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OFFER DOCUMENT ISSUE OF LONG TERM (SUBORDINATED) DEPOSITS (LTD) 2019-20 (Series-VI) UNDER LOWER TIER - II CAPITAL.

1. PREAMBLE:

As per RBI circular bearing reference no. RBI/2016-17/7, DCBR.BPD.Cir.No.21/09.18.201/2016-17 dated July 7, 2016, Co-operative banks are allowed to raise funds through the instrument of Long Term (Subordinated) Deposit (LTD) for augmenting Lower Tier II Capital of the Bank without seeking prior approval of RBI, provided the Bank complies with the parameters as specified in the RBI circular and further the raising of funds is approved by their Board.

As the Bank complies with all the parameters as prescribed in the RBI circular, the Board in its meeting dated 10th May, 2019 has approved the raising of funds through the instrument of Long Term (Subordinated) Deposit (LTD) to the tune of ₹300 Crore (Rupees Three Hundred Crore only).

The permission has been granted by Central Registrar of Co-operative Societies, Government of India, Ministry of Agriculture & Farmers Welfare, Department of Agriculture and Co-operation & Farmers Welfare, Krishi Bhavan, New Delhi vide their letter bearing Ref No: **R-11017/80/2012-L&M (Vol 2) dated 27.06.2019.**

2. ABOUT THE BANK:

- Saraswat Co-operative Bank Ltd. was registered on 14th September 1918, initially as a Co-operative Credit Society and later on in the year 1933 was converted into a full fledged Co-operative Bank.
- With the network of branches spread across the country, operating on the Core Banking Solution platform, the Bank is the largest Scheduled Urban Co-operative Bank in India.
- The Bank enjoys 'A' Audit Classification since 1933.
- Equipped with the state of the art technology, the Bank offers a wide range of services to its customers through Any Branch Banking, ATMs, Internet Banking, SMS Banking, Debit / Credit Cards, Mobile Banking, Saraswat Bank ConnectApp, etc.
- The Bank has a permanent license to deal in Foreign Exchange as Authorized Dealer Category I.
- The total business of the Bank as on 31.03.2019 stood at ₹61,812.36 crore and profit after tax was at ₹291.29 crore and CRAR was at 13.16%.
- Behind this splendid progress of the Bank, stands the support and guidance of our experienced, highly qualified and professional Board of Directors.

Performance highlights of the Bank for last two years are as follows:

PERFORMANCE HIGHLIGHTS

(₹ in crore)

Particulars	FOR THE YEAR ENDED	
	31.03.2019	31.03.2018
Total Income	3,430.04	3,376.02
Total Expenditure	2,799.77	2,847.51
Gross Profit	630.27	528.51
Less : Provisions	231.57	190.74
Profit Before Tax	398.70	337.77
Less : Income Tax	107.41	97.09
Profit after Tax carried to Balance Sheet	291.29	240.68
Foreign Exchange Business	83,149.16	71,749.68
	AT THE YEAR END	
Own Funds	3,237.38	2,869.03
Share Capital	263.97	236.75
Reserves & Surplus	2,973.41	2,632.28
Deposits	36,014.87	35,056.66
Current	2,169.66	2,703.06
Savings	8,217.28	8,090.82
Term	25,627.93	24,262.78
Advances	25,797.49	23,469.11
Secured	25,618.87	23,328.06
Unsecured	178.62	141.05
Total Business	61,812.36	58,525.77
Priority Sector	10,611.05	5,910.72
% to Adjusted Net Bank Credit (ANBC)	45.21	27.45
Small Scale Industries	777.50	430.04
Small Businessmen & Traders	4,805.05	2,864.71
Other Priority Sectors	5,028.50	2,615.97
Working Capital	42,915.12	40,520.30
Investments	11,013.69	9,567.97
Borrowings and Refinance	2,221.31	1,231.67
Net NPA (%)	1.80	0.94
Capital Adequacy (%)	13.16	13.60
Number of Members		
Regular (Shareholders holding 50 shares and above)	2,13,836	1,99,616
Nominal	50,273	39,972
Number of Branches	284	281
Number of Employees	4,341	4,061
Productivity per Employee	14.24	14.41
Profit per Employee (₹ in lakh)	6.71	5.93
Return on Average Assets (%)	0.72	0.60

3. OBJECTS OF THE ISSUE :

The proposed issue of Long Term (Subordinated) Deposit (LTD) is being made for augmenting the Lower Tier II Capital of the Bank to take care of the growing business needs.

4. ISSUE SIZE :

Saraswat Co-operative Bank Ltd. proposes to raise up to ₹300 crore through issue of Long Term (Subordinated) Deposits (LTD) 2019-20 (Series – VI) under Lower Tier-II Capital. In the process, the members of the public and other eligible entities would get an opportunity to participate in the LTD issue of the Bank.

SALIENT FEATURES OF THE LONG TERM (SUBORDINATED) DEPOSITS (LTD) 2019-20 (Series – VI)

Sr. No.	Salient Features
I	The minimum amount of deposit is ₹50,000/- and thereafter in the multiples of ₹25,000/-.
II	The tenure of Long Term (Subordinated) Deposits will be 84 months from the date of issuance.
III	Long Term (Subordinated) Deposits will be accepted from individuals (singly or jointly), partnership firms, companies, HUF, charitable trusts etc., who are members as well as non-members.
IV	Urban Co-operative Banks cannot invest in the Long Term (Subordinated) Deposits, a minor is also not eligible to invest in Long Term (Subordinated) Deposits.
V	The LTD issue shall remain open till a date of closure is notified by the Bank. The date of closure of the LTD issue will be notified by the Bank on its website www.saraswatbank.com and on the notice board of the Bank's offices.
VI	Interest will be payable quarterly @9.00% p.a (i.e. Calendar Quarter) on amount accepted under LTD.
VII	Acceptance of deposits under Long Term (Subordinated) Deposits 2019-20 (Series VI) will be stopped by the Bank on receipt of the total amount of ₹300 crore. The Bank reserves the right to accept lesser amount of deposit, without assigning any reasons.
VIII	Deposits placed under the "Long Term (Subordinated) Deposits" shall not be transferable.
IX	Nomination facility for LTD is available under the respective provisions of Multi-State Co-operative Societies Act 2002 and Bye-Laws of Saraswat Co-operative Bank Ltd.
X	Interest income from Long Term (Subordinated) Deposits is subject to Tax deduction at Source (TDS) as per the Income Tax Act, 1961 as applicable from time to time.

Sr. No.	Salient Features
XI	No advances / overdrafts will be granted against the security of Long Term (Subordinated) Deposits (LTD) issued by the Bank.
XII	Facility of premature withdrawal/closure for these Long Term (Subordinated) Deposits (LTD) is not available.
XIII	The Bank will not recognize any lien, charge or other encumbrance on the Long Term (Subordinated) Deposits (LTD).
XIV	Deposits placed under “Long Term (Subordinated) Deposits” (LTD) will not be eligible for insurance cover from the Deposit Insurance & Credit Guarantee Corporation (DICGC).
XV	The option of “Cumulative” interest on deposit is not available under Long Term (Subordinated) Deposits (LTD).
XVI	LTD Issue Series-VI shall not have a " Put Option" or a " Step Up Option", however the Bank shall have a "Call Option" after 5 years, which may be exercised with prior permission of Reserve Bank of India.
XVII	Reserve Bank of India before giving the permission would, among other things, take into consideration the Bank's CRAR position both at the time of exercise of the “Call Option” and after the exercise of the “Call Option”.
XVIII	The Long Term (Subordinated) Deposit holder/s may by signing a Nomination Form nominate any person or persons to receive the Long Term (Subordinated) Deposit from the Bank on the death of the sole Long Term (Subordinated) Deposit holder/death of the last surviving holder as available under the respective provisions of Multi State Co-operative Societies Act 2002 and the Bye laws of Saraswat Co-operative Bank Ltd. Or if there is no person or persons so nominated, the Bank shall transfer the said Long Term (Subordinated) Deposits to any such person or persons as may appear to the Board of Directors to be entitled to receive the same as heir/s or legal representative/s of the deceased Long Term (Subordinated) Deposit holder/s, a sum representing the value of such deposit as ascertained in accordance with the Bye-Laws of the bank on his/her executing a deed of indemnity to the Bank and the Bank shall thereupon be absolved from all liability in respect of such deposit.
XIX	Interest on LTD deposits ceases to be payable from date of maturity of Long Term (Subordinated) Deposits.

Sr. No.	Salient Features
XX	In case of LTD depositor maintaining an account with our Bank, interest will be credited to the Savings/ Current account of such LTD depositor. In case of depositor maintaining an account with other bank, the interest will be paid by National Electronic Clearing Services (NECS) to the LTD depositor.
XXI	In case any Interest Payment Date(s) and /or Date(s) of Redemption falls on a Holiday, Sunday or any Public Holiday declared under Negotiable Instrument Act 1881, interest / redemption of principal will be made on the next working day (i.e. a day on which banks are open for business).
XXII	Repayment of Long Term (Subordinated) Deposits at maturity shall be made by the Bank without seeking permission of the Reserve Bank of India subject to the Bank's Capital to Risk Weighted Assets Ratio (CRAR) after redemption is above the minimum regulatory requirements as prescribed by RBI from time to time.
XXIII	Repayment of principal amount of Long Term (Subordinated) Deposits will be made by credit to the Savings / Current account of the LTD account holders and by NECS in the case of non-account holders, on maturity.
XXIV	Long Term (Subordinated) Deposits will be subordinated to the claims of depositors and other creditors but would rank senior to the claims of shareholders, including holders of preference shares (both Tier I and Tier II). Among investors of instruments included in Lower Tier II, the claims shall rank pari-passu with each other.
XXV	The Long Term (Subordinated) Deposits Certificate will be issued only in physical form.
XXVI	Deposit made under Long Term (Subordinated) Deposits will not confer voting rights to the depositors / investors.
XXVII	All disputes / transactions are subject to the jurisdiction with the competent courts in Mumbai, India.

5. HOW TO APPLY ?

- Each applicant (including the joint applicants) should mention his/her PAN Number on the application form.
- Deposit under LTD would be subject to adherence to the KYC guidelines.
- Cheque(s) / Demand Draft(s) should be drawn in favour of "Saraswat Co-operative Bank Ltd. LTD Series - VI" and crossed "Account Payee Only" payable at any center where the Bank's branches are located. The full value of the Long Term (Subordinated) Deposits applied for is to be paid along with the said application form.
- Applicant should indicate the application number and name of first applicant on the reverse of Cheque(s) / Demand Draft(s) through which the payment is made.
- The Cheque(s) / Demand Draft returned unpaid by other bank will not be relogged and the said LTD application form will stand rejected.
- The Bank reserves the right to reject incomplete application form without assigning any reasons thereof.

6. DISCLAIMER :**GENERAL DISCLAIMER:**

This Offer Document is neither a Prospectus nor a Statement in Lieu of Prospectus and is prepared in accordance with the stipulations issued by the Dept. of Co-operative Bank Regulation, Reserve Bank of India vide Circular No. DCBR.BPD.(PCB).MC No:10/09.18.201/15-16 dated 1st July, 2015. The Bank certifies that the disclosures made in this document are generally adequate and are in conformity with the Reserve Bank of India Regulations. This requirement is to facilitate investors to take an informed decision for making investment in the proposed Issue.

DISCLAIMER OF THE ISSUER :

The Bank confirms that the information contained in this Offer Document is true and correct in all material respects and is not misleading in any material respect. All information considered adequate and relevant about the Issue and the Bank has been made available in this Offer Document for the use and perusal of the potential investors and no selective or additional information would be available for a section of investors in any manner whatsoever. The Bank accepts no responsibility for statements made otherwise than in this Offer Document and anyone placing reliance on any other source of information would be doing so at his/her/their own risk. No person other than the Bank's authorized employees has been authorized to give any information or to make any representations not confirmed in this Offer Document in connection with this Offer. Any information or representations not contained herein must not be relied upon as having been authorized by the Bank.

This Offer Document sets forth concisely the information about the LTD's that a prospective investor ought to know before investing. Investors should carefully read the Offer Document before making an investment decision. This Offer Document remains effective until a material change occurs. As required, a copy of this Offer Document has been submitted to the Reserve Bank of India, Dept. of Co-operative Bank Supervision and the Central Registrar of Co-operative Societies. The particulars of this Offer Document have been prepared in accordance with the stipulations of the Dept. of Co-operative Bank Regulation, Reserve Bank of India issued vide Circular No. DCBR.BPD.(PCB).MC No:10/09.18.201/15-16 dated 1st July, 2015.

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Smita Sandhane
Managing Director