

Particulars	Year ended	Year ended	Year ended
	31/03/2015	31/03/2014	31/03/2013
the year			
Cash and Cash Equivalents as at the end of the year	48647.56	44871.58	34779.21

vii. Auditors' Qualifications

Financial Year	Auditors' Qualifications
2014-15	Nil
2013-14	Nil
2012-13	Nil

J. **Limited Review Quarterly Standalone Financial Information of the Issuer as of September 30, 2015**

(Rs. in crore)

Sr. No.	Particulars	Quarter ended	Quarter ended	Year ended
		30.09.2015	30.09.2014	31.03.2015
		(Reviewed)	(Reviewed)	(Audited)
1.	Interest Earned (a+b+c+d)	11267.50	10893.87	43750.04
a)	Interest/ discount on advances/ bills	8126.01	8004.71	32066.12
b)	Income from Investments	2942.92	2681.14	10923.75
c)	Interest on balances with Reserve Bank of India and other Inter Bank Funds	198.57	208.02	759.79
d)	Others	0	0	0.38
2.	Other Income	1210.45	1021.34	4550.25
3.	Total Income (1+2)	12477.95	11915.21	48300.29
4.	Interest Expended	8621.00	8526.08	34086.37
5.	Operating Expenses (i)+(ii)+(iii)	1912.85	1763.59	7263.55
(i)	Employees Cost	1107.84	1035.79	4274.25
(ii)	Rent, Taxes and Lighting	208.02	171.54	658.90
(iii)	Other Operating Expenses	596.99	556.26	2330.40
6.	Total Expenditure (4)+(5) (excluding Provisions and Contingencies)	10533.85	10289.67	41349.92
7.	Operating Profit before provisions & contingencies (3-6)	1944.10	1625.54	6950.37
8.	Provisions (other than tax) and Contingencies	1212.31	813.70	3452.74

Sr. No.	Particulars	Quarter ended	Quarter ended	Year ended
		30.09.2015	30.09.2014	31.03.2015
		(Reviewed)	(Reviewed)	(Audited)
9.	Exceptional Items	0	0.00	0
10.	Profit (+)/ Loss (-) from Ordinary Activities before Tax (7-8-9)	731.79	811.84	3497.63
11.	Tax Expense- Current Year	202.93	185.00	795.00
12.	Profit (+)/ Loss (-) from Ordinary Activities after Tax (10-11)	528.86	626.84	2702.63
13.	Extraordinary Items (net of tax expense)	0	0.00	0
14.	Net Profit (+)/ Loss (-) for the period (12-13)	528.86	626.84	2702.63
15.	Paid-up Equity Share Capital (Face Value of each share- Rs.10/-)	542.99	461.26	475.20
16.	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	25978.18	23660.60	25978.18

K. Material event/ development or change at the time of Issue

The Issuer hereby confirms that there has been no material event, development or change having implications on the financials/ credit quality of the Issuer (e.g. any material regulatory proceedings against the Issuer/ promoters of the Issuer, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of Issue which may affect the Issue or the investor's decision to invest/ continue to invest in the debt securities of the Issuer.

L. Name of the Bond Trustee

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

M. Detailed rating rationale(s) adopted / Credit Rating Letter issued

Please refer to Annexure I, II and III of the Disclosure Document.

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

Not applicable.

O. Copy of consent letter from the Debenture Trustee

Please refer to Annexure IV of the Disclosure Document.

P. Names of all stock exchanges where the Debt Securities are proposed to be listed

NSE

Q. Other Details

i. DRR Creation

As per Ministry of Corporate Affairs, GOI Notification dated 31.03.2014, Companies (Share Capital and Debentures) Rules 2014 no debenture redemption reserve is required for debentures issued by Banking Companies for both public as well as privately placed debentures. The Bank has appointed a trustee to protect the interest of the Bondholders.

ii. Issue/ instrument specific regulation

Basel III Regulations and SEBI Debt Regulations. The definitions, abbreviations or terms wherever used shall have the same meaning as defined in the RBI circulars applicable to the issue of these bonds.

iii. Application process

Investors are advised to comply with the following General Instructions:

1. Instructions for filling in Application Forms

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

2. Applications under Power of Attorney or by Authorized Representatives

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

3. PAN of the Applicant

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

4. Bank Account Details and RTGS/ NEFT particulars

The applicant must fill in the relevant column in the application form giving particulars of its Bank Account number and name of the bank with whom such account is held, to enable the Registrars to the Issue to print the said details in the

redemption / interest warrant. This is in the interest of the applicant for avoiding misuse of the redemption / interest warrant. Furnishing this information is mandatory and applications not containing such details are liable to be rejected. The applicants should also fill in RTGS/ NEFT particulars of their bank accounts to enable the Bank to remit redemption/ interest payments by RTGS/ NEFT. Canara Bank may also download the bank particulars in respect of beneficial ownership position as available with the depositories on the Record Date for this purpose.

5. Eligible Investors

The following categories of applicants are eligible to apply for this Issue of Bonds. However, the prospective subscribers must make their own independent evaluation and judgement regarding their eligibility to invest in the Issue.

- a. Mutual Funds;
- b. Public Financial Institutions as defined under the Companies Act.
- c. Scheduled Commercial Banks;
- d. Insurance Companies;
- e. Provident Funds, Gratuity Funds, Superannuation Funds and Pension Funds;
- f. Co-operative Banks;
- g. Regional Rural Banks authorized to invest in bonds/ debentures;
- h. Companies and Bodies Corporate authorized to invest in bonds/ debentures;
- i. Trusts authorized to invest in bonds/ debentures; and
- j. Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures, etc.

All applicants are required to comply with the relevant regulations/ guidelines applicable to them for investing in the issue of Bonds as per the norms approved by Government of India, Reserve Bank of India or any other statutory body from time to time. However, out of the aforesaid class of applicants eligible to invest, this Disclosure Document is intended solely for the use of the person to whom it has been sent by the Bank for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the securities offered herein, and it is not to be reproduced or distributed to any other persons.

The issue is restricted to the above investors. Prospective subscribers must make their own independent evaluation and judgment regarding their eligibility to invest in the issue.

6. Documents to be provided by investors

Investors need to submit the certified true copies of the following documents, along with the application form, as applicable:

- Memorandum and Articles of Association/Constitution/bye-laws/trust deed;
- Board resolution authorizing the investment and containing operating instructions;
- Power of Attorney/relevant resolution/authority to make application;
- Specimen signatures of the authorized signatories (ink signed) duly certified by an appropriate authority;
- Government notification (in case of Primary Co-operative Bank and RRBs);
- Copy of PAN issued by the Income Tax Department;
- Copy of a cancelled cheque for ECS payments;
- Necessary forms for claiming exemption from deduction of tax at source on interest on application money, wherever applicable;
- Certified true copy of the power of attorney;
- SEBI Registration Certificate (for Mutual Funds); and
- Demat details (DP ID & Client ID)

7. Terms of Payment

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

8 Payment Instructions.

The remittance of application money should be made by electronic transfer of funds through RTGS mechanism for credits as per details given :

Name of the Banker	Canara Bank
Account Name	Canara Bank A/c- Tier II Bonds 2015-16 (Series II)
Credit into Current A/c No.	2426201100282
IFSC Code	CNRB0002426

Address of the Branch	115, 11 th Floor, Atlanta Building, Nariman Point, Mumbai 400021
Narration	Application Money for the Bond Issue

Cheque(s), demand draft(s), money orders, postal orders will not be accepted. The Bank assumes no responsibility for any applications lost in mail. The entire amount of Rs.10,00,000 (Rupees Ten Lakhs Only) per Bond is payable on application.

9. **Submission of Completed Application Forms**

Applications duly completed and accompanied by credit of application money (by RTGS) should be sent to the Domestic Treasury, Integrated Treasury Wing, Mumbai on the same day

10. **Acknowledgements**

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

11. **Basis of Allocation/ Allotment**

Beginning from the issue opening date and until the day immediately prior to the issue closing date, full and firm allotment against all valid applications for the Bonds will be made to applicants on a first-come-first-served basis, subject to the limit of the Issue size, in accordance with applicable laws. If and to the extent, the Issue is fully subscribed prior to the issue closing date, no application shall be accepted once the Issue is fully subscribed.

Allotment will be done on “day-priority basis”. In case of oversubscription over and above the issue size, the allotment of such valid applications received on the closing day shall be on pro rata basis to the applicants in the ratio in which they have applied regardless of category of investors. If the proportionate allotment of Bonds to such applicants is not a minimum of one Bond or in multiples of one Bond (which is the market lot), the decimal would be rounded off to the next higher whole number if that decimal is 0.5 or higher and to the next lower whole number if that decimal is lower than 0.5. All successful applicants on the issue closing date would be allotted the number of Bonds arrived at after such rounding off.

12. **Letter(s) of Allotment/ Bond Certificate(s)/ Refund Order(s)/ Issue Of Letter(s) of Allotment**

The beneficiary account of the applicant(s) with the Depositories/ DP will be given

initial credit within two working days from the Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of the all statutory formalities, such credit in the account will be akin to a Bond Certificate.

13. Issue of Bond Certificate(s)

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 applicant would be replaced with the number of Bonds allotted. The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of the Depositories Act, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL)/ DP from time to time and other applicable laws and rules notified in respect thereof. The Bonds shall be allotted in dematerialized form only.

14. Depository Arrangements

The Bank has appointed CCSL as the Registrar for the Issue. The Bank has entered into necessary depository arrangements for dematerialization of the Bonds offered under the present Issue, in accordance with the Depositories Act and regulations made there under. In this context, the Bank has signed two tripartite agreements as under:

- (a) Tripartite Agreement between the Bank, NSDL and the Registrar for dematerialization of the Bonds offered under the present Issue.
- (b) Tripartite Agreement between the Bank, CDSL and the Registrar for dematerialization of the Bonds offered under the present Issue.

Bondholders can hold the bonds only in dematerialised form and deal with the same as per the provisions of the Depositories Act as amended from time to time.

15. Procedure for Applying for Demat Facility

- (a) Applicant(s) must have a Beneficiary Account with any DP of NSDL or CDSL, prior to making the applications.
- (b) The applicant(s) must specify their beneficiary account number and DP ID in the relevant columns of the Application Form.
- (c) For subscribing the bonds, names in the application form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository.
- (d) If incomplete/ incorrect beneficiary account details are given in the Application Form which does not match with the details in the depository

system, it will be deemed to be an incomplete application and the same be held liable for rejection at the sole discretion of the Bank.

- (e) The Bonds shall be directly credited to the beneficiary account as given in the Application Form and after due verification, allotment advice/ refund order, if any, would be sent directly to the applicant by the Registrars to the Issue but the confirmation of the credit of the Bonds to the applicant's depository account will be provided to the Applicant by the DP of the applicant.
- (f) Interest or other benefits with respect to the Bonds would be paid to those bondholders whose names appear on the list of beneficial owners given by the depositories to the Bank as on the Record Date. In case, the beneficial owner is not identified by the depository on the Record Date due to any reason whatsoever, the Bank shall keep in abeyance the payment of interest or other benefits, till such time the beneficial owner is identified by the Depository and intimated to the Bank. On receiving such intimation, the Bank shall pay the interest or other benefits to the beneficiaries identified, within a period of 15 days from the date of receiving such intimation, without liability for making payment for penal interest for the intervening period.
- (g) Applicants may please note that the Bonds shall be allotted and traded on the stock exchange(s) only in dematerialized form.

16. Fictitious Applications

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447.”

The liability prescribed under section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the

fraud, extending up to three times of such amount.

17. Market Lot

The market lot will be one Bond ("Market Lot"). Since the Bonds are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer of Bonds.

18. Right to accept or reject applications

The Bank reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on application money will be paid from the date of credit till one day prior to the date of refund. The application forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. Number of bonds applied for is less than the minimum application size;
- b. Applications exceeding the issue size;
- c. Bank account details not given, particularly, account name and number from which money has been remitted to the Issuer;
- d. Details for issue of Bonds in electronic/ dematerialized form not given;
- e. PAN/GIR and IT Circle/Ward/District not given;
- f. In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;

In the event, if any Bond(s) applied for is/ are not allotted in full, the excess application monies of such Bonds will be refunded, as may be permitted.

19. Interest in case of delay

- a. In case of delay in execution of the Bond Trust Deed, the Bank will refund the subscription with agreed rate of interest or will pay penal interest of at least 2% per annum over the coupon rate till these conditions are complied with at the option of the Investor;
- b. In case of delay in listing of the Bonds beyond 20 days from the Deemed Date of Allotment, the Issuer will pay penal interest of at least 1% per annum over the coupon rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of the Bonds, to the Investor.

III. TERMS OF ISSUE

1. Date of passing of board resolution authorizing the offer of securities

November 19, 2015.

2. Details of the bonds proposed to be issued and listed

Unsecured Non-Convertible Redeemable Basel III compliant Tier 2 Bonds (herein referred to as the “Series II Bonds”) for inclusion in Tier 2 Capital in dematerialized form made in compliance with the applicable regulations specified by SEBI, the RBI guidelines and other applicable laws.

3. Applicable Regulation

The present issue of Bonds is being made in pursuance of Master Circular No. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 issued by the Reserve Bank of India on Basel III capital regulations covering criteria for inclusion of debt capital instruments as Tier 2 capital and SEBI Debt Regulations. The bank can issue the bonds proposed by it in view of the present approvals and no further internal and external permission/approval(s) is/are required to undertake the proposed activity.

4. Objects of the Issue

The proposed Issue is being made for augmenting overall capital of the Bank for strengthening its capital adequacy as per Basel III Regulations, for future growth and for enhancing long-term resources.

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

Each of the Bonds have a face value of Rs. 10,00,000 (Rupees ten lakhs only), with no premium.

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

Not applicable, as the Bonds being offered are unsecured and are being issued at par.

7. Amount intended to be raised

Rs. 900 crores (Rupees Nine Hundred Crores only) through private placement.

8. Authority for the Issue

The present issue of Bonds is being made pursuant to the resolution of the Board of Directors dated November 19, 2015 authorizing issue of Bonds offered under terms of this Disclosure Document