

THE SIRSI URBAN SAHAKARI BANK LIMITED, SIRSI – 581 401

Registered & Administrative Office, Post Box # 1, Rayarpeth, SIRSI – 581 401

Uttara Kannada District, Karnataka State

Telephone: 08384 – 226643, 226743 email: ho.manager@sirsiurbanbank.in

Website: www.sirsiurbanbank.in

OFFER DOCUMENT

ISSUE OF LONG -TERM SUBORDINATED BONDS (LTSB)

I. Preamble

1. Urban Co-operative Banks (UCBs) are permitted to raise, Long-Term Subordinated Bonds (LTSB) for augmenting its Tier II capital in accordance with the Reserve Bank of India Master Circular DOR.CAP.REC.5/09.18.201/2024-25 dated April 01, 2024. Bank has since received permission under RBI letter BLR.DOR.RSG. No.S235/ 07-02-181/ 2024-2025 dated February 19, 2025. The Board of the bank has approved the issue and terms and conditions for this issue in their meeting held on March 26, 2025
2. Bank has brought suitable amendments to its bye-laws to enable raising of funds through various instruments qualifying for augmenting the capital, thereby improving its Capital Adequacy Ratio which includes Long Term Subordinated Bonds (LTSB).

II. About the bank

1. The bank started its journey as Rural Co-operative Credit Society in the year 1905 and graduated to a Co-operative bank in 1913 thereafter in the year 1981, received license from RBI to carry on the business of banking.
2. Presently, bank has a network of 22 branches, 2 Extension Counters in its area of operation apart from Registered and Administrative Office.
3. A continuous track record of having “A” Audit Classification since 1946 with exception of short period of seven years between 2007 to 2012.
4. Total business of the bank stood at Rs.2054.79 crore as at March 31, 2024 comprising of Rs.1244.63 crore deposits and Rs.810.16 crore loans and advances.
5. The bank offers a range of banking and financial services to meet the diverse needs of its different customers through a variety of delivery channels such as ATM, RTGS, NEFT, UPI, Rupay Debit Cards, Mobile Banking etc.
6. Bank is committed to the highest standards of banking services to its customers.
7. The Board of Directors with their wealth of experience in banking and financial services are immensely been contributing towards the enormous growth of bank.

III. Financial performance

1. The financial parameters of the bank for the previous three years as per the audited financial statements is as detailed here below:

	Rupees in crore			
Sl. No.	Particulars	Financial year as at March 31		
		2022	2023	2024
a.	Share Capital	25.71	30.27	34.12
b.	Reserves and Surplus	42.87	48.97	55.26
c.	Bonds	0.00	0.00	0.00
d.	Deposits	1064.27	1135.06	1244.63
e.	Loans and Advances	628.08	748.33	810.16
f.	Working Capital	1231.86	1318.17	1452.73
g.	Net Profit	8.57	9.20	10.29
h.	Capital to Risk Assets Ratio (CRAR) %	13.68	13.57	13.60
i.	Gross Non-Performing Assets %	3.21	2.70	2.82
j.	Net Non-Performing Assets %	0.00	0.00	0.00
k.	Investments	302.77	279.74	316.67
l.	Of which in Government Securities	263.91	260.02	287.99
m.	Net-worth	74.70	77.21	85.58
n.	Total staff strength	136	132	125
o.	Total number of branches excluding extension counters	16	16	18
p.	Audit Classification	A	A	A

IV. Objects of the issue

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

V. Terms & conditions for Long-Term Subordinated Bonds (LTSB)

Sl. No.	Item	Features
1.	Permissions and CRAR aspects	<ul style="list-style-type: none"> The Bank has sought permission from the Reserve Bank of India as per conditions mentioned under Master Circular No. DOR. CAP. REC.5/09.18.201/2024-25 dated April 01, 2024 on Prudential Norms on Capital Adequacy for Urban Co-operative Banks. Bank has since received permission under RBI letter BLR. DOR. RSG. No. S235/ 07-02-181/ 2024-2025 dated February 19, 2025. Amounts raised through LTSB are eligible to be treated as Lower Tier II capital of the Bank.
2.	Issue Size	<ul style="list-style-type: none"> Bank proposes to raise upto Rs.20,00,00,000.00 (Rupees Twenty Crore through issue of Long Term Subordinated Bonds (LTSB). Issue and maturity amount would be at par. LTSB will be issued on "First come, first served basis"
3.	Minimum Investment	<ul style="list-style-type: none"> Minimum investment shall be for 10 bonds of Face Value Rs.10000.00 (Rupees Ten Thousand only) and thereafter in multiples of 1 bond of Rs.1000.00 each. The bank reserves the right to accept lesser amount without assigning any reasons.

Sl. No.	Item	Features
4.	Issue opening and closing dates	<ul style="list-style-type: none"> The issue will remain open till the date of closure is notified by the bank. The opening date and closing date will be notified in website of the bank www.sirsiurbanbank.in and on the Notice Board of bank's offices as per the decision of the Board.
5.	Rate of Interest	<ul style="list-style-type: none"> The present issue of Long Term Subordinated Bonds (LTSB) - Series 1 will carry fixed interest rate of 9.25 % p.a. payable quarterly on 1st January, 1st April, 1st July and 1st October every year, till the date of maturity. Interest will normally be credited to the SB/ Current Account of the bond holder with the bank. In case of non-account holders, the interest will be paid by Pay Order as per the prior mandate given. In case the interest payment date(s) and/ date of redemption falls on a Sunday, holiday or any public holiday declared under the Negotiable Instruments Act, 1881, the interest and/ or redemption of principal will be made on next working day, i.e., a day on which banks are open for business. No interest will be paid on unclaimed LTSB after the date of maturity The option of cumulative interest is not available for LTSB. i.e., compounding of interest is not available.
6.	Tax deduction at Source (TDS) on interest payment	<ul style="list-style-type: none"> Interest income will be subjected to Tax Deduction at Source (TDS) as per the provisions of Income Tax Act, 1961.
7.	Tenure	<ul style="list-style-type: none"> LTSB will have a tenure of 120 months (10 years) from the date of allotment. Payment on maturity will be made subject to the approval of Reserve Bank of India.
8.	Persons eligible to invest	<ul style="list-style-type: none"> Members of the bank or any other person residing within area of operation of the bank are eligible to invest.
9.	Providing PAN Number	<ul style="list-style-type: none"> Providing PAN number of the LTSB subscriber/ all joint account subscribers at the time of investing is mandatory.
10.	Persons not eligible to invest	<ul style="list-style-type: none"> Urban Co-operative Banks are not eligible to subscribe to LTSB.
11.	Transferability	<ul style="list-style-type: none"> LTSB is not transferable. However, in case of death of LTSB holder before maturity, the same will be transferred in the name of Legal Heirs/ Nominee on production of documents stated in the Bank's Policy and following the procedures thereon.
12.	Seniority of Claims	<ul style="list-style-type: none"> LTSB will be subordinated to the claims of depositors and other creditors, but would rank senior to claim of shareholders including holders of preference shares (both Tier I & Tier II, if issued in future). Among Investors of instruments included in lower Tier II the claims shall rank Pari-passu with each other.
13.	Premature withdrawal of LTSB	<ul style="list-style-type: none"> Facility of premature withdrawal/ closure for these Long-Term Subordinated Bonds (LTSB) is not available. LTSB will not have "put option" or "step-up option" Bank will have a "Call Option" which may be exercised only after it has run for at least 10 years and will be exercised only after prior approval of Reserve Bank of India
14.	Loan against LTSB	<ul style="list-style-type: none"> No Loan/ Advance can be granted against the LTSB issued. Bank will not recognize any lien, charge or other encumbrance on LTSBs. Bonds placed under LTSB cannot be pledged anywhere.

Sl. No.	Item	Features
15.	Nomination facilities	<ul style="list-style-type: none"> • LTSB is not a deposit and hence, nomination facility under section 45ZA of the Banking Regulation Act, 1949 (AACS) is not available. • However, nomination facility is available under provisions of The Karnataka Co-operative Societies Act, 1959 read with Rules 1960. • Such nomination shall be made by the LTSB holder/s by executing the Nomination Form to nominate any person or persons to receive the amount of LTSB in the event of death of the sole LTSB holder/ on death of the last surviving holder as per the provisions of The Karnataka Co-operative Societies Act, 1959, rules there under read with the bye-laws of the bank. • Where the non-member holder intends to avail nomination facility, then he/ they have to apply for nominal membership of the bank for the purpose of availing the nomination facility.
16.	Redemption of LTSB on maturity	<ul style="list-style-type: none"> • On maturity, repayment of principal amount of LTSB will be made by credit to Savings/ Current Account of LTSB holders with the bank or by Pay Order in the case of non-account holders. • Bank will not insist for Original Bond Certificate duly discharged at the time of redemption. • Redemption of LTSB on maturity shall be made only with the prior approval of Reserve Bank of India
17.	Repayment of amounts pertaining to deceased LTSB holders	<ul style="list-style-type: none"> • Where nomination is made by the LTSB holder/s by executing the Nomination Form to nominate any person or persons to receive the amount of LTSB in the event of death of the sole LTSB holder/ on death of the last surviving holder, proceeds will paid to such nominee/s as per the provisions of The Karnataka Co-operative Societies Act, 1959, rules there under read with the bye-laws of the bank. • In case no nomination is made or if the nomination made is not valid, <ul style="list-style-type: none"> a. If the aggregate amount of bonds and other amounts due by the bank does not exceed Rs.1.00 Lakh, such amount shall be paid/ transferred to those who, in the opinion of the board, appear to be the heirs or the legal representatives of the deceased holder on the execution of a deed of indemnity to the Bank and the Bank shall thereupon be absolved from all liability in respect of such bond. b. In case where the aggregate dues payable to the deceased holder exceeds Rs.1.00 Lakh, the dues shall be paid/ transferred to the legal heirs only when they produce succession/ heir ship certificate granted by a competent court.
18.	Status of LTSB	<ul style="list-style-type: none"> • LTSB is a Subordinated Debt and is not a "Bank Deposit."
19.	DICGC Cover	<ul style="list-style-type: none"> • LTSB is not 'Deposit' and will not be eligible for Insurance Cover from Deposit Insurance & Credit Guarantee Corporation (DICGC).
20.	Classification in Balance Sheet	<ul style="list-style-type: none"> • LTSB will be classified as Borrowings and will be shown separately in the Bank's Balance Sheet.
21.	CRR & SLR Requirements	<ul style="list-style-type: none"> • Total Amount raised by the Bank through issue of the LTSB will be reckoned as liability for computation of NDTL
22.	Voting Rights	<ul style="list-style-type: none"> • LTSB holders will not be eligible for voting rights.
23.	Issue of Certificate	<ul style="list-style-type: none"> • Long Term Subordinated Bonds (LTSB) Certificates will be issued only in physical form.
24.	Disputes/ transactions	<ul style="list-style-type: none"> • All disputes / transactions are subject to the jurisdiction with the competent courts in Sirsi, Uttara Kannada, Karnataka, India only.
25.	Utilization of proceeds of the issue	<ul style="list-style-type: none"> • The amount mobilized under this issue would be utilized towards normal banking activities of the bank after allotment of the bonds.

VI. How to apply

1. Application for LTSB shall be in the prescribed Application Form
2. Each applicant (including the joint applicants) should mention his/her PAN Number on the application form mandatorily
3. Bonds under LTSB are subject to adherence to KYC guidelines
4. Cheque(s) / Demand Draft (s) should be drawn in favour of "The Sirsi Urban Sahakari Bank Limited –LTSB Issue" and crossed "Account Payee only" payable at any centre where the Bank's branches are located.
5. The full value of the LTSB applied for shall be paid along with the said application form
6. 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.
7. The Cheque(s)/Demand Draft (s) returned unpaid by another bank will not be re-lodged and the said LTSB application form will stand rejected.
8. The Bank reserves the right to reject incomplete application form without assigning any reasons thereof.

VII. DISCLAIMER

1. General Disclaimer

This Offer Document is neither a Prospectus nor a Statement in lieu of Prospectus and is prepared in accordance with the guidelines stipulated by Reserve Bank of India vide Master Circular No. DOR. CAP. REC.5/ 09.18.201/ 2024-25 dated April 01, 2024 on Prudential Norms on Capital Adequacy for Urban Co-operative Banks. 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.

2. Disclaimer of the Issuer

The Bank confirms that the information given in this Offer Document is true and correct and is not misleading in any material respect. All adequate and relevant information about the Issue as well as 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 section of investors in any manner whatsoever. The Bank is not responsible for the statements made other than those mentioned in this Offer Document. 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 officials has been authorized to give any information or to make any representations not confirmed in this Offer Document in connection with the LTSB offer. Any information or representations not contained herein must not be relied upon as having been authorized by the Bank.

This Offer Document clarifies the aspects about the Long-Term Subordinated Bonds (LTSB) Series 1 that a prospective investor ought to know before investing. Investors should carefully read the Offer Document before investing in LTSB. This offer document has been submitted to Reserve Bank of India, Department of Co-operative Banks Supervision and The Registrar of Co-

operative Societies, Bangalore. This Offer Document remains effective until a material change occurs. The particulars of this Offer Document have been prepared in accordance with the stipulations of Reserve Bank of India under their Master Circular No. DOR. CAP. REC.5/09.18.201/2024-25 dated April 01, 2024 on Prudential Norms on Capital Adequacy for Urban Co-operative Banks.

For The Sirsi Urban Sahakari Bank Limited,

Arati S. Shettar
Chief Executive Officer
Encl: Application Form

Registered & Administrative Office, Post Box # 1, Rayarpeth, SIRSI – 581 401,
Uttara Kannada District, Karnataka State
Telephone: 08384 – 226643, 226743 email: ho.manager@sirsiurbanbank.in,
Website: www.sirsiurbanbank.in

(Please read the Terms and conditions of this issue before filling this application form)

Date

Dear Sir,

I/ We wish to apply for allotment of Long-Term Subordinated Bonds (LTSB) issued by The Sirsi Urban Sahakari Bank Limited, Sirsi. I/We have read & understood the terms and conditions of the LTSB herewith & received by me/us and agree to be bound by said terms & conditions as amended from time to time. I/ We hereby submit my/ our application of bonds and request to allot the same and place my/ our name in the Register of Bonds Holders.

NO. OF BONDS APPLIED: Minimum: 10		PAYMENT DETAILS	
In Numbers		Cheque/ Demand Draft Number	
In words		Date of Cheque/ Demand Draft	
Issue Price (in Rs.) per bond	Rs.1000.00	Drawn on (Name of the bank and branch)	
Amount (in numbers) Rs.			
Amount (in words) Rs.		Bank Account Number from where investment is made	
Name of the series		Rate of Interest (% p.a.)	

[illegible]

BANK PARTICULARS OF FIRST/ SOLE APPLICANT FOR PAYMENT OF INTEREST/ REDEMPTION AMOUNTS																												
Account Number																												
A/c Type (Tick anyone)	Savings Account							Current Account							Cash Credit Account													
Bank Name																												
Branch Name & address																												
IFSC Code																												
MICR Code																												
Please enclose a cancelled cheque of the above-mentioned Account Number																												

NOMINATION DETAILS (TICK ANY ONE)				
<input type="checkbox"/> I/ We wish to make nomination and do hereby nominate the following person(s) in whom shall vest all the rights in respect of LTSB Bonds, in the event of my/ our death.				
	Nominee 1	Nominee 2	Nominee 3	Nominee 4
Name and address of the nominee				
Father's Name				
Relationship with applicant				
Share to each nominee (No. of bonds)				
In case nominee is minor Date of birth				
Name of the guardian in case of minor				
Contact Details of Nominee				

<input type="checkbox"/> I/ We do not wish to nominate any person(s) in whom shall vest, all the rights in respect of such bonds in the event of my/ our death. I/ We understand that issues involved in non-appointment of nominee(s) and further are aware that in case of my/ our death, my/ our legal representatives are required to furnish requisite documents/ details including Will or documents issued by the court like Decree/ Succession Certificate or Letter of Administration or Probate of Will or any other document as may be prescribed by the competent authority for claiming my/ our aforesaid securities.
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Signature of First/Sole Applicant	Signature of Second Applicant	Signature of Third Applicant	Signature of Fourth Applicant
Name:	Name:	Name:	Name:

DECLARATION AND UNDERTAKING
I/We have read and understood to the terms and conditions of the LTSB herewith & received by me/us and agree to be bound by said terms and conditions. I/ We further declare that the information furnished in this application form are true and correct to the best of my/ our knowledge and belief and I/ We undertake to inform you of any changes therein immediately. Further I/ We submit herewith self-attested copies of the requisite documents. In case any of the above information/ documents is found to be false or untrue or misleading or misrepresenting, I am/ We are aware that I/ We may be held liable for it.

Signature of First/Sole Applicant/ Authorized Signatory	Signature of Second Applicant / Authorized Signatory	Signature of Third Applicant/ Authorized Signatory	Signature of Fourth Applicant/ Authorized Signatory
Name:	Name:	Name:	Name:

ENCLOSURES

1. PAN Card and Address Proof Photo Copy self-attested by applicant
2. One Cancelled Cheque copy for ECS/RTGS/NEFT payment of Interest /Maturity Amount in the name of first/ sole applicant
3. Cheque / Demand Draft should be drawn in favour of "The Sirsi Urban Sahakari Bank Limited – LTSB Issue" and the Name of the First/ Sole applicant and Application No. should be written on the back side of the Cheque/ Demand Draft