include the replenished equity capital for all purposes. The Bank shall have the discretion to write-down the Bonds multiple times in case the Bank hits Pre-Specified Trigger Level subsequent to the first write-down. The Bonds which have been written off can be written up (partially or full) at the absolute discretion of the Bank and subject to compliance with RBI instructions (including permission, consent if any).</p> <p>(ii) Loss Absorption at the Point of Non-Viability ("PONV")</p> <p>A write-off of the Bonds at the PONV may have the following effects:</p> <ul style="list-style-type: none"> <li>(i) reduce the claim of the Bond (up to nil) in liquidation;</li> <li>(ii) reduce the amount to be re-paid on the Bond when call is exercised (up to nil);</li> <li>(iii) partially or fully reduce coupon payments on the Bond.</li> </ul> <p>PONV trigger event shall be as defined in the aforesaid Basel III Guidelines and shall be determined by the RBI.</p> <p>RBI may in its imminence alter or modify the PONV trigger</p>
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	<p>whether generally or in relation to the Bank or otherwise. In any case it should be noted that following writing-off of the Bonds and claims and demands as noted above neither the Bank, nor any other person on the Bank's behalf shall be required to compensate or provide any relief, whether absolutely or contingently, to the Bondholder or any other person claiming for or on behalf of or through such holder and all claims and demands of such persons, whether under law, contract or equity, shall stand permanently and irrevocably extinguished and terminated. Unless otherwise specified in this Information Memorandum, the write-off of any common equity or any other regulatory capital (as understood in terms of the aforesaid circular or any replacement/amendment thereof), whether senior or pari passu or subordinate, and whether a Tier 1 capital or otherwise shall not be required before the write-off of any of the Bonds and there is no right available to the Bondholder hereof or any other person claiming for or on behalf of or through such holder to demand or seek that any other regulatory capital be subject to prior or simultaneous write-off or that the treatment offered to holders of such other regulatory capital be also offered to the Bondholders.</p>
PONV	<p>The Bonds (including all claims, demands on the Bonds and interest thereon, whether accrued or contingent), at the option of the RBI, can be permanently written down upon the occurrence of the trigger event, called "Point of Non-Viability Trigger" ("PONV Trigger")</p> <p>The PONV Trigger event is the earlier of:</p> <ol style="list-style-type: none"> <li>a decision that a permanent write-off without which the Bank would become non-viable, as determined by the Reserve Bank of India; and</li> <li>the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the relevant authority.</li> </ol> <p>The amount of non-equity capital to be written-off will be determined by RBI.</p> <p>The Write-off of any Common Equity Tier 1 capital shall not be required before the write-off of any Non-equity (Additional Tier 1 and Tier 2) regulatory capital instrument. The order of write-off of the Bonds shall be as specified in the order of seniority as per this Information Memorandum and any other regulatory norms as may be stipulated by the RBI from time to time.</p> <p>The Bonds can be written-down multiple times in case the Bank hits the PONV Trigger Level subsequent to the first write-down. The Bonds which has been written off shall not be written up.</p> <p>Such a decision would invariably imply that the write-off consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted. The Bondholders shall not have any residual claims on the Bank (including any claims which are senior to ordinary shares of the Bank), following any trigger event. In any</p>

	<p>case it should be noted that following writing-off of the instruments and claims and demands as noted above neither the Bank, nor any other person on the Bank's behalf shall be required to compensate or provide any relief, whether absolutely or contingently, to the Bondholder or any other person claiming for or on behalf of or through such holder and all claims and demands of such persons, whether under law, contract or equity, shall stand permanently and irrevocably extinguished and terminated. Unless otherwise specified in this Information Memorandum, the write-off of any common equity or any other regulatory capital (as understood in terms of the aforesaid circular or any replacement/amendment thereof), whether senior or pari passu or subordinate, and whether a Tier 1 capital or otherwise shall not be required before the write-off of any of the Bonds and there is no right available to the Bondholder hereof or any other person claiming for or on behalf of or through such holder to demand or seek that any other regulatory capital be subject to prior or simultaneous write-off or that the treatment offered to holders of such other regulatory capital be also offered to the Bondholders.</p> <p>For these purposes, the Bank may be considered as non-viable if:</p> <p>The Bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the RBI unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by the Bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 capital of the Bank should be considered as the most appropriate way to prevent the Bank from turning non-viable. Such measures would include write-off / conversion of non-equity regulatory capital into common shares in combination with or without other measures as considered appropriate by the Reserve Bank.</p> <p>The Bank facing financial difficulties and approaching a PONV will be deemed to achieve viability if within a reasonable time in the opinion of RBI, it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including augmentation of equity capital through write off of Bonds/ public sector injection of funds are likely to:</p> <ol style="list-style-type: none"> <li>Restore depositors' / investors' confidence;</li> <li>Improve rating / creditworthiness of the Bank and thereby improve its borrowing capacity and liquidity and reduce cost of funds; and</li> <li>Augment the resource base to fund balance sheet growth in the case of fresh injection of funds.</li> </ol> <p>The trigger at PONV will be evaluated both at consolidated and solo level and breach at either level will trigger write-off.</p>
Other Events	<p><i>Treatment of Bonds in the event of Winding-Up:</i></p> <p>Subject to the provisions of The State Bank of India Act, 1955 as amended from time to time</p>

Issuer



Trustee



	<p>a) If the Bank goes into liquidation before the Bonds have been written-down, the Bonds will absorb losses in accordance with the order of Seniority as specified in this Information Memorandum and as per usual legal provisions governing priority of charges.</p> <p>b) If the Bank goes into liquidation after the Bonds have been written-down, the Bondholders will have no claim on the proceeds of liquidation.</p> <p><i>Amalgamation of a banking company: (Section 44 A of BR Act, 1949)</i></p> <p>Subject to the provisions of The State Bank of India Act, 1955 and Banking Regulation Act, 1949 as amended from time to time</p> <p>(a) If the Bank is amalgamated with any other bank before the Bonds have been written-down, the Bonds will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger.</p> <p>(b) If the Bank is amalgamated with any other bank after the Bonds have been written-down temporarily, the amalgamated entity can write-up the Bonds as per its discretion.</p> <p>(c) If the Bank is amalgamated with any other bank after the Bonds have been written-down permanently, these Bonds cannot be written up by the amalgamated entity.</p> <p><i>Scheme of reconstitution or amalgamation of a banking company</i></p> <p>Subject to the provisions of The State Bank of India Act, 1955 and Banking Regulation Act, 1949 as amended from time to time:</p> <p>If the relevant authorities decide to reconstitute the Bank or amalgamate the Bank with any other bank under the Section 45 of BR Act, 1949, the Bank will be deemed as non-viable or approaching non-viability and both the pre-specified trigger and the trigger at the point of non-viability for write-down of AT1/AT2 instruments will be activated. Accordingly, the Bonds may be written-down permanently before amalgamation / reconstitution in accordance with these rules.</p>
Repurchase/ Buy-Back / Redemption	<p>The outstanding Principal of the Bonds (e.g. through repurchase or redemption) can be repaid subject to the prior approval of RBI. The Bank shall repurchase/ Buy-Back / Redeem these bonds only if:</p> <p>(a) The Bonds are replaced with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the Bank; or</p> <p>(b) The Bank demonstrates that its capital position is well above the minimum capital requirements after the repurchase/buy-back / redemption.</p> <p>Such Bonds may be held, reissued, resold, extinguished or surrendered, at the option of the issuer.</p>
Governing Law and Jurisdiction	<p>The Bonds are governed by and shall be construed in accordance with the laws of India. Any dispute arising thereof shall be subject to the jurisdiction of courts of Mumbai, Maharashtra</p>

### SCHEDULE - III

The following provisions shall apply to the meetings of the Bondholders:

1. The Trustee or the Bank may, at any time, and the Trustee shall at the request in writing of the holder(s) of Bonds representing not less than one-tenth in value of the nominal amount of the Bonds for the time being outstanding, convene a meeting of the Bondholders. Any such meeting shall be held at such place in the city where the Central Office of the Bank is situated or at such other place as the Trustee shall determine.
2. A meeting of the Bondholders may be called by giving not less than twenty-one days' notice in writing. However, a meeting may be called after giving shorter notice than that specified herein above, if consent is accorded thereto **in writing or by electronic mode** by Bondholders holding not less than 95% of the Bonds for the time being outstanding.
3. Every notice of a meeting shall specify the place and day and hour of the meeting and shall contain a statement of the business to be transacted thereat.
4. Notice of every meeting shall be given to:-
  - (a) every Bondholder in the manner provided in the Bond Trust Deed;
  - (b) Every Bondholder of the Bank and/or the legal representative of any deceased Bondholder.
  - (c) To the auditor or auditors for the time being of the Bank.
  - (d) To the Trustee when the meeting is convened by the Bank.
5. The accidental omission to give notice to, or the non-receipt of notice by, any Bondholder or other person to whom it should be given shall not invalidate the proceedings at the meeting.
6. Explanatory Statement to be annexed to the Notice
  - i) There shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business,



including in particular the nature of the concern or interest, if any, therein of every Director and the Manager, if any. Provided that where any item of business as aforesaid to be transacted at a meeting of the Bondholders relates to, or affects, any other Bank, the extent of shareholding interest in that Bank of every Director, and the Manager, if any, of the first mentioned Bank shall also be set out in the statement if the extent of such shareholding interest is not less than twenty per cent of the paid up share capital of that other Bank.

(ii) Where any item of business relates to the approval of any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the place where the Central Office of the Bank is situated, the statement of material facts need not be annexed to the notice as required by that section but it shall be mentioned in the advertisement that the statement has been forwarded to the Bondholders.

#### 7. Quorum

(i) Five Bondholders, personally present shall be the quorum for the meeting of the Bondholders and the provisions of following sub-clause (ii) shall apply with respect thereto.

(ii) If, within half an hour from the time appointed for holding a meeting of the Bondholders, a quorum is not present, the meeting, if called upon the requisition of the Bondholders shall stand dissolved but in any other case the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Trustee may determine and if at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the Bondholders present shall be the quorum.

#### 8. Chairman of the meeting

(i) The nominee of the Trustee shall be the Chairman of the meeting and in his absence the Bondholders personally present at the meeting shall elect one of the Bondholders as the Chairman thereof by show of hands.



- (ii) If a poll is demanded on the election of the Chairman, it shall be taken forthwith, and the Chairman elected on a show of hands exercising (for the time being) all the powers of the Chairman under the said provisions.
- (iii) If some other person is elected Chairman as a result of the poll, he shall be Chairman for the rest of the meeting.
9. Trustees, directors etc., may be present

The Trustee and the Directors of the Bank and their respective Solicitors may attend any meeting but shall not be entitled as such to vote thereat.

10. Chairman's Declaration to be Conclusive

(i) At any meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded in the manner hereinafter mentioned, and unless a poll is so demanded, a declaration by the Chairman that on a show of hands the resolution 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 of the meeting, 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.

11. Demand for Poll

- (i) Before or on the declaration of the result on voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by at least five Bondholders or by holder(s) of Bonds representing not less than one-tenth of the nominal amount of the Bonds for the time being outstanding, whichever is less, present in person or by proxy.
- (ii) A poll demanded on a question of adjournment shall be taken forthwith.
- (ii) A poll demanded on any other question (not being a question relating to the election of a Chairman) shall be taken at such time not being later than forty-eight hours from the time when the demand was made, as the Chairman may direct.

12. Rights of Bond holder(s):

- (i) The registered Bondholder or in case of joint - holders, the one whose name stands first in the register of Bondholders, shall be entitled to vote in respect of such Bond(s), either in person or by proxy, at any meeting of the concerned Bondholders and every such holder shall be entitled to one vote on a show of hands, but on a poll he shall be entitled to one vote in respect of every Bond of which he is a holder in respect of which he is entitled to vote.
- (ii) Any Bondholder entitled to attend and vote at the meeting shall be entitled to appoint another person (whether a Bondholder or not) as his proxy to attend and vote instead of himself.
- (iii) In every notice calling the meeting there shall appear with reasonable prominence a statement that a Bondholder entitled to attend and vote is entitled to appoint one or more proxies, to attend and vote instead of himself, and that a proxy need not be a Bondholder.
- (iv) The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a notarially certified copy of the power of attorney shall be deposited at the Registered Office of the Bank not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll and in default, the instrument of proxy shall not be treated as valid.
- (v) The instrument appointing a proxy shall:-
  - (a) be in writing; and
  - (b) be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
- (vi) The instrument appointing a proxy shall be in any of the prescribed by the central government from time to time and shall not be questioned on the ground that it fails to comply with any special



requirements specified for such instruments by the State Bank of India General Regulations.

(vii) Every Bondholder entitled to vote at a meeting of the Bondholders of the Bank on any resolution to be moved thereat shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged, at any time during the business hours of the Bank, provided not less than three days' notice in writing of the intention so to inspect is given to the Bank.

(viii) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or incapacity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Bond in respect of which the proxy is given. Provided that no intimation in writing of such death, incapacity, revocation or transfer shall have been received by the Bank at the Central Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

13. right to use vote differently

On a poll taken at any meeting of the Bondholders a Bondholder entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not if he votes, use all his votes or cast in the same way all the votes he uses.

14. Scrutineers at poll

(i) When a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him.

(ii) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.

(iii) Of the two scrutineers appointed under this Clause, one shall always be a Bondholder (not being an officer or employee of the Bank)



present at the meeting, provided such a Bondholder is available and willing to be appointed.

15. Manner of taking poll and result thereof

(i) The Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.

(ii) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

16. In the case of joint Bondholders, the vote of the senior i.e. the first holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the other joint holder or holders.

17. The Chairman of a meeting of the Bondholders may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

18. In the case of equality of votes, whether on a show of hands, or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Bondholder.

19. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

20. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

21. A meeting of the Bondholders shall, inter alia, have the following powers exercisable in the manner hereinafter specified in Clause 22 hereof:-

(i) Power to sanction any compromise or arrangement proposed to be made between the Bank and the Bondholders.



(ii) Power to sanction any modification, alteration or abrogation of any of the rights of the Bondholders against the Bank whether such right shall arise under this Deed or Bonds or otherwise.

(iii) Power to assent to any modification of the provisions contained in this Deed and to authorise the Trustee to concur in and execute any supplemental Deed in relation to this Deed, embodying any such modification.

(iv) Power to remove the existing Trustee and to appoint new Trustee in relation to this Deed and in respect of the Bonds.

(v) Power to give any direction, sanction, request or approval which under any provision of this Deed is required to be given by a Special Resolution.

22. The powers set out in Clause 21 hereof shall be exercisable by a Special Resolution passed at a meeting of the Bondholders duly convened and held in accordance with provisions herein contained and carried by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is demanded by a majority representing not less than three-fourths in value of the votes cast on such poll. Such a Resolution shall be referred to as "Special Resolution".

23. A Resolution, passed at a general meeting of the Bondholders duly convened and held in accordance with these presents shall be binding upon all the Bondholders, whether present or not at such meeting, and each of the Bondholders shall be bound to give effect thereto accordingly, and the passing of any such resolutions shall be conclusive evidence that the circumstances justify the passing thereof, the intention being that it shall rest with the meeting to determine without appeal whether or not the circumstances justify the passing of such resolution.

24. Minutes of all Resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered into books from time to time provided for the purpose by the Trustee at the expenses of the Bank and any such minutes as aforesaid, if purported to be signed by the Chairman of the meeting at which such Resolutions were passed or proceeding held or by the Chairman of the adjourned meeting shall be conclusive evidence of the matters therein contained and until the

Issuer	Trustee
	

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contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat or proceedings taken, to have been duly passed and taken.

25. Notwithstanding anything herein contained, it shall be competent to all the Bondholders to exercise the rights, powers and authorities of the Bondholders under this Deed by a letter or letters signed by or on behalf of the Bondholders or electronically without convening a meeting of the Bondholders as if such letter or letters intention recorded electronically constituted a resolution or a special resolution, as the case may be, passed at a meeting duly convened and held as aforesaid and shall have effect accordingly.

Issuer	Trustee
	

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## SCHEDULE - IV

### FORMAT OF DEED OF ACCESSION

THIS DEED OF ACCESSION ("Deed") is made on \_\_\_\_\_ BY:

[•], having its registered office at [•] (hereinafter referred to as "Successor Trustee", which expression shall, unless it be repugnant to the subject or context thereof, include each such person's successors, heirs, administrators, executors, estate, legal representatives and/or assigns);

THIS DEED IS SUPPLEMENTAL to the Bond Trust Deed dated \_\_\_\_\_ executed between the \_\_\_\_\_ (in its capacity Trustee) and State Bank of India (the "Issuer") AND WITNESSES as follows:

1. The Successor Trustee hereby confirms that it has been supplied with a copy of the Bond Trust Deed and all other Transaction Documents (as varied by the Parties thereto) and hereby covenants with the Issuer and the Bondholder(s) to observe, perform and be bound by all the terms thereof which are capable of applying to the Trustee under the Transaction Documents.
2. The Successor Trustee shall be deemed to be the Trustee in relation to the Bonds of the Issuer on and from the date of this Deed and shall also be deemed to be a Party to the Bond Trust Deed and other Transaction Documents (as applicable) from such date.
3. This Deed shall be governed in all respects by the laws of India.
4. Capitalised terms used but not defined herein shall have the meaning ascribed to them in the Bond Trust Deed.
5. Address for notice to the new Trustee for the purpose of Section 33 of the Bond Trust Deed shall be:

[\_\_\_\_\_]

[\_\_\_\_\_]

[\_\_\_\_\_]

IN WITNESS WHEREOF the authorised signatory of the Successor Trustee have caused these presents to be executed by their authorised officer the day and year first hereinabove written in the manner hereinafter appearing:

Issuer	Trustee
	

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Signed by [•]

Name: [\_\_\_\_\_]

Designation: [\_\_\_\_\_]

(in its capacity as the Successor Trustee)

ACKNOWLEDGED AND CONFIRMED BY:

Name: [\_\_\_\_\_]

Designation: [\_\_\_\_\_]

[name of the existing Trustee], in its capacity as the existing Trustee,

through its authorized signatory \_\_\_\_\_

STATE BANK OF INDIA, in its capacity as the Issuer,

through its authorized signatory \_\_\_\_\_



IN WITNESS WHEREOF the Trustee and the Issuer have caused these presents and the duplicate thereof to be executed by their authorised official on the day, month and year first above written as hereinbefore appearing.

SIGNED AND DELIVERED for and on behalf of **STATE BANK OF INDIA**, by the hand of its authorized official Mr. S.S.A. Kazmi.



SIGNED AND DELIVERED for and on behalf of **IDBI TRUSTEESHIP SERVICES LIMITED**, the within named Trustee, by the hand of ~~Mr./Ms.~~

Sheetal Khandekar its  
authorised signatory

For IDBI TRUSTEESHIP SERVICES LTD.

  
AUTHORISED SIGNATORY

Issuer	Trustee
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# ANNEXURE

(Copy of payment of stamp duty paid against bond issue)

<div> महाराष्ट्र शासन  GOVERNMENT OF MAHARASHTRA  ई-सुरक्षित बँक व कोषागार पावती  e-SECURED BANK &amp; TREASURY RECEIPT (e-SBTR) </div>	
<div> 14070364778376 </div>	
Bank/Branch: PNR/PURSECHER RD MARIMAN POINT 113321 Pat Tm Id : C759140117121 Pat DtTime : 07-09-2018 11:41:01 ChallenIdNo: 03006172016030610152 District : T101/MUMBAI	Stationery No: 14090364778376 Print DtTime: 07-09-2018 11:28:45 GPAS GEN : MUMBAI040592012015178 Office Name : T10102/MUMBAI CITY 1
StDuty Schm: 0030644601-75/Sale of Other NonJudicial Stamp NoS StDuty Amt : ₹ 25,00,000/- (Rs Two Five, Zero Zero, Zero Zero Zero only)	
EgnFee Schm: EgnFee Amt :	
Article : 27/Debtenture Prop Wblty: N.A Prop Secur : STATE BANK OF INDIA, STATE BANK BHAYAN, MUMBAI, MAHARASHTRA I, Maharashtra Duty Payee: (PAN-AAA/08677K) STATE BANK OF INDIA Other Party: (PAN-AAAC1206RD) YES BANK LIMITED	
Bank Official Name & Signature	
Bank official Name & Signature --- --- Space for customer/office use --- --- Please write below this line --- ---	

Issuer	Trustee
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